

Performance Highlights

TOTAL ASSETS (\$ THOUSANDS)		TOTAL DEPOSITS (\$ THOUSANDS)		EQUITY CAPITAL/NET WORTH	
2022	\$754,025	2022	\$607,642	2022	8.27%
2021	\$715,418	2021	\$640,584	2021	7.53%
2020	\$667,981	2020	\$590,110	2020	7.82%
2019	\$608,866	2019	\$519,860	2019	9.10%
2018	\$590,987	2018	\$501,731	2018	9.17%

Message from the Treasurer: Wilfred Krenek

As a member of the Asset & Liability Committee (ALCO), our primary responsibility is to ensure the financial stability and ongoing success of Members Choice Credit Union. We achieve this by carefully monitoring interest rate risk and analyzing potential scenarios. The management team has operational effectiveness practices in place with ALM First, a recognized leader in asset and liability management. Our objective is to maintain the capital required to serve our valued members effectively.

We are pleased to report that Members Choice Credit Union has maintained its financial strength and security throughout 2022. With capital available to lend and profits to reinvest for our members, the credit union concluded the year with a net income of \$6.5 million.

In 2022, the credit union increased total loans 31% over the previous year, to \$562 million, including allowance. This was a record year for loan growth and indicates the need to maintain our capital ratios and liquidity in order to help serve more of our members through lending. As an organization, we continue to earn our primary source of income through loan interest, and not through fees to members — our fee income is below industry averages. It is important to note that as policymakers increase scrutiny in this area, we are already ahead of the curve.

As evidenced by our financial performance, we remain “well-capitalized” as defined by our regulators. Detailed financial statements further support our strong performance. We extend our gratitude to the Board, management, and staff for their ongoing commitment to sound business practices, investment in technology, and long-term strategic view to manage the fluctuations in the economy.

Lastly, we sincerely thank you for your continued membership and support. It is an honor to serve you as the Treasurer of Members Choice Credit Union, and we look forward to another successful year ahead.

Message from the Supervisory Committee Chair: Tonya Jordan

The Supervisory Committee ensures that audits are conducted on a regular basis and that established internal controls effectively maintain and protect the credit union and its membership. We are pleased to report on the success of our annual audit and exams.

CliftonLarsonAllen LLP performed the annual audit of the books and records of Members Choice Credit Union, for the period ending December 31, 2022. The audit was made in accordance with industry auditing standards and confirmed the credit union’s adherence to Generally Accepted Accounting Principles (GAAP). In their opinion, the financial statements of the credit union present fairly in all material respects the financial position of the credit union as of December 31, 2022.

Additionally, the credit union undergoes extensive annual examinations by the National Credit Union Administration (NCUA) and the Texas Credit Union Department (TCUD) to review industry risk areas. In 2022, the NCUA added additional “Sensitivity to Market Risk” monitoring for all credit unions to review exposure from changes in market prices and interest rates. The credit union maintained a satisfactory rating, indicative of general financial soundness.

Balance Sheet

AS OF DECEMBER 31,
(in thousands)

	2022	2021
ASSETS		
Net Loans	\$ 561,592	\$ 429,739
Cash & Cash Equivalents	33,336	129,213
Net Investments	107,394	105,564
Other Assets		
Fixed Assets	32,031	34,993
Other Assets	19,672	15,909
TOTAL ASSETS	\$ 754,025	\$ 715,418

LIABILITIES, SHARES & EQUITY

Total Liabilities	103,375	23,216
Total Shares & Deposit	607,642	640,584
Total Equity	43,008	51,618
TOTAL LIABILITIES, SHARES & EQUITY	\$ 754,025	\$ 715,418

Statement of Income

YEAR ENDED DECEMBER 31,
(in thousands)

	2022	2021
Total Interest on Loans	\$ 26,520	\$ 19,927
Income from Investments	2,919	1,706
Fee and Other Operating Income	7,433	7,959
TOTAL GROSS INCOME	36,872	29,591
TOTAL OPERATING EXPENSE	24,989	24,885
INCOME (LOSS) FROM OPERATIONS	11,883	4,707
Less Provision for Loan Losses	4,134	1,567
Dividends Paid to Members	1,241	1,525
NET INCOME (LOSS)	\$ 6,508	\$ 1,615