

# Members First Credit Union Annual Report 2023

## Table of Contents

---

Directors and Management.....	2
Agenda.....	3
Minutes, 84th Annual Membership Meeting.....	4
Treasurer's Report.....	7
Statements of Financial Condition.....	8
Statements of Income.....	9
Statements of Members' Equity.....	10
Election Rules.....	11

## **DIRECTORS**

Samuel Shores, Chairman (2025)  
Mark Kulwicki, Vice-Chairman (2024)  
Roman Almaguer, Secretary/Treasurer (2024)  
Sabra Morlan (2025)  
Manuel Esquivel III (2026)  
Luther Hight (2025)  
Curtis Reeves (2026)

## **MANAGEMENT**

Wanda Muessel, Chief Executive Officer  
Paul Besse, Chief Financial Officer  
Blake Kemmis, Chief Information Officer  
Adriana Crisp, Chief Operations Officer  
Belinda Reeves, Member Service Manager  
Eric Flores, Consumer Loan Manager  
Debra Garza, Mortgage Loan Manager  
Vanessa Vera, Collections Manager  
Rachael Storr, Marketing Director  
Laura Chairez, Harlingen Branch Manager

# **AGENDA**

Welcome – Samuel Shores, Chairman

Invocation

Determination of a Quorum

Introduction of Directors

Minutes of the Previous Meeting

Election of Directors: Rules and Nominations

Reports:

Treasurer – Roman Almaguer

Chairman – Samuel Shores

CEO – Wanda Muessel

Unfinished Business

New Business

Election of Directors: Results

Adjournment

**MINUTES**  
**84th ANNUAL MEMBERSHIP MEETING**  
**February 21, 2023**

The 84th Annual Membership Meeting of Members First Credit Union was held on Tuesday, February 21, 2023 at the main office located at 5444 S. Staples, Corpus Christi, Texas.

Chairman of the Board Sam Shores welcomed members and brought the meeting to order at 5:53 p.m.

37 verified members registered for the meeting. The Chairman certified that a quorum was present and declared it a legal meeting.

The Chairman introduced the Board of Directors: Sam Shores (Chairman), Mark Kulwicki, (Vice-Chairman), Roman Almaguer (Secretary/Treasurer), Manuel Esquivel III, Sabra Morlan, Luther Hight and Curtis Reeves.

The Chairman stated the board met for 12 regular monthly meetings in 2021 and 4 special meetings.

Secretary/Treasurer Roman Almaguer noted a copy of the minutes of the 83rd Annual Meeting was provided in the Annual Report and asked for a motion to dispense with the reading and accept them as written.

MOTION by Blake Kemmis, second by Isaac Cantu to accept the minutes as written. MOTION CARRIED.

## **REPORT OF TREASURER**

Roman Almaguer reported that 2021 was a very successful year for the credit union. We funded over \$30M in loans, growing over 5.9%. Deposits grew even more at 14% and total assets increased \$20M for the second year in a row. Net income for the year was one of the highest ever achieved at \$2,213,949. Net operating expenses were nearly 50% lower than our peers and the capital to asset ratio ended at 19.07%, one of the highest levels among credit unions. Operations were closer to normal since the pandemic began. However, members continue to increase their use of services that provide convenience and remote access to their accounts. Mr. Almaguer stated we want to be

the preferred institution of our members. These results show we continue to move in that direction while still providing the utmost in safety and soundness.

MOTION by **Blake Kemmis**, second by **Isaac Cantu**, approving the Treasurer's Report as written. MOTION CARRIED.

## **REPORT OF CHAIRMAN OF THE BOARD**

Sam shotesan stated that credit unions are a unique part of the business environment. They are not-for-profit financial cooperatives that are controlled by volunteers and offer an alternative to the large banks that dominate the financial industry. Members First has technologically advanced competitive products. We have friendly, personal service, and are locally run and operated. The credit union has been profitable this year and in the past and continues to put those profits back in the credit union in the form of lower fees, better rates, improved products, and to stay ahead of the competition. She concluded we are happy to be a part of the credit union difference and pledge to continue to improve our value.

## **REPORT OF THE CEO**

Wanda Muessel reflected on what the credit union was like when he began working here 37 years ago. Deposit and loan rates were much higher and yet we had more loans than deposits. Technology was nothing like what it is today so recordkeeping and employee duties were very different. Members typically belonged to just one credit union based on where they worked so growth came naturally since credit unions were expanding their fields of membership. Change is a part of life and change has been good to the credit union. We have grown in membership, expanded physical resources, embraced technology, and provide a valuable financial alternative to our members. It is much harder now to compete and grow for smaller credit unions but Members First has done well. We have accomplished a great deal in our 80 years of existence and are poised to accomplish even more in the future.

## **UNFINISHED BUSINESS**

None

## **NEW BUSINESS**

None

## **NOMINATING COMMITTEE**

The Chairman appointed Luther Hight, Sabra Morlan and Mark Kulwicki to the nominating committee in September of 2021. The committee was charged with nominating two or more candidates for two 2-year terms expiring in 2023 (according to Credit Union guidelines, each member must be willing to serve, have an appropriate credit history, donate time and effort for the Credit Union's future, and be a member in good standing).

The Nominating committee reported they received two applicants that were approved for the two open positions on the Board. The nominees were:

Manuel Esquivel III (3-year term)  
Curtis Reeves (3-year term)

MOTION by **Blake Kemmis**, second by **Adriana Crisp** to elect the nominees by acclamation. MOTION CARRIED.

## **CONCLUSION AND ADJOURNMENT**

Chairman Sam Shores concluded the business of the meeting.

MOTION by **Manuel De Los Santos**, second by **Isaac Cantu** to adjourn the meeting. MOTION CARRIED.

The meeting was adjourned at **6:07** p.m.

## TREASURER'S REPORT

Members First Credit Union was very successful in meeting our financial objectives in 2022. Loans advanced during the year totaled \$31,658,996, the highest amount we have ever funded. As a result, loans grew 14.6% for the year ending at \$81,648,707. Growing our loan portfolio is always one of our main goals since it determines what deposit rates we can offer and is our main source of income. It also reflects how well we have been able to assist the financial needs of our members.

Member deposits had slower growth this year with total deposits increasing 0.8%. Member deposits now total \$138,093,063. Deposit growth caused total assets to increase to end the year at \$173,689,389. We would normally like to see deposits increase further, but with the large increase in deposits in 2020 and 2021 and investment options limited, we were able to meet our goals while loan demand caught up to deposits on hand and investment rates increased.

Net income for the year was \$2,412,288. Income benefited from NCUA returning funds in the amount of \$137k that had previously been charged off, low loan losses, and a low net operating expense ratio of 1.15% which is well below our peer ratio of 2.02%.

Strong capital is a major indicator of the financial strength of a financial institution and helps prepare for a major downturn in the economy or similar potentially negative event. With another year of high income, our position continues to be positive with a capital to asset ratio of 20.13%. This past year, a Supervisory Committee Audit was held by Harold Antao and Company LLC to ensure our accounting practices and records are in order. Their report showed no concerns or exceptions.

2022 saw a further return to more normal operations. Usage of the many remote service options we offer continues to increase. These services include check cards (10,008), credit cards (2,406), CU Online (6,552), and mobile app (4,717).

I want to thank my fellow directors for volunteering their time and effort this past year. I also want to acknowledge the staff for a job well done and thank our members for entrusting us to handle their financial needs and allowing us to report another positive year.

Respectfully submitted,



Roman Almaguer Jr.  
Secretary/Treasurer

**MEMBERS FIRST CREDIT UNION  
STATEMENTS OF FINANCIAL CONDITION  
DECEMBER 31, 2023 AND 2022**

---

**ASSETS**

	<b>2023</b>	<b>2022</b>
Cash and cash equivalents	\$ 11,805,364	\$ 11,805,364
Investments	69,283,943	69,283,943
Loans to members, net	81,648,707	81,648,707
Accrued interest receivable	596,769	596,769
Property and equipment	4,435,425	4,435,425
National Credit Union Share Insurance Fund deposit	1,273,695	1,273,695
Other assets	4,645,486	4,645,486
 Total assets	 \$ 173,689,389	 \$ 173,689,389

**LIABILITIES AND MEMBERS' EQUITY**

Liabilities

Members' shares	\$ 138,093,063	\$ 138,093,063
Accrued expenses and other liabilities	1,584,202	1,584,202
 Total liabilities	 139,677,265	 139,677,265

Members' equity

Retained earnings, substantially restricted	34,971,842	34,971,842
Accumulated other comprehensive income (loss)	(959,718)	(959,718)
 Total members' equity	 34,012,124	 34,012,124
 Total liabilities and members' equity	 \$ 173,689,389	 \$ 173,689,389



**MEMBERS FIRST CREDIT UNION  
STATEMENTS OF INCOME  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	<u>2023</u>	<u>2022</u>
<b>INTEREST INCOME</b>		
Interest on loans to members	\$ 3,431,885	\$ 3,431,885
Interest on investments and cash equivalents	1,369,176	1,369,176
<b>TOTAL INTEREST INCOME</b>	4,801,061	4,801,061
<b>INTEREST EXPENSE</b>		
Dividends on members' shares	342,896	342,896
<b>NET INTEREST INCOME</b>	4,458,165	4,458,165
<b>PROVISION FOR LOAN LOSSES</b>	139,109	139,109
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES</b>	4,319,056	4,319,056
<b>NON-INTEREST INCOME</b>		
Fees and Charges	1,383,866	1,383,866
Other non-interest income	1,562,537	1,562,537
<b>TOTAL NON-INTEREST INCOME</b>	2,946,403	2,946,403
<b>INCOME BEFORE GENERAL AND ADMINISTRATIVE EXPENSES</b>	7,265,459	7,265,459
<b>GENERAL AND ADMINISTRATIVE EXPENSES</b>		
Salaries and benefits	2,438,177	2,438,177
Operations	1,813,825	1,813,825
Occupancy	560,021	560,021
<b>TOTAL GENERAL AND ADMINISTRATIVE EXPENSES</b>	4,812,023	4,812,023
<b>NET NON-OPERATING GAINS (LOSSES)</b>	(41,148)	(41,128)
<b>NET INCOME</b>	<u>\$ 2,412,288</u>	<u>\$ 2,412,288</u>

**MEMBERS FIRST CREDIT UNION  
STATEMENTS OF MEMBERS' EQUITY  
FOR THE YEARS ENDED DECEMBER 31, 2023 AND 2022**

	Retained Earnings			Accumulated Other Comprehensive Income (Loss)
	Regular Reserve	Unappropriated	Total	
Balance, December 31, 2021	\$ 1,514,142	\$ 31,144,023	\$ 32,658,165	\$ (31,464)
Net income		2,412,287	2,412,287	
Net change in Unrealized Gain (Loss) from EBCRP				(981,995)
Net change in defined benefit obligations				53,741
Balance, December 31, 2021	\$ 1,514,142	\$ 31,144,023	\$ 32,658,165	\$ (959,718)
Net income		2,412,287	2,412,287	
Net change in Unrealized Gain (Loss) from EBCRP				(981,995)
Net change in defined benefit obligations				53,741
Balance, December 31, 2022	\$ 1,514,142	\$ 33,457,700	\$ 34,971,842	\$ (959,718)

## **ELECTION RULES**

(printed in the October 2023 newsletter)

Members interested in running for a position on the Board of Directors must submit a completed “Director Application and Agreement to Serve” form. A credit history of the applicant and current standing with the credit union will also be reviewed as part of the approval process. All interested parties that receive approval by the Nominating Committee based on these criteria will be included as candidates for upcoming vacancies on the Board of Directors.

Any applicant that the Nominating Committee does not approve will be referred for review by the Board of Directors. These members may be selected if approved by the Board. Any applicant not selected will receive a written explanation describing the reason for disapproval. This information will also be communicated to the Credit Union Department. Interested parties must submit their application no later than December 15, 2023. No nominations will be accepted after this deadline and no nominations may be placed from the floor at the Annual Meeting.

These rules were established so that all candidates or potential Directors would be in good standing with the Credit Union, would be insurable for bonding purposes, and would receive approval from the Credit Union Department.