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# 2021 Annual Report



# AGENDA

## 46TH ANNUAL MEETING

- I. Meeting Called to Order
- II. Quorum Ascertained
- III. Review of the 2021 Minutes
- IV. Chair's Report
- V. Treasurer's Report
- VI. Supervisory Committee Report
- VII. Nominating Committee Report
- VIII. Old Business
- IX. New Business
- X. Message From CEO
- XI. Prize Drawings
- XII. Adjournment

# MINUTES—45TH VIRTUAL ANNUAL MEETING

The 45th Annual Meeting (virtual), of MTC Federal Credit Union was called to order by Mike Tolman, Chair of the Board, on March 24, 2021 at 4:30 pm EST. The meeting was held as a virtual meeting.

Chair Tolman welcomed all in attendance to the 45th Anniversary Celebration and announced that due to health and safety concerns, this year's meeting is virtual. Afterwards, Delcia Corbitt, Secretary, acknowledged that a quorum was present. Board members in attendance were: Mike Tolman, Michael Hanna, Randy Welch, Patricia Brandes, Alexa Horne, and Delcia Corbitt. The attendees were provided the 44th Annual Meeting Minutes online at [MTCFederal.com/AnnualReport](https://MTCFederal.com/AnnualReport) for review as information with no further action required.

Chair Tolman continued the meeting, noting that 2020 reaffirmed the responsibility the credit union has to our members and the mission of meeting their needs and exceeding their expectations. The Chair stated that the 45th Anniversary milestone reflects a cooperative heritage that embraces a vision of being our members' Only Financial Institution through competitive services, convenience, and relationships.

Highlights from 2020 were:

### REMOTE SERVICE DELIVERY MEMBER SERVICE DURING THE PANDEMIC COMMUNITY RELIEF RESPONSE

Chair Tolman stated that extraordinary times remind us as a credit union who we are, what we value, and why we choose the MTC Federal Way. Service excellence, financial options, convenience and advancing traditional and digital connectivity to reach our members will equip the credit union for future growth.

The Treasurer's Report was given by Michael Hanna, Treasurer. He presented an overview of 2020 and reviewed the financial statements of MTC Federal, which included \$232.2M in assets and net income of \$1.4M. He noted that continued growth in our member relationships and expansion of services will continue in 2021 and beyond. The Treasurer's Report was provided as information and no other action required.

The Supervisory Committee Chair, Alexa Horne, presented the committee report. The report stated that Doeren Mayhew Certified Public Accountants were engaged to perform the annual independent financial audit of the credit union. Based upon the review, it was the opinion of the Supervisory Committee that MTC Federal is in sound financial condition, operates in a controlled environment and maintains compliance with the guidelines mandated by the NCUA. The report was provided as information and no other action required.

The Nominating Committee Chair, Randy Welch, presented the committee report. Nominations were not accepted from the floor because there is at least one candidate for each open position. Three open positions on the board were recommended to be filled by Patricia Brandes, Mark King, and Alice Melcher, who were seeking re-election. The nominees were elected by acclamation to the Board of Directors.

Chair Tolman introduced Bill Love, CEO, for his credit union message. Mr. Love stated the incredible pace of change with advances of technology and new adaptations from the membership—the credit union had 3 key areas of focus:

### CARE FOR OUR MEMBERS ADVANCING REMOTE SERVICE DELIVERY THE MTC FEDERAL FOUNDATION AND SCHOLARSHIP FUND

Mr. Love remarked on the credit union's 45th Anniversary Celebration, its heritage, and forward movement to the future.

Chair Tolman gave his final thoughts to the membership. There being no further business, the meeting was adjourned on a motion from Michael Hanna and a second by Delcia Corbitt.



Mike Tolman, Chair



Delcia Corbitt, Secretary

## MISSION STATEMENT

Our mission is to exceed our members' expectations by providing competitive and convenient financial services in a professional, friendly atmosphere.

## VISION STATEMENT

Our vision of what the credit union will become in the future is our members' ONLY financial service provider through innovative technology, quality educational resources, and superior member service that is second to no other, with pricing that creates outstanding value as well as member loyalty.

## CORE VALUES

We care;  
We treat everyone with respect and dignity;  
We can be trusted;  
We are member focused;  
We are community focused;  
We look for opportunities to collaborate.

# CHAIR AND CEO REPORT

Welcome to the MTC Federal Credit Union 46th Virtual Annual Meeting. 2021 proved to be another record year of change. And yet it affirms growth is achievable, agility is key, and responsiveness is essential. The challenge of meeting members' needs where they are in their life's journey has never been more important. With this commitment, MTC Federal is primed to deliver a bright future, remain relevant to our members, and accept change as part of our service evolution.

Growth is abundantly important, and we believe that it is driven by exceeding our members' expectations, building lifelong relationships, and expanding our footprint through families and friends in our communities. Equipping our members for financial wellness is our way to collective success, with education being core to every interaction. **Our future is clear with one vision: to serve as your ONLY Financial Institution. It's the compass for all we do as the financial cooperative we call the MTC Federal Community.**

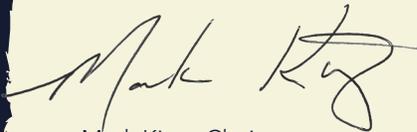
### 2021 Highlights:

- Navigating With Agility
- Loan Growth
- Community Impact

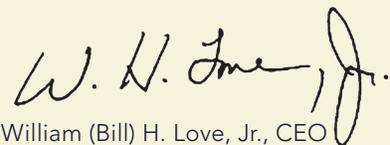
Staying true to the course, our vision in 2022 is to help our members find financial traction in every way possible and to provide even more reasons to share and prosper through relationships. Communication and access are drivers of change throughout our credit union, and MTC Federal promises to be there by offering the services you need both in our digital and traditional spaces. We will also be actively increasing awareness via social media and other marketing efforts where our members live and work. The credit union will continue to grow our membership through our excellent service, financial options, great rates, lower fees and convenience. As a cooperative, participation is key, and serving you as a trusted financial partner for greater returns, member loyalty, and community impact is what differentiates us as the MTC Federal Community. Together is how we achieve a stronger financial future.

We look forward to serving you, your family, and friends in our communities for years to come.

Sincerely,



Mark King, Chair



William (Bill) H. Love, Jr., CEO

# TREASURER'S REPORT

Our projection was to end 2021 with total assets of \$247 million and net income of \$938 thousand. Actual results for 2021 were total assets of \$253.7 million, 2.56% more than projected, and net income of \$2.1 million, 121.71% more than projected. Loans outstanding for 2021 were projected to increase 2.26%. Actual loans outstanding for 2021 increased 5.90%, 3.50% more than projected. During 2021, management remained focused on quality loan production, prudently investing funds, and navigating the pandemic.

In 2021, shares increased by 9.81% and loans outstanding increased 5.90%. Investments increased by 11.51%. Assets increased by 9.26%, while capital increased by 6.46% for the year. Gross income increased by 0.79%, while operating expenses decreased by (3.48%). Dividend and Interest expense decreased by (30.74%).

The Board of Directors continues to place a high priority on maintaining a financially sound credit union while expanding services to meet the needs of our growing membership. We look forward to continued growth in our member relationships and expansion of services in 2022 and beyond.

Respectfully submitted,



Delcia Corbitt, Board Treasurer

## BALANCE SHEET

12/31/2020

12/31/2021

### Assets

<b>Total Outstanding Loans</b>	<b>\$126,232,117</b>	<b>\$133,675,854</b>
Less: Allowance for Loan Losses	(955,973)	(470,269)
<b>Net Outstanding Loans</b>	<b>125,276,144</b>	<b>133,205,585</b>
<b>Total Cash on Hand</b>	<b>2,877,626</b>	<b>3,098,067</b>
Federal Agency Security	39,000,000	33,650,000
Corporate Credit Union	16,987,932	54,165,229
Other Investments	38,900,378	17,992,865
<b>Total Investments</b>	<b>94,888,310</b>	<b>105,808,094</b>
Land & Building - Net	1,106,257	1,208,176
Other Fixed Assets - Net	446,943	345,323
NCUASIF	1,832,884	1,995,074
Other Assets	5,777,085	8,052,490
<b>Total Other Assets</b>	<b>9,163,169</b>	<b>11,601,063</b>
<b>TOTAL ASSETS</b>	<b>\$232,205,249</b>	<b>\$253,712,808</b>

### Liabilities

<b>Accounts Payable and Other Liabilities</b>	<b>\$ 4,051,396</b>	<b>\$ 4,258,481</b>
Regular Shares	69,487,980	74,735,987
Club Shares	295,405	270,276
Share Drafts	35,101,831	36,782,956
Money Market	62,888,224	77,705,125
Share Certificates	28,166,829	25,665,777
<b>Total Shares</b>	<b>195,940,270</b>	<b>215,160,123</b>
Regular Reserve	2,140,748	2,140,748
Undivided Earnings	30,072,835	32,153,457
<b>Total Members' Equity</b>	<b>32,213,583</b>	<b>34,294,205</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$232,205,249</b>	<b>\$253,712,808</b>

## INCOME STATEMENT

12/31/2020

12/31/2021

### Operating Income

Interest on Loans	\$ 8,470,560	\$ 8,582,035
Income from Investments	1,358,776	785,770
Fees and Other Income	3,819,974	4,389,307
<b>Total Operating Income</b>	<b>13,649,310</b>	<b>13,757,112</b>

### Operating Expenses

Employee Compensation & Benefits	5,550,741	6,172,789
Travel & Conference	106,460	55,902
Association Dues	27,840	31,853
Office Occupancy Expense	370,435	334,072
Office Operations	1,096,030	755,076
Education & Promotion	493,840	600,790
Loan Servicing	551,328	628,905
Professional & Outside Services	2,243,720	2,521,098
Provision Expense	903,967	(147,419)
NCUA Operating Fee	52,749	48,885
Cash Over/Short	505	505
Annual Meeting Expense	7,935	6,658
<b>Total Operating Expenses</b>	<b>11,405,550</b>	<b>11,009,116</b>
<b>Dividend and Interest Expense</b>	<b>1,265,373</b>	<b>876,376</b>
<b>Total Non-Op Expense</b>	<b>(4,422)</b>	<b>(209,003)</b>
<b>Net Income</b>	<b>\$ 982,809</b>	<b>\$ 2,080,623</b>

# SUPERVISORY COMMITTEE REPORT

MTC Federal Credit Union's (Credit Union) Supervisory Committee consists of five volunteer members appointed by the Board of Directors. The committee's primary purpose is to inspect the credit union's records for accuracy and review the procedures for the proper use and handling of assets. The committee also ensures that an annual audit of the credit union is conducted.

For 2021, the Supervisory Committee engaged Doeren Mayhew Certified Public Accountants to perform the annual independent audit of the credit union. The report included the statement of financial condition and the related statements of income, members' equity and cash flow. Doeren Mayhew issued an unqualified opinion on the financial statements of the credit union for the year ended June 30, 2021.

The Supervisory Committee also contracted Doeren Mayhew, CPAs to perform various operational audit procedures throughout the year. No major areas of concern were noted.

Based upon the review and results of the examinations described above, it is the opinion of the Supervisory Committee that the credit union is in sound financial condition, operates in a controlled environment and maintains compliance with the guidelines mandated by the National Credit Union Administration.

Respectfully submitted,



Patricia Brandes, Committee Chair

## SUPERVISORY COMMITTEE

Patricia Brandes, Chair  
Christina Herd, Member  
Diana Godwin, Member  
Marcella Kimbrell, Member

## BOARD OF DIRECTORS

Mark King, Chair  
Michael Hanna, Vice Chair  
Delcia Corbitt, Treasurer  
Alexa Horne, Secretary  
Patricia Brandes, Board Member  
Randy Welch, Board Member  
Alice Melcher, Board Member

# NOMINATING COMMITTEE REPORT

The Nominating Committee is one of the first committees organized in support of the Annual Meeting. The responsibility of this committee is to take nominations for the respective offices and evaluate the candidates. Serving on this committee this year were Alice Melcher (Chair), Patricia Brandes, Delcia Corbitt, Michael Hanna, Mark King, and Bill Love. There will be no nominations accepted from the floor at the Annual Meeting, as there were no nominations by petition and there is at least one candidate for each open position.

The following people have been nominated to fill two open positions on the MTC Federal Credit Union Board of Directors.

## ALEXA HORNE

**MTC FEDERAL YEARS OF SERVICE:** 6, currently member of the Board of Directors.

**CREDIT UNION MEMBER SINCE:** 2009

**EMPLOYMENT:** Michelin Employee since 1999.

**EDUCATION:** American Graduate School of Business MBA, 1998.

## RANDY WELCH

**MTC FEDERAL YEARS OF SERVICE:** 16, currently a member of the Board of Directors.

**CREDIT UNION MEMBER SINCE:** 1995

**EMPLOYMENT:** Michelin Retiree 2018.

**EDUCATION:** Associate Degree in Air Conditioning and Refrigeration from Oklahoma State University, 1975.

# TRACTION FOR LIFE'S JOURNEY



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