



2023 ANNUAL MEETING

Central Middle School
200 N. 17th Street

Tuesday, February 28, 2023
5:30 p.m.

VISION STATEMENT

The community's
first choice today and
tomorrow.

MISSION STATEMENT

MCT has a passion for our Members' financial well-being by responsibly delivering innovative products and services in a fun, friendly atmosphere while creating member loyalty.

BUSINESS MEETING AGENDA

1. Establish a Quorum
2. Approve 2022 Meeting Minutes
3. Board Chairman Report
 - Introduction of Board
 - Board Chairman Remarks
4. CEO Report
 - Introduction of Credit Union Staff
 - Employee Service Recognition
 - CEO Remarks
5. Audit Committee Report
6. Old Business
7. New Business
 - Election of Directors
 - Door Prize Drawings
8. Adjournment

MCT Credit Union Annual Meeting Minutes

Date: February 22, 2022

Time: 5:30 p.m.

Place: Port Neches Elementary School

Directors Present: Becky Demeter, Chairperson
Dr. Kimberly Pitts, Vice Chairperson
Randy Brown, Secretary/Treasurer
Trent Devenzio
Dr. George Scott
Debbie Norris
Mike Laird
Jimmy Myers
Randy Chance

Directors Absent: None

Advisory Directors Present: Gary Tiner
Sheri Arnold
Zulema Escobedo

Advisory Directors Absent: Dr. Bobby Lopez

Also Present: Thad Angelle, Chad Powell, Keith Fontenot,
Karen Frederick, Brandy Colunga, Magan Bordes
and Angela DeCuir

I. Call To Order

The meeting was called to order by the Chairman, Becky Demeter, at 5:32 p.m.

II. Establishment of a Quorum

The Chairman, Becky Demeter, asked if a quorum was established. A quorum was established by Angela DeCuir.

III. Annual Meeting Minutes

The Chairman, Becky Demeter, asked for a motion to dispense with the reading of the 2021 minutes.

Motion: A motion was made by Randy Brown and seconded by Joe Demeter to dispense with the reading of the 2021 minutes. The motion carried with all in favor.

IV. Report of the Chairman

The Chairman, Becky Demeter, introduced the members of the Board of Directors. She then called attention to the Chairman's report in the printed handout and made a statement.

V. Report of the President

Thad Angelle asked the staff to stand and be recognized. He also recognized Karen Frederick for 40 Years of Service. He gave a brief overview of the year 2021 and what's to come in 2022.

VI. Report of the Audit Committee

The Chairman called on Randy Brown, Audit Committee Chairman. Randy reported that an Opinion Audit was conducted by Clifton Larson Allen, LLP, Texas Credit Union Department, and American Share Insurance completed its primary insurance examination and all found the Credit Union to be in strong financial condition.

VII. Old Business

The Chairman, Becky Demeter, asked if there was any old business. There was no old business to discuss.

VIII. New Business

A. Election of Officers

The Chairman call on Dr. George Scott, Nominating Committee Chairman. She reported the committee nominated the three nominees as follows:

Debbie Norris
Randy Chance
Dr. Kimberly Pitts

The Chairman, Becky Demeter, asked for a motion to approve the Nominating Committee's recommendation to appoint Debbie Norris, Randy Chance, and Dr. Kimberly Pitts to the Board of Directors.

Motion: A motion was made by Joe Demeter, and seconded by Meredith Youngson to elect the nominees. The motion carried with all in favor.

IX. Drawing of Door Prizes

Becky Demeter called Mike Laird to conduct the drawing of the door prizes. The drawings for door prizes took place where 20 certificates for \$100 were given away.

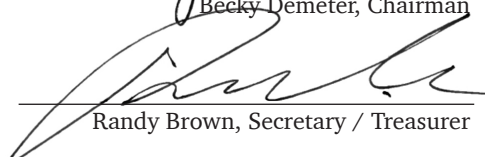
X. Adjournment

There being no further business, the Chairman called for a motion to adjourn the meeting.

Motion: A motion was made by Randy Brown, and seconded by Joe Demeter to adjourn the meeting at 5:55 p.m. The motion carried with all in favor.



Becky Demeter, Chairman



Randy Brown, Secretary / Treasurer

CHAIRMAN REPORT

The Board of Directors takes great pride in the fact that MCT has had the privilege to serve this community for almost 70 years. The Board is committed to the mission and vision of the Credit Union and understands our responsibility to ensure its continued sustainability in the years ahead. I assure you that protecting the members' interests is at the forefront of every decision.

Through your continued support, 2022 was another excellent year for MCT Credit Union. MCT increased capital by 64 basis points to 10.60%, further indicating the sound strength and stability of the Credit Union. This financial strength allows the Credit Union to continue providing exceptional experiences to the membership and our community.

I want to thank my fellow Board Members, Advisory Board Members, Management, and Staff for your passion and commitment to MCT. But most importantly, thank you for your membership and for entrusting MCT Credit Union with your financial assets.

Randy Brown
Chairman of the Board of Directors

CEO REPORT

Just as the Credit Union was becoming accustomed to a post-COVID world, 2022 brought new challenges. With interest rates and the cost of living increasing to levels not seen in many decades, the economy was a significant concern for many Americans. The Staff at MCT Credit Union strived to meet the changing needs of the membership, while the Management Team worked to provide new and enhanced products and services. All of this was made possible with the Board of Directors continuing to direct and guide the growth of MCT.

The Credit Union had another strong year in loan growth at 8.21%, with loans increasing from \$204.5 million in 2021 to \$220.7 million in 2022. This was due to increased consumer and real estate loans of 6.99% and 9.71%, respectively. The Credit Union's assets declined by 2.0% in 2022 from \$363 million to \$355.7 million. This was due to a decline in share drafts from membership withdrawals in response to the cost of living increases. However, Credit Union earnings increased from \$1.35 million in 2021 to \$1.57 million in 2022. This was a result of solid gains in the loan and investment portfolios. This also caused the Credit Union's capital to rise from \$36.2 million to \$37.8 million, which increased the capital ratio from 9.96% to 10.60%. In addition, loan delinquencies and charge-offs continued to perform at or below peer at 0.78% and 0.16%, respectively. The Credit union opened 1,070 new membership accounts resulting in a modest net membership growth of 0.04%.

In 2022, the Credit Union worked to improve existing products and services while introducing new programs, such as converting debit cards to a new card processor, PSCU. This allows for more member-friendly functionality and provides better security options. The Centralized Lending Program was also implemented to provide faster response time and superior service to member loan requests. In addition, the Centralized Teller Program started by introducing the Interactive Teller Machines (ITM) in the Port Neches branch, which will provide added conveniences for the membership and is expected to improve teller operations. Finally, we kicked off the Beaumont branch construction and the Port Neches branch renovations.

Many more changes and enhancements are scheduled for 2023. First, the Beaumont branch is planned for completion in the 4th quarter. However, the drive-thru is expected to be available to the membership mid 2023. Also, the Port Neches branch drive-thru renovation with the ITM technology is scheduled to be completed in the 2nd quarter. Other product enhancements include upgrading the online application, SymApp, to improve the member experience. The Debit Card Program will be enhanced to provide more member options and fraud protection controls. Finally, the website will be updated to offer relevant information with fewer touchpoints. Many other improvements to technology and operations planned in 2023 will provide easier access to member information.

Many exciting things are ahead in 2023, and with excellent Staff effort, a Management Team ready to lead, and a Board of Directors providing great direction, we look forward to working Together to provide a great member experience. Together we will continue to build a great culture in "Thank God It's Monday" by living the Mission of the Credit Union, which will, in turn, advance the efforts of everyone to achieve the Credit Union's Vision. And finally, many thanks to the membership for the trust and faith in MCT Credit Union to provide for their financial needs and help make dreams come true.

Thad Angelle
President/CEO

BALANCE SHEET

Assets

	12/31/2022	12/31/2021
Cash	\$3,700,432	\$3,163,506
Personal Loans	\$88,944,898	\$83,549,882
Real Estate Loans	\$122,583,243	\$112,191,167
Business Loans	\$930,203	\$913,859
Credit Card Loans	\$8,851,565	\$7,855,010
Less Allowance for Loan Loss	\$(589,429)	\$(329,332)
Land and Building	\$8,164,598	\$9,328,460
Furniture and Fixtures	\$734,048	\$612,187
Investments	\$105,584,718	\$131,224,982
Other Assets	\$16,860,760	\$14,556,172
 Total Assets	 \$355,765,036	 \$363,065,893

Liabilities & Equity

Accounts Payable	\$4,632,653	\$4,692,890
Interest/Dividend Payable	\$103,327	\$79,713
Other Liabilities	\$481,230	\$(2,335,375)
Shares	\$169,681,628	\$164,554,216
Share Drafts	\$114,273,103	\$123,162,077
Certificates of Deposit	\$16,745,632	\$18,002,707
Money Market Funds	\$15,140,829	\$14,548,651
Individual Retirement Accounts	\$8,037,725	\$8,428,622
Other Comprehensive Income	\$(1,748,844)	\$(3,957,077)
Reserve Fund	\$3,933,574	\$3,933,574
Undivided Earnings	\$33,830,629	\$32,264,058
Accumulated Unrealized Gain (Loss)		
On Available to Sale Securities	\$(9,346,450)	\$(308,163)
 TOTAL LIABILITIES AND EQUITY	 \$355,765,036	 \$363,065,893

Statistical Information

Number of Members	20,755	20,746
Growth in Membership	0.04%	0.93%
Operating Expenses as a Percent of Total Income	84.67%	88.17%
Total Loans as a Percent of Assets	62.21%	56.33%
Capital (Reserves & Undivided Earnings)	10.60%	9.96%
Investments as a Percent of Assets	29.68%	36.14%
Growth in Shares and Deposits	-1.47%	4.23%
Growth in Loans	8.21%	11.51%
Growth in Assets	-2.01%	1.70%

STATEMENT OF INCOME & EXPENSES

Interest Income

	12/31/2022	12/31/2021
Income from Loans	\$9,462,671	\$8,988,154
Income from Investments	\$1,954,948	\$1,058,126
Total Interest Income	\$11,417,619	\$10,046,280

Interest Expense

Dividends on Shares	\$305,738	\$279,155
Interest on Deposits	\$742,116	\$783,556
Interest on Borrowed Money	\$47,059	\$66,089
Total Interest Expense	\$1,094,913	\$1,128,800
Provision for Loan Losses	\$597,104	\$138,061

Non-Interest Income

Fee Income	\$1,871,500	\$1,434,007
Other Operating Income	\$3,724,205	\$3,663,825
Gain(Loss) on Investments	\$ -	\$198,640
Gain(Loss) on Disposition of Fixed Assets	\$78,562	\$60,903
Other Non-Operating Income (Expense)	\$524,550	\$499,680
Total Non-Interest Income	\$6,198,817	\$5,857,055

Non-Interest Expenses

Employee Compensation and Benefits	\$6,857,885	\$6,692,801
Travel and Conference	\$273,313	\$219,439
Office Occupancy	\$901,620	\$902,618
Office Operations	\$3,286,130	\$2,656,844
Promotion and Marketing	\$967,019	\$878,921
Loan Servicing	\$443,614	\$428,739
Professional and Outside Servicing	\$1,534,631	\$1,410,042
Regulatory Fees	\$38,194	\$32,021
Miscellaneous	\$55,442	\$64,731
Total Non-Interest Expense	\$14,357,848	\$13,286,156
Net to Undivided Earnings	\$1,566,571	\$1,350,318

BOARD & ADVISORY DIRECTORS

NAME	TERM OF OFFICE EXPIRES
Dr. George Scott	2023
Rebecca Demeter	2023
Mike Laird	2023
Jimmy Myers	2024
Randy Brown	2024
Trent Devenzio	2024
Randy Chance	2025
Debbie Norris	2025
Dr. Kimberly Pitts	2025

ADVISORY

Gary Tiner
Dr. Bobby Lopez
Zulema Escobedo
Sheri Arnold

EXECUTIVE MANAGEMENT

Thad Angelle, Chief Executive Officer, President
Chad Powell, Chief Financial Officer, Executive Vice President
Karen Frederick, Chief Operations Officer