

## STATEMENT OF FINANCIAL CONDITION 2022

ASSETS	2021	2022
Loans (Net)	217,911,299	242,940,835
VISA (Net)	16,186,634	17,786,253
Cash	12,414,828	12,550,516
Investments	488,530,520	455,940,459
Land, Building, Equipment	5,874,502	5,544,218
Other Assets	11,875,442	16,085,028
<b>TOTAL</b>	<b>\$752,793,225</b>	<b>\$750,847,309</b>
<b>LIABILITIES AND EQUITY</b>		
Members Shares	473,920,502	488,532,261
Checking Accounts	146,381,781	146,072,079
Term Savings Accounts	64,444,062	65,296,039
Liabilities	2,219,157	5,447,841
Reserves	65,827,723	45,499,089
<b>TOTAL</b>	<b>\$752,793,225</b>	<b>\$750,847,309</b>

## STATEMENT OF INCOME & EXPENSE as of December 31, 2022

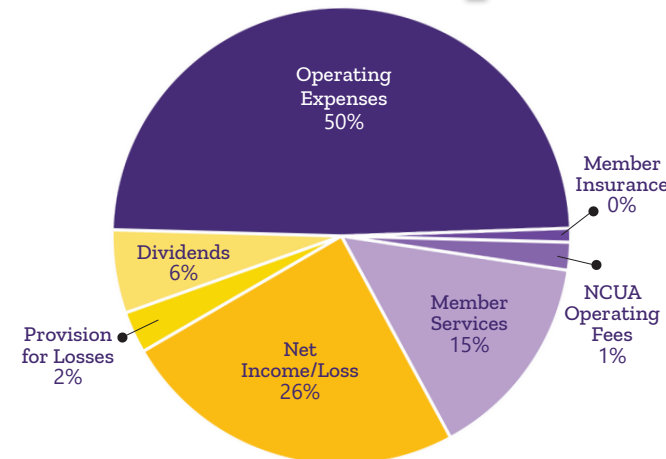
<b>INCOME</b>		
Interest on Loans	12,144,682	46%
Investments	6,170,056	24%
Fees & Misc. Income	7,771,671	30%
<b>TOTAL</b>	<b>\$26,086,409</b>	<b>100%</b>
<b>EXPENSE</b>		
Dividends	1,617,664	6%
Operating Expenses	13,053,250	50%
Member Insurance (NCUSIF)	0	0%
Provision for Losses	616,300	2%
NCUA Operating Fee	117,475	1%
Member Services	3,934,854	15%
Sub-Total Expense	19,339,544	74%
Net Income/Loss	6,746,866	26%
<b>TOTAL</b>	<b>\$26,086,409</b>	<b>100%</b>

## Employee Honor Roll

Nancy Deavours	55 Years
Jennifer Morrow	45 Years
Patty Eber	30 Years
Greg Williams	30 Years
Alexandra Andrade	25 Years
Dodie Fernandez	25 Years
Brenda McMillan	25 Years
Janice Parsons	25 Years
Tonya Gonzalez	20 Years
Mary Robinson	10 Years
Marissa Acevedo	5 Years
Karen Amador-Conseco	5 Years
Martin Arciga	5 Years
Adriana Coronado	5 Years
Christina Dalmaso	5 Years
Marina Flores	5 Years
Feli Martinez	5 Years
Maribel Munoz	5 Years
Crystal Simonian	5 Years

*Thank you for your  
years of Service!*

## Chart Based on Expenses



**Merced School Employees  
Federal Credit Union**

# 20 22 | Annual Report



*A Family Tradition  
For New Generations*

**69<sup>th</sup> Anniversary**

Federally Insured by NCUA



## Chairman and CEO's Report

"A Family Tradition for New Generations." The theme of our 2022 Annual Report reflects on the many decades that MSEFCU has been part of our members' family banking traditions. Like many traditions, where you bank is typically passed on by a grandparent, parent, sibling or a recommendation from a friend. Throughout a lifetime, a financial institution is there for you when you need them to be, so where you bank IS important. At MSEFCU, between the combination of our products, services, competitive rates, involvement in the community and our staff and volunteers, we are proud to be there for our members, and we are thankful you choose to bank with us. We too, consider you family.

We are pleased to report that despite an unusual past three years, one thing remains unchanged, our commitment to our members. The past three years have shifted the needs of our membership and how we can best serve them. One of the convenient services that came from the Pandemic was being able to re-open the M St. Branch Drive-thru to better serve our downtown Merced area members. Another need that became very apparent was being available to assist our members over the phone consistently. In 2021 we were very excited to partner with a company that offers our members extended hours to contact the credit union by telephone, before and after the branches are closed. We understand the need for our members to be able to get in touch with us at a time that is convenient for them. These improvements are for member satisfaction and to enhance member experience.

"People Helping People" is the Credit Union philosophy. We are always committed to this philosophy, especially during hard times. To help during the Pandemic, we quickly established loan relief services to lessen the financial hardship by offering different options to suit our member's needs. Those options included delaying a payment, waiving fees, increasing a credit line, or getting a low-interest loan with no payment due for 60 days. More recently, we did the same type of loan for our members that were devastated by the recent floods in our community. It is our hope that the deferment and modification programs we offered has made enough of an impact to help our members through these trying times. We will continue to help our members and our community whenever there is a need.

It has been a goal of ours to help members buy a home of their own. We wanted to help even more members that are looking to purchase a primary residential home by opening the eligible area to include the State of California and for our members that are interested in purchasing investment properties, we now offer non-owner occupied home loans. If a member already owns investment properties, we also offer a refinance option. (With our non-owner occupied loans, they do have to be within 150 miles of our Main Branch.)

In order to support the needs of our members in the Los Banos area, in 2020, we announced that we purchased land to build our permanent Los Banos Branch. After much anticipation, we are excited to say that on August 23, 2022, we have broken ground for the new Branch. This new location is actively being built and will be located down the street from our current location on the corner of Scripps Drive and Mercey Springs Road. The new Branch will provide convenience for our existing members, attract new members and will offer drive-up teller lanes and a drive-up ATM. We look forward to announcing our Ribbon Cutting Ceremony later this year.

As we embark on our 70th year as a financial cooperative and look ahead to 2023 and beyond, MSEFCU remains committed to our simple goal- to help our members save and borrow money in a safe and affordable place, by providing affordable financial products and legendary service to our membership. We will continue to put people over profits and live the Credit Union philosophy. Thank you for giving us the opportunity to be of service to you and thank you for letting us be part of your family tradition.

Respectfully submitted,


Terry Silva, Chairman  
Nancy Deavours, President/CEO

## Supervisory Committee Report

The Supervisory Committee, acting as a representative of the membership, is responsible for providing an independent assessment of the safety and soundness of your credit union. The committee also ensures that the credit union's assets are protected by establishing and maintaining sound internal controls.

To accomplish this, we retained the certified public accounting firm of Carroll & Associates LLP to review and evaluate the credit union's financial and operations performance. They performed internal audits as well as a comprehensive annual audit. During these audits, they verified the credit union's financial statements and reviewed procedures and internal controls for compliance with state and federal regulations.

Additionally, we are examined annually by our regulatory authority, the National Credit Union Administration (NCUA). We are pleased to report that based on their rating system, MSEFCU rated high, and the past year's annual review concluded once again that we are in compliance with the rules and regulations it sets forth for us.

Your Supervisory Committee also conducts an audit of all members' accounts. Members are asked to contact the committee at the following address if there are any discrepancies on their statements: Supervisory Committee P.O. Box 338, Merced, CA 95341.

Based on our reviews and the independent audits, your Supervisory Committee is pleased to report that all investigations conducted during 2022 continue to reflect the safe, sound business practices of the credit union and that MSEFCU's policies and operations are soundly maintained in accordance with government regulations.

Respectfully submitted,



Marcia Hall, Chairperson

## MSEFCU Officials

### Board of Directors

Terry Silva, Chairman  
Susan Walker, Vice Chairman  
Luis Lara, Secretary/Treasurer  
Mark Bodley, Director  
Ben Duran, Director  
Alice Nguyen, Director  
Richard Rogers, Director  
Wayne Hague, Director Emeritus

### Supervisory Committee

Marcia Hall, Chairperson  
Alice Aguilar, Secretary  
LaVonne Abbs  
Cheryl Kelley  
Joe Gaestel

### Loan Appeals Committee

Steve Bottjer  
Stan Hoffman  
Harlan Dake  
Cary Yanagi

### Management Team

Nancy Deavours, President/CEO  
Jon Maffei, Vice President/CFO  
Pam Larimer, Assistant to the CEO  
Lori Smith, Loan Manager  
Linda Luis, Accounting Manager  
Chris Corchado, Human Resource Manager  
John Lawrence, IT Manager  
Mary Robinson, Marketing Manager  
Greg Williams, Risk Manager  
Sharina Fadul, Training Manager  
Jennifer Morrow, Lending Quality Assurance Supervisor  
Toni Jones, Real Estate Supervisor  
Peggy Allen, Consumer Loan Supervisor  
Annie Ballard, Accounting Supervisor  
Sarah Anderson, Card Services Supervisor  
Leticia Jimenez, Collections Supervisor  
Sebastian Hernandez, Teller Supervisor  
Merisa Diaz, Member Services Supervisor  
Denise Smith, Branch Manager-M Street  
Jessica Parras, Branch Manager-Los Banos  
Teresa Bone, Branch Manager-Atwater