



# ANNUAL REPORT

## 2023



## **CEO'S REPORT**

2023 was a very exciting year for the credit union. We made excellent progress on all fronts when it comes to our strategic direction. The staff and volunteers can be proud of the accomplishments. Our positive strides are the result of many years of dedicated effort. We have outperformed our peers when it comes to financial results and our delivery of financial services to our members. Top quality service to members is our goal and we strive relentlessly to achieve it. While we may sometimes fail to achieve this goal, it is not through lack of effort. Quality professional financial services to members is our only mission.

These are challenging times, and we hope that our members look to us for solutions to their financial needs. We have an extensive array of loan products. Our saving products are more than competitive, and designed to provide you with safety, liquidity, and yield. We are proud that we provide members with a live response to your questions when you call, text or uses some other means of communication. We know that a well satisfied member is our greatest marketing tool. Because you are a member you have the right to expect more.

During the challenging times ahead, we are committed to finding new and convenient ways to deliver financial services. We provide many access points to your account information and financial services needs. We hope that the next time you contact the credit union you will take a moment to have one of our member service providers review your account and determine whether there are any better options for you to improve your financial situation.

This will be my last report to the members. It has been my pleasure to serve you. I can say with confidence that your interests will be well served by the staff in the future. I also believe the Board of Directors and Supervisory Committee are among the best. They serve as volunteers and are committed to assuring that you get the highest quality service possible. It has been my pleasure to work with all of them to bring top quality services to our members and future members in Montgomery County.

**- BILL BROOKS  
CEO**

## **CHAIRMAN'S REPORT**

As Chairman of the Mid-Atlantic Federal Credit Union Board of Directors – I am happy to report that we have continued to make great progress in the last 12 months – in both measurable and immeasurable ways.

Our assets continue to grow and we are investing in countless ways to better serve you – our members. Additionally, we are very proud of our staff.

The next few years will be an exciting time for our Credit Union and our members. We are embarking on a strategic planning process that will focus on delivering more benefits to our members and growing our membership. We plan on being very strategic and continuing to enjoy “smart growth” of our Credit Union going forward.

We are your Financial Family and we continue to add to our Family of products and services to better serve you.

I wish to close by thanking all of our volunteers that serve on our Board and Supervisory Committee. As volunteers they bring a combination of strategic thinking along with the important diligence and oversight of your Credit Union.

We remain excited and optimistic about the coming year and more milestones to achieve.

**- RANDY SCRITCHFIELD, CFP  
CHAIRMAN, BOARD OF DIRECTORS**

## TREASURER'S REPORT

2023 was a very good year financially for the Mid-Atlantic Federal Credit Union (MAFCU).

Our total assets were \$405 million, which was \$11M lower than 2022, due to a decline in member deposits following the large increase during COVID.

Loans declined by over \$10 million in 2023, as higher interest rates suppressed loan demand. However, our loan to share ratio was 88%, up slightly from 2022. Dividends paid to members was about \$2.4M more than 2022, as we kept our dividend rates competitive with the market. Our net income was \$5.8 million, which was \$1.6 million higher than 2022 and resulted in a return on assets of .77%. We ended the year with a net worth ratio of 9.40 %, about 1.8% higher than 2022 and above the NCUA guideline for well capitalized credit unions.

Net income for 2023 was an impressive \$5.8 million, and we added to our capital, which is now close to 10%, for the first time in 5 years. Market interest rates rose in 2023. This suppressed loan demand but allowed us to achieve higher loan income.

Your Board of Directors and Senior Management are dedicated to ensuring that Mid-Atlantic Federal Credit Union continues to be the effective, dependable, and successful institution that you, and our members, have come to expect.

In 2024, we will be concentrating on preserving our capital, maintaining liquidity and increasing the number of members we serve.

We look forward to increasing value every day, in every way, throughout 2024 and 2025 and protecting your deposits against a US recession.

**- ALLEN P. DELEON, CPA  
TREASURER**

## SUPERVISORY COMMITTEE'S REPORT

Thank you for your continued membership from your 2024-2025 Mid-Atlantic Federal Credit Union's (MAFCU) Supervisory Committee: Shane Rock (Chair), Jerry Zillion (Vice-Chair), Stephanie Hubbard (Secretary), Olive Idehen, and Roger William Hard.

Your MAFCU Supervisory Committee supports its members' interests through nine essential functions: 1.) reviewing and updating practices and procedures sufficient to safeguard MAFCU members' assets; 2.) ensuring a complete and thorough audit of MAFCU's records and operations; 3.) ensuring that MAFCU's required financial records are accurately prepared and filed in a timely manner; 4.) verifying and adhering to internal controls and Board established policies and procedures; 5.) reviewing MAFCU's operations and continually monitoring its overall financial condition; 6.) reviewing the performance of MAFCU's elected officers with respect to how they execute the duties for which they are responsible; 7.) ensuring that MAFCU is in full compliance with all relevant laws and regulations; 8.) researching member complaints; and 9.) safeguarding MAFCU members' assets against the impact of error, conflict of interest, self-dealing or fraud.

Your MAFCU Supervisory Committee thanks you for the opportunity to serve you.

**- SHANE ROCK  
CHAIR, SUPERVISORY COMMITTEE**



As of December 31, 2023 (unaudited)

	2023	2022
<b>Income</b>		
Loan Income	\$14,994,526	\$11,063,453
Investment Income	\$2,851,993	\$272,928
Other Income	\$2,778,673	\$3,545,115
<b>Total Income</b>	<b>\$20,625,192</b>	<b>\$14,881,496</b>
<b>Expenses</b>		
Dividend Expense	\$3,421,941	\$564,677
Compensation and Benefits	\$6,025,448	\$5,762,329
Office Occupancy & Operations	\$4,682,060	\$4,538,149
General Administrative Expense	\$838,823	\$1,591,581
Provision for Loan Losses	(\$228,741)	(\$199,237)
Federal Operating Fees	\$69,729	\$76,315
<b>Total Expenses</b>	<b>\$14,809,260</b>	<b>\$12,333,814</b>
<b>Net Income</b>	<b>\$5,815,932</b>	<b>\$2,547,682</b>
<b>Assets</b>		
Gross Loans	\$319,388,612	\$330,426,716
Allowance	(\$1,207,628)	(\$1,602,952)
Net Loans	\$318,180,984	\$328,823,764
Cash	\$48,317,150	\$49,431,707
Investments	\$19,279,189	\$20,371,286
Loans Held for Sale	\$0	\$0
Net Fixed Assets	\$5,278,396	\$5,605,835
Other Assets	\$13,794,256	\$12,223,562
<b>Total Assets</b>	<b>\$404,849,975</b>	<b>\$416,456,154</b>
<b>Liabilities</b>		
Accounts Payable	\$349,360	\$467,261
Dividends Payable	\$753,958	\$220,648
Accrued Expense	\$1,666,766	\$2,228,115
Notes Payable	\$0	\$0
Other Liabilities	\$1,673,858	\$399,976
<b>Total Liabilities</b>	<b>\$4,443,942</b>	<b>\$3,316,000</b>
<b>Members' Shares</b>		
Shares	\$281,547,725	\$347,320,091
IRAs	\$4,115,821	\$4,126,822
Share Certificates	\$77,116,866	\$30,253,555
<b>Total Shares</b>	<b>\$362,780,412</b>	<b>\$381,700,468</b>
Nonmember Deposits	\$0	\$0
<b>Total Shares &amp; Nonmember Deposits</b>	<b>\$362,780,412</b>	<b>\$381,700,468</b>
<b>Members' Equity</b>		
Regular Reserve	\$0	\$5,422,176
Unrealized Investment Gain/Loss	(\$427,922)	(\$600,176)
Undivided Earnings	\$38,053,543	\$26,617,686
Other Comprehensive	\$0	\$0
<b>Total Members' Equity</b>	<b>\$37,625,621</b>	<b>\$31,439,686</b>
<b>Total Liabilities &amp; Members' Equity</b>	<b>\$404,849,975</b>	<b>\$416,456,154</b>

