



MEMBERS TRUST
OF THE SOUTHWEST
FEDERAL CREDIT UNION



2021

Annual Report





President's Message

Looking back on 2021 we have a lot to be thankful for at MTFCU. Members Trust had another good year with asset growth, capital growth, and good net income. My hat goes off to our employees, management team, board, and supervisory committee but most importantly to our members for helping to make MTFCU successful. Our members are the reason that we exist, and we never forget that.

There were challenges for everyone in 2021. Dealing with the issues related to COVID, upgrading technology and cyber security safety were some of the issues that we dealt with successfully. Technology changes and cyber security vigilance are ongoing, but I hope the COVID challenges diminish over time. Like others, we were trying to serve our members while keeping our employees healthy so they could remain on the job. As a result, we closed our lobbies to walk-in traffic, except by appointments, to maintain health and safety. We know this was an inconvenience to many members, but we felt it was necessary.

As mentioned, Members Trust saw good growth, with assets surpassing \$191 million at year-end, an increase of almost \$20 million for the year. Capital increased approximately \$1.7 million with loan balances increasing about \$12 million for the year. Interest paid to members was over \$1 million even in the low-rate environment we experienced in 2021. These are all good numbers. We need to continue to grow and have positive earnings so that we can remain a well-capitalized, healthy credit union. We have been serving our members for over 85 years since 1936 and I would like to think we are laying the foundation for the credit union to be here for the next 85 years or more. Our board has been instrumental in making sound business decisions, being visionaries, and adapting to new environments.

Thinking about the future, we will always face new challenges. Some of these include new regulations, inflation, energy costs, cryptocurrency, aggressive behavior in the world, and market volatility. We will deal with these challenges over the next year, whether as a business or an individual. The speed of change continues to evolve and increase. Efficiency, safety, and soundness help us deal with whatever challenges we face. Part of that efficiency is size and scale. I have said before that there is safety in numbers. Having the scale over which to spread the cost of operation or investing in new technologies is critical to future success. This includes being able to hire people who have the skills to deliver the newest innovations.

It is worth mentioning that we do have some of the best financial products available. We have competitive rates in both consumer and business products. We will be rolling out some new services in 2022, including a new debit card, student loans, and more. So, stay tuned as we continue to innovate to serve our members in 2022 and beyond. Thank you for your membership.

Sincerely,

Brian C. Gilbert

President / CEO

OUR MISSION

Members Trust FCU is dedicated to the philosophy of “members helping members” by providing quality financial services.



Financial Statement

Income & Expense Statement

Income	2021	2020
Interest on Loans	5,337,756	5,538,400
Interest on Investments	644,511	718,479
Fee Income	929,224	806,482
Other Income	902,000	729,337
Total Income	7,813,491	7,792,698

Expenses

Operations Expenses	4,545,190	4,097,081
Provision for Loan & Other Losses	472,883	386,631
Miscellaneous Expenses	24,620	54,105
Total Expenses	5,042,693	4,537,817

Less: Interest on Borrowed Money	(70)	0
Less: Dividends on Shares	(1,065,568)	(1,790,739)
Disp. of Fixed Assets: Gain/(Losses)	0	(21,963)
Gain or Loss Sales of Investments	0	38,115
Net Income	1,705,160	1,480,294

Balance Sheet

Assets	2021	2020
Loans	124,846,366	111,756,255
Less Allowance for Other Losses	(730,706)	(555,631)
Net Loans	124,115,660	111,200,624
Cash	4,982,477	7,620,379
Investments	49,395,060	41,069,298
Land, Building & Equipment	4,162,012	4,384,844
NCUAIF	1,581,030	1,416,465
Other Assets	6,880,364	5,656,861
Total Assets	191,116,603	171,348,471

Liabilities

Total Borrowings	0	0
Accounts Payable	1,791,582	1,081,444
Dividends Payable	1,758	1,580
Total Liabilities	1,793,340	1,083,024

Equity

Shares	174,707,702	157,409,732
Member Capital	16,513,176	14,808,016
Other Unrealized Gain/(Losses)	(1,897,616)	(1,952,302)
Total Equity	189,323,262	170,265,447
Total Liabilities & Equity	191,116,603	171,348,471

Supervisory Committee Report

Appointed by the Board of Directors, the Supervisory Committee provides our members with an avenue to express their concerns and acts as the oversight body for both the internal and external audit functions of the credit union. Our goal is to assure the membership that their investment in the credit union is secure.

The Supervisory Committee is also responsible for ensuring that management adheres to the policies established by the Board of Directors and maintains a strong internal control system. The current Supervisory Committee is comprised of Jorgen Jorgensen, James Harle, and me.

The Supervisory Committee contracted with Credit Union Resources, Inc., Financial and Technology Resources which is a subsidiary of the Cornerstone Credit Union League, to conduct the 2021 annual audit. The audit date period was from November 1, 2020, through October 31, 2021. The results of the audit indicate that the financial statements accurately represent the results of the operations and financial position for this period. No material weaknesses in internal controls were reported.

In addition to the external audit and regulatory examinations, the credit union Supervisory Committee members also attend and provide input at each board meeting; however, we do not vote on credit union issues.

The Supervisory Committee is pleased to report that Members Trust FCU is in good financial condition and in compliance with all regulatory directives. We would like to thank our Board of Directors, management, employees, and our member-owners for allowing us to serve them and Members Trust. As the credit union grows, we will continue to build a strong risk management program to ensure Members Trust remains a trusted financial partner for our members.

Thank you for your membership.

Respectfully submitted,

Leslie Schultz
Chairman

Board of Directors

Kevin Kleb, Chairman
Johnny Leibham, Vice Chairman
Margaret "Meg" Moore, Treasurer/Secretary
Don Bornemann, Director
Wayne Benfer, Director
Clarence Helfrich, Director
Henry Schmidt, Director

Once A Member

Always a Member

Supervisory Committee

Leslie Schultz, Chairman
Jorgen Jorgensen
James Harle

Credit Union Management Team

Brian C. Gilbert, President/CEO
Liliana Canga, EVP
Dennis Y'Barbo, Chief Technology Officer
Jeff Forsgren, Chief of Lending
Larry Pugh, VP of Operations
Amanda Treece, Stephenville Branch Manager



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