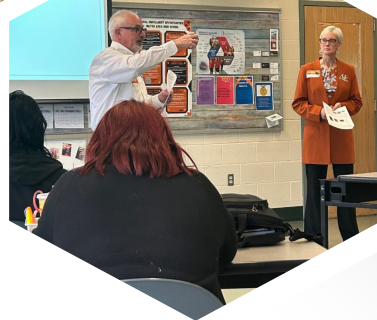


*Educate,  
Enlighten,  
Celebrate*



Federal Credit Union

**2024 ANNUAL MEETING**

**MC Federal Credit Union**



# MC Federal Credit Union

## Charter 24929 · April 30, 2024

### ANNUAL MEETING AGENDA

Registration	5:00 p.m. - 5:45 p.m.
Blessing	James Lapp
Dinner	5:45 p.m.
Welcome	Matthew Hoeger, Board Secretary/Treasurer
Call to Order	Douglas Bastian, Board Chairperson
Consent Agenda	
Minutes	Addendum
Treasurer's Report	Program Booklet
Supervisory Committee's Report	Program Booklet
Service Awards	Lynn Naugle, Board Member
President & Chairperson's Report	Elba Arenas, President & CEO, and Douglas Bastian, Board Chairperson
Installation of Officers	Douglas Bastian, Board Chairperson
Shining Star Award	Elba Arenas, President & CEO
President's Award	Elba Arenas, President & CEO
Adjournment	Douglas Bastian, Board Chairperson

### MEET THE EXECUTIVE TEAM



**Elba Arenas**  
President & Chief  
Executive Officer



**Brian Wiktor**  
Chief Lending  
Officer



**Sam Kostura**  
Chief Financial  
Officer



**Tom Ha**  
Chief Information  
Officer

# THE ROAD TO FINANCIAL WELLNESS

Educate, Enlighten, and Celebrate: three words that have become the pillars of The Road to Financial Wellness program. The Road to Financial Wellness seeks to break down the barriers people face with their finances: poverty, incarceration, or otherwise. The main goal is to remove the stigmas people face due to past choices, language barriers, or poverty and build their knowledge and self-esteem as they take control of their finances. Each class is tailored to address the specific challenges faced by each group, often offered to inmates awaiting release, members of our community climbing out of poverty, and school children just beginning their financial journey.

The Road to Financial Wellness program has continually grown since its inception in 2016 when Elba Arenas, President & CEO, saw the need for a life-changing financial wellness and education course. Originally offering bilingual instruction to a local Spanish Church, the program now reaches a vast array of peoples, including those from the Getting Ahead Foundation seeking to climb out of poverty, inmates reentering the community, attendees of Spanish churches, students from local schools, and various community organizations. All told, 126 attendees graduated from the program in 2023 through a combination of six-week long courses and tailored one-on-one mini-sessions. The indirect impact of the program on members of our communities is immeasurable.

The primary goal of the Road to Financial Wellness program is to embody the credit union philosophy of “People Helping People”. To help people climb out of poverty, to help people reestablish themselves in society, to help the next generation build a solid financial foundation - these are the goals of each class we teach. We aim to maintain the 100% graduation rate, utilizing small, focused classes to provide personalized instruction for each participant. The Road to Financial Wellness program provides the tools each person needs, regardless of background or circumstance, to build and maintain healthy financial practices. Special considerations are taken for each group, such as those incarcerated, to modify the approach and materials to ensure no barriers exclude those who wish to learn.

For the second year in a row, Credit Union National Association’s (CUNA) National Awards Committee selected The Road to Financial Wellness as the National Desjardins Adult Financial Education Award winner. This award recognizes leadership within the credit union movement on behalf of financial literacy for all ages in honor of Alphonse Desjardins, who emphasized the movement’s long-time commitment to youth and founded the first credit unions in Canada and the United States. The recognition program considers all activities supporting the personal finance education of members and non-members, including, but not limited to, face-to-face teaching using proprietary materials and curricula, such as the NEFE High School Financial Planning Program® (HSFPP), as well as financial literacy leadership efforts.

Our financial wellness program has continued to grow from a small spark, a need seen in the community, to a burning passion shared by all team members at MC Federal. The path forward is forged by a number of volunteers with a desire to make a difference. The need for financial literacy education will not dissipate, and we have a history of growing and adapting to the varied needs within our communities. Thanks to the dedication of our financial wellness team, along with the help of our partners, generous contributions, and volunteers, the Road to Financial Wellness will continue its journey for years to come.



Above: Brian Wiktor, CLO, Elba Arenas, President & CEO, and Ashley Jones, Marketing Specialist accept the National Desjardin Adult Financial Literacy Award from Jim Nussle, President & CEO of America's Credit Unions.



Below: Annette Welch, Director of Operations and Brian Wiktor, CLO, accept the State Desjardin Adult Financial Literacy Award from CrossState Credit Union Association



# EDUCATE, ENLIGHTEN, CELEBRATE



# 2023 COMMUNITY GIVING

American Cancer Society - Relay for Life

Danville Volunteer Fire Department

Mommy & Me Rescue

American Legion Ladies Auxiliary

Ed Romance Lower Anthracite Chapter of  
the Pennsylvania Sports Hall of Fame

Mount Carmel Area High Schools Athletics

The American Legion Post #40  
Veterans Emergency Relief Fund

Eos Therapeutic Riding Center

Mount Carmel Santa in the Park

Atlas Fire Co Firefighters Equipment Fund

Evangelical Community Hospital  
Cooking Men

National Night Out

Bloomsburg Theatre Ensemble

Evangelical Hospital Golf Classic

Pennsylvania SPCA Danville Center

Choice One Community Credit Union  
Golf Tournament

Financial Literacy Classes

Service First FCU Golf Tournament

CSIU LPN Career Center  
Clinical Excellence Awards

Getting Ahead Foundation

Sunnybrook Pickleball Project

CSIU Student of the Month

Good Samaritan Mission

The Kick Sauce Golf Tournament

Danville Area Halloween Parade

Holy Angels Parish

Toys For Tots

Danville Business Alliance

Knights Of Columbus

Transitions of PA

Danville Drama Production

Locust Gap Recreation

Wilburton Hose Co #1

MC Federal Members in Need



# PRESIDENT & CHAIRPERSON'S REPORT

Welcome to the Annual Meeting of MC Federal Credit Union. It is my pleasure to speak to you today at my first annual meeting as President and CEO beside Doug Bastian, Chairperson of the Board of Directors. It is our pleasure to report to the membership that in 2023 we experienced continued strong financial performance, and we are well positioned to deliver similar results in 2024. The strength of our performance is demonstrated in our financial reports, page 6. Our Metrics for Success, page 7, provides a snapshot of our 2023 performance.

**Better Together was the mantra that our team embraced in 2023. We embodied this mindset to deliver our mission “to be the catalyst that positively impacts the financial health and well-being of our members and the communities we serve.”**

Better Together was the mantra that our team embraced in 2023. We embodied this mindset to deliver our mission “to be the catalyst that positively impacts the financial health and well-being of our members and the communities we serve.” This positive impact on our members and communities is evidenced in the form of national recognition. For the second year in a row, MC FCU won the state level CrossState Credit Union Association and national level CUNA Desjardin Adult Financial Literacy Awards. Congratulations to our Financial Literacy team who champion our financial wellness initiatives.

Community support played a major role in the achievement of our mission. In 2023, MC FCU supported several charitable organizations across our footprint. A list can be found on page 3 in this report. The 3rd Annual Charity Golf Tournament was a key focus. The 2023 tournament raised a total of \$30,000, which benefited four worthy causes: Getting Ahead Foundation, Mommy and Me Rescue, Eos Therapeutic Riding Center, and The Good Samaritan Mission.

Our advocacy efforts, along with those of the Credit Union Movement, highlight the importance of our credit union tax-exempt status and continue to showcase the credit union difference. The credit union tax exemption offers low or no cost services to help improve the financial wellness of all those in the communities we serve. We also continue the fight to protect interchange and ensure consumers and merchants receive the protections and benefits that interchange fees provide.

July of 2023 saw the end of an unprecedented federal reserve rate hiking cycle that was intended to control inflationary pressures. There are signs that rates will slowly start to decrease in the second half of 2024. Core Inflation ended the year at 3.4%. This was above the federal reserve's benchmark of 2%, but well off its high of 9.1% seen in June of 2022. Strong consumer spending saw the U.S. economy grow at an accelerated pace of 2.5%, ahead of 1.9% realized in 2022.

As we close our report, we want to thank the Board of Directors, the Executive Leadership Team, and all our team members who deliver great member service every day. We also want to thank you, our valued member-owners. It is our pleasure to serve you. We value the relationships we have built with you and are excited to continue our journey to Educate, Enlighten, and Celebrate you as your trusted financial partner. We look forward to a strong 2024 and seeing you next year as we celebrate our 70th Annual Meeting.

*Elba I. Arenas*  
Elba Arenas  
President & CEO

*Doug Bastian*  
Doug Bastian  
Chairperson of the Board



# TREASURER'S REPORT

MC Federal Credit Union ended the year with \$213 million in assets. Our net income of \$2,323,857 contributed to the increase in our net worth ratio, ending the year at 10.29%. Our return on assets remained strong at 1.08%. Share growth was a challenge across the industry. Where many of our peers had to borrow capital to assist with operational needs, we did not.

Our membership base continued to grow. We welcomed 1,090 new members and 43 new Select Employee Groups to our Field of Membership. Our members received over \$2.3 million in dividends. The average dividend paid per share was 35.5% higher than our peers. At year end, we held a certificate promotion which offered our members great rates, a theme that continued into 2024. In terms of lending, our focus continued to be on our wide selection of loan offerings with competitive rates to our members and potential members, resulting in loan growth of 2.21%. We experienced strong performance to budget in the areas of credit cards, personal loans, first mortgages, and commercial loans.

The consolidated financial statements are presented on page 6. The financials show that MC continues to be well positioned for sustainable growth as we navigate through the challenges brought on by our current economy and political landscape.

Matthew Hoeger  
Secretary/Treasurer of the Board

## SUPERVISORY COMMITTEE'S REPORT

The role of the Supervisory Committee in a credit union is to safeguard its members' assets. They ensure a credit union's Board of Directors and Executive Team fulfill their responsibility to operate the credit union according to sound business, ethical, and regulatory standards.

The MC Federal Credit Union Supervisory Committee engaged with multiple partners as part of our comprehensive audit and risk management strategy. RKL, Certified Public Accountants, conducted the annual financial statement and Home Mortgage Disclosure Act compliance audits. Feather CU Services, LLC performed our Bank Secrecy Act, Anti-Money Laundering, Member Identification Program, Office of Foreign Assets Control, and Automated Clearing House compliance audits. CrossState Credit Union Association assisted with audits of our Identity Theft and Overdraft programs. The results of these audits, and any management response, are presented to the supervisory committee at quarterly meetings. There were no audit findings or adjustments to the financial statements.

In addition to the above-mentioned audit work, internal compliance audits were held throughout the year under the direction of our Compliance and Information Security Officer. At the conclusion of each audit, actions taken to address risk and compliance errors are logged in a tracking document. Random audits of all teller and vault cash are completed monthly at all branches by independent team members. There were no unresolved member complaints in 2023.

My report documents the cooperation of the Board of Directors, Executive Team, and all MC Federal team members in the audit process.

Mark Reif  
Chairperson of the Supervisory Committee

# BALANCE SHEET & INCOME STATEMENT

*Year Ending December 31, 2023*

ASSETS		
	2023	2022
Cash and Cash Equivalents	2,365,653	2,466,780
Investments	48,702,051	56,429,353
Loans to Members	153,078,404	150,176,264
Assets in Process of Liquidation	179,777	246,586
Accrued Interest Receivable	815,724	759,546
Property and Equipment	3,097,037	3,315,192
Other Assets	5,337,033	3,046,501
<b>TOTAL ASSETS</b>	<b>\$ 213,575,679</b>	<b>\$ 216,440,222</b>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' shares	\$ 193,841,258	\$ 199,433,537
Accounts Payable and accrued expenses	1,697,775	1,666,013
Accrued interest and dividends payable	-	-
<b>Total Liabilities</b>	<b>195,539,033</b>	<b>201,099,550</b>
Members' Equity		
Retained earnings	21,814,293	19,773,690
Accumulated other comprehensive income	(3,777,647)	(4,433,018)
<b>Total Members' Equity</b>	<b>18,036,646</b>	<b>15,340,672</b>
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 213,575,679</b>	<b>\$ 216,440,222</b>
	2023	2022
Interest Income		
Members' loans	\$ 8,732,570	\$ 6,521,538
Investments	1,350,034	1,029,261
<b>Total Interest Income</b>	<b>10,082,604</b>	<b>7,550,799</b>
Interest Expense		
Members' dividends	2,356,717	919,721
Other interest expense	5,312	41
<b>Total Interest Expense</b>	<b>2,362,029</b>	<b>919,762</b>
Net Interest Income Before Provision for Loan Losses	7,720,575	6,631,037
Provision for Loan Losses	1,019,765	439,275
<b>Net Interest Income After Provision for Loan Losses</b>	<b>6,700,810</b>	<b>6,191,762</b>
Non-Interest Income	1,803,219	1,750,106
Impairment of corporate member capital account	-	-
<b>Total Non-Interest Income</b>	<b>1,803,219</b>	<b>1,750,106</b>
Total Non-Interest Expense	6,113,746	5,588,035
<b>Net Income From Operations</b>	<b>2,390,283</b>	<b>2,353,833</b>
Other Gain (Loss)	(66,426)	16,379
Corporate Stabilization Expense	-	59,065
<b>NET INCOME</b>	<b>\$ 2,323,857</b>	<b>\$ 2,429,277</b>

# METRICS FOR SUCCESS



**\$213M**

Asset Size



**10.29%**

Net Worth Ratio



**13,331**

Total Number of Members



**1,090**

Total New Memberships Opened



**14,895**

Average Monthly Transactions



**126**

Road to Financial Wellness Graduates



**525+**

Team Member Volunteer Hours



**\$52K+**

Charitable Contributions



**1,224**

New Loans Granted



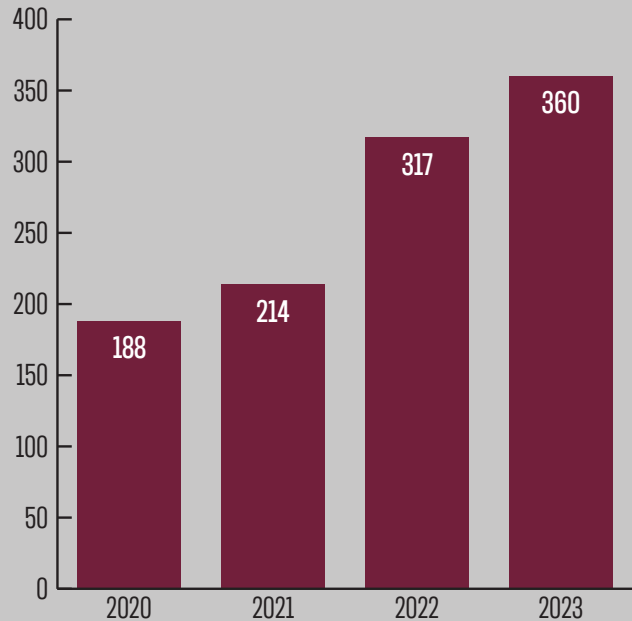
**\$38,644,097**

Balance of New Loans



**360**

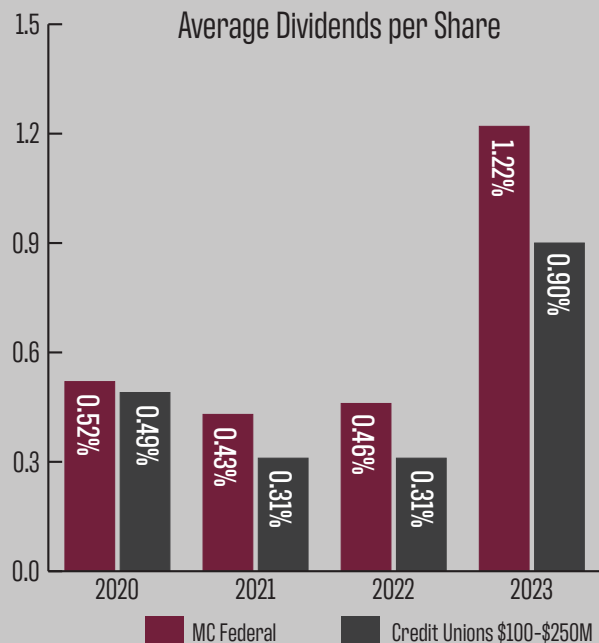
Number of Select Employee Groups



**\$2,356,717**

Total Dividends Paid to Members

Average Dividends per Share



# 2023 SERVICE MILESTONES



**Wendy Flynn**  
Lead Member Service  
Representative



**John Micklo**  
Back Office Support



**Shawn Merritt**  
Compliance & Information  
Security Officer



**Kristen Bastian**  
Loan Officer



**Melissa Tarlecki**  
Digital & Card Specialist



**Natalie Waltz**  
Executive Administrative  
Assistant



**Matthew Hoeger**  
Board of Directors  
Secretary/Treasurer

## *Congratulations*

Thank you all for being such valuable members of our team. Your dedication to our members is greatly appreciated. May you take some time to reflect on your accomplishments over the years and be blessed with continued growth and prosperity in the years ahead.

# THE MC FEDERAL TEAM

## 2023 Board of Directors



**Douglas Bastian**

Chairperson



**Brian Ulmer**

Vice Chairperson



**Matthew Hoeger**

Secretary/Treasurer



**Lynn Naugle**

Board Member



**Nevin Balliet**

Board Member



**William Anderson**

Board Member



**Peter Terrell**

Board Member

## Supervisory Committee

**Mark Reif**

Chairperson

**Michael Smith**

Member

**Rose Williams**

Member

**William Anderson**

Board Liaison

## Member Service Team

### EXECUTIVE TEAM

Elba Arenas, President & Chief Executive Officer  
Brian Wiktor, Chief Lending Officer  
Sam Kostura, Chief Financial Officer  
Tom Ha, Chief Information Officer

### CORPORATE SUPPORT

Annette Welch, Director of Operations  
Shawn Merritt, Compliance & Information Security Officer  
Ashley Jones, Marketing Specialist  
Natalie Waltz, Executive Administrative Assistant  
Tabitha Dauberman, IT Support  
Ryan Ehmann, Programmer Analyst  
Melissa Tarlecki, Digital & Card Specialist  
Doreen Artley, Accountanting Supervisor  
Sherri Seiverling, Accounting/Back Office Support  
John Micklo, Back Office Support  
Carla Schmidt, Collections Manager  
Emily Showers, Training Coordinator  
James Lapp, Maintenance Technician

### MEMBER SERVICE REPRESENTATIVES

#### Danville

Amanda Lynn, Lead MSR  
Brandi Pratt, MSR  
Christopher George, MSR  
Jean Cuadrado, MSR

#### Bloomsburg

Wendy Flynn, Lead MSR  
Rachel Bennett, Backup Lead MSR  
Melanie Matter, MSR  
Maxwell Summers, MSR

#### Lewisburg/Evangelical

Brandy Keister, Lead MSR  
David Zerbe, Backup Lead MSR  
Donna Hornberger, Backup Lead MSR  
Lindsey Kratzer, MSR  
Luis Hernandez Pena, MSR

#### Mount Carmel

Carol Altomare, Lead MSR  
Jenna Healey, Backup Lead MSR  
Wendy Lawrence, MSR  
Katie Flynn, MSR

### LENDING TEAM

Dana Tripp, Indirect & Consumer Lending Manager  
Kristen Bastian, Loan Officer  
Clinton Young, Loan Officer  
Heather Johnson, Small Business Analyst/Lender  
Diane Elliot, Commercial Loan Officer  
Kelsey Hartzler, Loan Administrator  
Mary Gratti, Loan Servicing Assistant

### CONTACT CENTER

Janet Williams, Member Service Officer  
Maria Ha, Member Service Officer  
Tatiana Pena, Member Service Officer  
Eileen Klaus, Member Service Officer





# BRANCH LOCATIONS & HOURS

## Danville

390 Walnut Street  
Danville, Pa 17821  
Mon-Thur: 8:00 AM - 4:30 PM  
Fri: 8:00 AM - 6:00 PM  
Sat: 9:00 AM - 12:00 PM

## Bloomsburg

599 East 7th Street  
Bloomsburg, Pa 17815  
Mon-Thur: 8:00 AM - 4:30 PM  
Fri: 8:00 AM - 6:00 PM  
Sat: 9:00 AM - 12:00 PM

## Lewisburg

1339 Saint Mary Street  
Lewisburg, Pa 17837  
Mon-Thur: 8:00 AM - 4:30 PM  
Fri: 8:00 AM - 6:00 PM  
Sat: 9:00 AM - 12:00 PM

## Mount Carmel

11218 State Route 61  
Mount Carmel, Pa 17851  
Mon-Thur: 8:00 AM - 4:30 PM  
Fri: 8:00 AM - 6:00 PM  
Sat: 9:00 AM - 12:00 PM

## Evangelical Community Hospital

1 Hospital Drive  
Lewisburg, Pa 17837  
Mon-Fri: 7:30 AM - 4:00 PM

## Cherokee Pharmaceuticals, LLC

100 Avenue C  
Riverside, Pa 17868  
Mon, Tues, & Fri: 8:00 AM - 1:00 PM



Federal Credit Union  
800.834.0082 | mcfcu.org

