

# Annual Report 2022



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## CEO'S REPORT

Your credit union has been investing in technological service delivery systems for years. Our remote technological service delivery systems were relied heavily upon to provide cost effective solutions to members. We have a wide variety of service options for our members, and we were able to direct members quickly to alternatives. Your credit union staff found solutions where gaps in technology existed and worked diligently to ensure continued quality service, even if the delivery channels were new to many members.

Our staff helped members make sound decisions concerning one of their most important financial transactions. Your credit union is committed to providing our best levels of service to membership. We are constantly improving our systems. We encourage members to use these new financial service delivery systems. They save time and money. Our staff is more than happy to educate you on how to do financial transactions remotely. We have put your financial information at your fingertips.

The staff have been truly dedicated and deserve praise and thanks for their actions throughout this very challenging time. We all grew in knowledge and experience as a result of the challenges we faced and are now positioned to better serve you in the future. Please contact us, your credit union family, when you have a financial need. We have the solutions.

Our Board and Supervisory Committee serve as volunteers. We are extremely grateful for the time and effort that they contribute to ensure the credit union's success. Their commitment during this time of complex decisions, uncertain circumstances and quickly changing dynamics, was invaluable. They were paramount in our ability to provide effective products and services in a way that protected our members in every aspect of safety and security. We are blessed to have people who freely provide their time and experience to serve their community.

We are looking forward, as your financial family, to continuing to provide you with effective solutions to your financial needs.

— **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 are continuing to make great progress in the last 12 months – in both measurable and immeasurable ways.

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

Your Credit Union continues to invest in technology with the goal of delivering services to you, our members, in a more efficient and effective manner. We hope you consider taking advantage of some of these new services. As our CEO noted, we encourage members to use these new financial service delivery systems. They save time and money. Our staff is more than happy to help you learn how to do financial transactions remotely. We have put your account and other financial information at your fingertips.

The following services may be new to you:

- Digital Solutions with Mobile Apps
- Youth Savings Accounts
- Kwik Kash Line of credit

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

2022 was a very good year financially for the Mid-Atlantic Federal Credit Union (MAFCU).

Our total assets were \$416 million, and loans grew by over \$13 million in 2021. Our net income was \$4.2 million, which was \$1.7 million higher than 2021 and resulted in a return on assets of 1.01%. We ended the year with a net worth ratio of 7.69%, about 1% higher than 2021 and above the NCUA guideline for well capitalized credit unions.

Overall, 2022 was a very good year for Mid-Atlantic Federal Credit Union. Market interest rates started to rise in 2022 and this trend continued in 2023.

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, our members, have come to expect.

In 2023 the federal reserve has been steadily raising interest rates to curb rising inflation. The federal reserve interest rate is 5.15% as of June 2023. This has caused a slowdown in lending and a drop in our deposit accounts. Total assets stand at \$408 million as of May 2023, down about \$8 million from December 2022. We are focused on maintaining adequate liquidity and building capital through profitable operations. We have been increasing dividend rates on CDs and deposit accounts to keep pace with market rates. Net income for 2023 through May is \$2.8 million which is \$1.0 million higher than 2022. Net worth ratio is 8.55%, which is very strong and the first time we have been over 8% is several years.

We look forward to increasing value every day, in every way, throughout 2023 and 2024 and protecting your deposits against a US recession which could occur in late 2023 or early 2024.

**ALLEN P. DELEON, CPA**  
TREASURER

## SUPERVISORY COMMITTEE'S REPORT

Greetings.

Thank you for your continued membership from your 2023-2024 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.

Our sincere thanks to the 2022-2023 Supervisory Committee members: Tony Spearman-Leach (Chair), Jerry Zillion (Vice-Chair), Shane Rock (Secretary), and Stephanie Hubbard. Your MAFCU Supervisory Committee thanks you for the opportunity to serve our membership.

**— SHANE ROCK**  
CHAIR, SUPERVISORY COMMITTEE





# Financial Report

As of December 31, 2022 (unaudited)

	2022	2021
Income		
Loan Income	\$12,225,025	\$11,063,453
Investment Income	\$1,268,200	\$272,928
Other Income	\$3,985,287	\$3,545,115
Total Income	<u>\$17,478,512</u>	<u>\$14,881,496</u>
Expenses		
Dividend Expense	\$1,006,787	\$564,677
Compensation and Benefits	\$5,719,296	\$5,762,329
Office Occupancy & Operations	\$4,732,250	\$4,538,149
General Administrative Expense	\$1,857,515	\$1,591,581
Provision for Loan Losses	(\$99,293)	(\$199,237)
Federal Operating Fees	\$65,418	\$76,315
Total Expenses	<u>\$13,281,973</u>	<u>\$12,333,814</u>
Net Income	<u>\$4,196,539</u>	<u>\$2,547,682</u>
Assets		
Gross Loans	\$330,426,716	\$316,787,612
Allowance	(\$1,602,952)	(\$1,755,430)
Net Loans	\$328,823,764	\$315,032,182
Cash	\$49,431,707	\$71,705,003
Investments	\$20,371,286	\$11,902,498
Loans Held for Sale	\$0	\$0
Net Fixed Assets	\$5,605,835	\$5,819,187
Other Assets	\$12,223,562	\$12,036,421
Total Assets	<u>\$416,456,154</u>	<u>\$416,495,291</u>
Liabilities		
Accounts Payable	\$467,261	\$148,731
Dividends Payable	\$220,648	\$82,074
Accrued Expense	\$2,228,115	\$2,164,753
Notes Payable	\$0	\$0
Other Liabilities	\$399,976	\$216,402
Total Liabilities	<u>\$3,316,000</u>	<u>\$2,611,960</u>
Members' Shares		
Shares	\$347,320,091	\$354,746,936
IRAs	\$4,126,822	\$3,747,393
Share Certificates	\$30,253,555	\$27,326,805
Total Shares	<u>\$381,700,468</u>	<u>\$385,821,134</u>
Nonmember Deposits	\$0	\$3,114
Total Shares & Nonmember Deposits	<u>\$381,700,468</u>	<u>\$385,824,248</u>
Members' Equity		
Regular Reserve	\$5,422,176	\$5,422,176
Fairfax County FCU/PGCFCU Capital		
Unrealized Investment Gain/Loss	(\$600,176)	\$215,760
Undivided Earnings	\$26,617,686	\$22,421,147
Other Comprehensive	\$0	\$0
Total Members' Equity	<u>\$31,439,686</u>	<u>\$28,059,083</u>
Total Liabilities & Members' Equity	<u>\$416,456,154</u>	<u>\$416,495,291</u>



**EQUAL HOUSING  
LENDER**

Federally  
Insured by  
NCUA