



# TOMORROW TOGETHER

2022 ANNUAL REPORT



# LOCAL DIFFERENCE

Member savings are pooled together to provide loans to some in exchange for dividends to others. Credit union profits are returned directly to our members; streams flowing together for strength and vitality. This is the credit union advantage.

Our easy-to-use financial products and services benefit our local members, not corporate shareholders ten states away. We're designed to help you build savings, borrow wisely, and tackle life's adventures, comfortably and affordably. Credit union deposits are federally insured to at least \$250,000. Not one penny has ever been lost by a member of any federally insured credit union. Since our establishment in 1936, we've served the communities of Northern California. As strong and as local as the mountains on the horizon, we are here for the well-being of our members and communities.

“Family-oriented, it was easy for my daughter and I to come and start a checking account for her. Since she was a minor, I appreciated the fact that I had access to her information to see if she's being responsible with her funds and staying out of trouble financially.”  
- Charlotte, member since 2020



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“The one benefit to my life is that Members 1st does early deposit. This has saved me a few times believe you me. Another is the credit fraud alerts. The customer service is superb.  
- *Letitia, member since 2015*”

TOMORROW

ETHEREAL

TOMORROW

TOGETHER

TOMORROW

*tomorrow together*



**Caroline Redmann**  
President & CEO

## CEO & BOARD CHAIR REPORT

From many perspectives, both locally and globally, we had a challenging year of uncertainty and volatility. We had hoped for a year of recovery from the pandemic and instead started 2022 in full pandemic-mode, requiring many cancellations. The economy suffered from a global war, record inflation, crazy high gas and food prices, rising interest rates, and low inventories of everything. For Members 1st, 2022 began with record deposit increases, but the second half of the year was entirely different with dwindling savings. As years of the pandemic lockdown came to an end, we experienced record loan volumes and increased spending as cars became available, traveling opened up, and inventories became available on more goods. It was a year of many ups and downs that came at a very high price! M1CU performed well despite the challenges and remains strong!

We may not be the biggest financial institution in the area, but the local connection with our northern communities is what makes us different. Our staff and volunteers live and breathe the same experiences, values, and struggles as our members. During the lingering pandemic, while other financial institutions closed, we found ways to keep our branches open – sometimes functioning with just a couple people. We answer our phones and follow through to the end. We

are there to help when you want to speak to someone whether it's a fraud attempt, a life change, or you just need a little advice.

We started the year with our newest branch in Chico, giving our members another personal service location. M1CU also expanded lending service to our local business partners in 2022, providing low-cost financing to small businesses that grow our communities.

Success in our communities helps all of us and M1CU is a strong supporter of local business and community support organizations. Our credit union donated nearly \$75,000 to 70 different community organizations in Redding, Chico, Red Bluff, Palo Cedro, and Paradise, as well as organizations in Butte and Shasta counties. We focused on things near and dear to our hearts like financial education, children services, families in need, re-building after the fires, and supporting small business.

We expect that 2023 will be another challenging year with persistent inflation, higher costs to borrow and cost of living more than it should be. With members having to spend more to keep up, we want to help members save for emergencies. Our focus in 2023 will

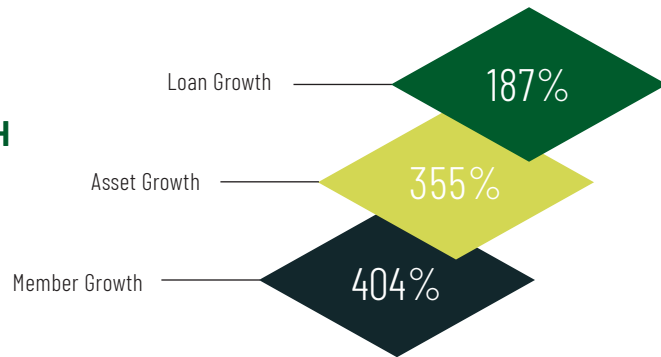
be on convenient ways to save and achieve financial balance. Although it pains us to see fraud attempts increasing, we also know the criminals are getting better at taking money from the innocent. The best protection is prevention. Please stay alert to their methods and keep your account information safe!

Our gratitude to all of you, our valued members and partners. Once again, Members 1st Credit Union was voted by the community as the BEST CREDIT UNION and MORTGAGE LENDER in the North State! We also took top honors in BEST PLACE TO WORK, INVESTMENT FIRM, and TOP EMPLOYER. On behalf of our dedicated Board of Directors and staff, we send you our heartfelt thank you for your trust and loyalty!

# LAYING ROOTS IN CHICO

Our newest branch in East Chico continued to experience growth throughout 2022. With visits from existing members and new members alike, Members 1st has been excited to establish our roots in East Chico. In May, the credit union welcomed neighboring businesses, Chico Chamber members, and local dignitaries to our ribbon cutting celebration at our East Avenue Chico branch. Members 1st partnered with Chico Marketplace's Back-to-School Drive in August to collect nearly \$500 worth of school supplies for local children for the upcoming school year. December marked the credit union's toy drive in partnership with Toys from the Heart, collecting more than \$500 in new toys for local Butte County children.

## YOY GROWTH METRICS



### NIGHT DROP BOXES

for after-hours deposits and payments



### 2 ATMs

for easy deposits and withdrawals



### SUFFICIENT ON-SITE PARKING

for quick branch visits



### 5 TELLER STATIONS

ready to serve you quickly so you can get on with your day payments



### 2 PRIVATE LOAN OFFICES

for fulfilling your lending needs

“

I have been with Members 1st since 1983. They have serviced me greatly all those years. Have helped through some fraud, all staff are so friendly and eager to see me through my financial problems. Thank you so very much.

”

- Ruby, member since 1983



# SHINING IN 2022

Members 1st Credit Union was pleased to be recognized as Best Credit Union 2022 in the Record Searchlight's Best of the North State competition. This marked the SEVENTH consecutive year Members 1st has received this award! 2022 was the first year Members 1st received the top vote for the Best Mortgage Lending Company! In addition,

Members 1st was privileged to be recognized in the top 3 for Best: Investment Firm, Places to Work, and Employer with 1-100 Employees! The Chico News & Review honored Members 1st with a third place finish in the Best Bank or Credit Union competition in 2022. Members 1st was nominated for Business of the Year, Distinguished Service Award, and

Customer Service Award by the Anderson Chamber of Commerce's annual business awards. The credit union credits this continued show of support to its strong connection with its members and community, but most importantly, the exemplary level of service provided by our staff.



★ ★

**ANDERSON**

**NOMINATIONS**

★ ★

BUSINESS OF THE YEAR

★ ★

DISTINGUISHED SERVICE AWARD

★

CUSTOMER SERVICE AWARD

The graphic features a large yellow star outline with a white star inside. The text is arranged around the star, with some words in bold green and others in bold yellow. There are several small green and white stars scattered around the main star.



★ ★

**REDDING**

**WINNER**

★ ★

BEST CREDIT UNION

★ ★

BEST MORTGAGE

★ ★

**TOP 3**

★ ★

BEST PLACE TO WORK

BEST INVESTMENT FIRM

BEST EMPLOYER: ★

1-100 EMPLOYEES

The graphic features a large yellow star outline with a white star inside. The text is arranged around the star, with some words in bold green and others in bold yellow. There are several small green and white stars scattered around the main star.



★ ★

**CHICO**

**3RD PLACE**

★ ★

BEST BANK OR CREDIT UNION

★ ★

The graphic features a large yellow star outline with a white star inside. The text is arranged around the star, with some words in bold green and others in bold yellow. There are several small green and white stars scattered around the main star.



## TAKING BUSINESSES TO NEW HEIGHTS

Is your business or portfolio ready to grow? Members 1st Credit Union's new business lending services, introduced in January 2022, specialize in lending for small and medium-sized businesses in loan amounts often overlooked by larger commercial lenders. As a community-owned credit union, we serve the needs of our local community, placing special emphasis on making relationships in Butte, Glenn, Shasta, and Tehama County. Whether you're buying, refinancing, or renovating, Members 1st can provide financing for various types of commercial real estate, investment properties, commercial vehicles, equipment, and more.

The goal of Members 1st is to understand your business and deliver smart, personal advice that helps you navigate the future, no matter what it may bring. Advice and loan solutions are tailored to you and your unique business needs. Relationships are developed and managed locally by credit union associates from your community, working together to help your business thrive. Connect with Members 1st at [www.m1cu.org/business](http://www.m1cu.org/business) to discuss your business and how we can help you build tomorrow together.

“ It's my local hometown financial institution. I like that they know me, and I can count on courtesy and respect. I like that they are quick to help with any issue that may arise. I've been a member since 1996.

- Debra, member since 1996

”



# GIVING BACK TO MOVE FORWARD

Members 1st is an active partner in our Northern California communities, where we serve, invest, and participate with local non-profits and events throughout the year. Whether it's time spent teaching financial literacy to our youth, hosting toy drives, planting trees in our community parks, supporting high school graduations, or volunteering to serve with local non-profits, Members 1st regularly invests back into our community. As your neighborhood credit union, we aim to improve the financial well-being of our members, support families, and encourage outdoor activity. In 2022, Members 1st invested more than \$74,000 and 689 volunteer hours from staff into our local communities.

Provided free **SWIMMING LESSONS** for local kids in partnership with Shasta Family YMCA



Provided more than **\$500** in Thanksgiving meals to local children in the North Valley Boys and Girls Club



Encouraged more than 180 local business visits as part of our **SHOP LOCAL WIN LOCAL SWEEPSTAKES**



Supported the annual **REDDING RODEO WEEK** festivities, parade, and rodeo

Collected nearly **\$500** in school supplies for the Chico Marketplace Back to School Drive



Celebrated **THINK PINK** awareness with members and our community

Sponsored the **ZOMBIE FUN RUN** supporting Pathways to Hope



Sponsored sober grad events at **8 LOCAL HIGH SCHOOLS**

Partnered with the Active 20/30 Club to shop for **SCHOOL SUPPLIES** with local youth for back-to-school

Distributed hundreds of **CHRISTMAS TREES** and decorations to families in need in partnership with Impact On Networking



Launched the **GRAND OPENING** and ribbon cutting ceremony for the newest Members 1st branch located at 969 East Avenue in Chico, CA



Hundreds of dollars of **HOLIDAY TOYS** collected in the annual Toys for Tots toy drive

Sponsored **LOCAL SCHOOL** athletic and academic programs



Partnered with local Redding baseball team, the **COLT 45s**, to support the team and athletes with in-game contests

Ongoing support of more than **\$7,000** toward the rebuilding of the Honey Run Covered Bridge

Provided free financial literacy curriculum to **12 LOCAL HIGH SCHOOLS** now totaling **38 TEACHERS** served and **2,280 STUDENTS** educated since its inception

Planted trees to support the **PRESERVATION OF OUR OUTDOOR PARKS** and open spaces by partnering with the Butte Environmental Council and Chico Urban Forest

Supported our local **CHAMBERS OF COMMERCE** by attending chamber events and championing local business ribbon cuttings



Participated in the annual **SHASTA MUD RUN** supporting local youth programs with Youth Options Shasta



Helped grant wishes to local children with more than **\$4,700** toward Make-A-Wish Northern California

# FINDING INVESTMENT ALTERNATIVES

Did you know Members 1st offers our members free access to financial advisors to help manage finances? Rubicon Advisors provides investment alternatives for members beyond the typical savings options offered by Members 1st. They create a personalized financial plan tailored to you and your unique financial goals. With step-by-step guidance, Rubicon Advisors will help you feel confident in your financial decisions. Rubicon Advisors can assist members with a wide selection of services, including investments, 401k planning, wealth management, tax planning, succession planning, college planning, insurance services, estate planning, and more.



John Winn  
**WEALTH MANAGEMENT ADVISOR**



Carl Pierce  
**LPL REGISTERED  
ADMINISTRATIVE ASSOCIATE**



Mary McCollum  
**OFFICE MANAGER**

**APPOINTMENTS WITH RUBICON ADVISORS  
CAN BE SCHEDULED AT ANY MEMBERS 1ST  
BRANCH OR BY VISITING [M1CU.ORG/INVEST](https://www.m1cu.org/invest)**

In light of the bank failures, we wanted to reassure you that Members 1st Credit Union is in a strong financial position and that your money is safe and federally insured. The operations of your hometown credit union could not be more different from the banks that failed. We serve the communities of the North State and deliver value to our member-owners in a thoughtful and prudent manner. Your funds are federally insured to at least \$250,000 per account holder, per ownership category. Not one penny of insured funds has ever been lost by a member of any federally insured credit union.

## SECURING YOUR FUTURE

Members 1st Credit Union prioritizes information security in its day-to-day operations. Keeping our member's information secure is built into the credit union's core DNA.

Here are some of the ways Members 1st is keeping your personal and financial information safe:

We partner with a third party for 24/7 monitoring of its internal network and external presence on the internet

Online banking and mobile apps use industry-standard encryption to keep your data safe as you manage your account

We regularly review by a third party to guide us in having the most up-to-date controls and processes for the best security stance

We conduct regular training to educate our staff on securely using e-mail and web browsing

We have all the necessary hardware and software to keep the bad guys out

Account protection through multiple layers of security

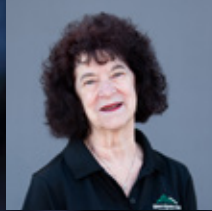
Online banking and mobile apps use additional authentication mechanisms with images and challenge questions to help us know you are actually you

We regularly scan external and internal devices for known vulnerabilities

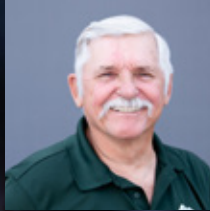
Staff train to correctly identify members before sharing private information

# LEADERSHIP

## BOARD OF DIRECTORS



Ricki McClure  
CHAIRMAN



Ed Niederberger  
CHAIRMAN



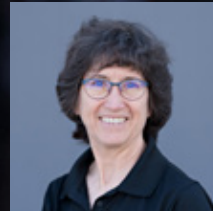
Sharon O'Quin  
1ST VICE CHAIRPERSON



Jason Montague  
2ND VICE CHAIRPERSON



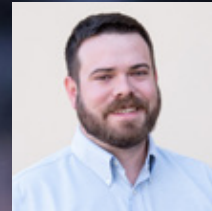
Ken Reed  
SECRETARY



Karina Lapp



Heather Orr

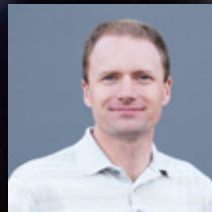


Riley Breslin



Aaron Moore

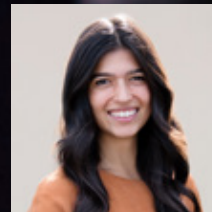
## SUPERVISORY COMMITTEE



Bryan Fraser  
COMMITTEE CHAIR



Kelsi Sprague  
SECRETARY



Amanda DeOcampo



Steve Clark

## SENIOR MANAGEMENT



Caroline Redmann  
CEO/PRESIDENT



Dean Birge  
CFO



Aaron Pitroff  
VP LENDING



Josh Markle  
VP MARKETING



Megan Littler  
VP OPERATIONS



Noel Stratton  
VP INFORMATION  
TECHNOLOGY

“ Members 1st makes banking easy. Other banks make you feel like they are doing you some kind of a favor just being there. Members 1st makes me feel like they appreciate me banking with them and they just make everything so easy.

- *Monica, member since 1982*

”





**Ricki McClure**  
Board Chairman

## A 29 YEAR LEGACY

After more than two decades as Chair of the Members 1st Credit Union Board, Ricki McClure stepped down from her leadership role at the end of January to spend more time with family. Over her 29-year tenure on the Board and Supervisory Committee, McClure was instrumental in fulfilling the mission and vision of Members 1st.

Ricki led several “firsts” in her tenure. After serving for three years on the Supervisory Committee and several attempts to join the Board, in 1997 McClure was voted on the Board and became the first female Board member! In 2000, FENC and North State Credit Union merged and became Members 1st Credit Union. In 2003, her determination paid off. McClure became Members 1st’s first female Board Chair and held that position until her retirement.

During her time on the Board, McClure served on board committees including the Executive, CEO Search, Personnel, Nominating, Marketing, and the Building/Grounds committee. As Board Chair, Ricki managed the transition of three different credit union CEOs.

“On behalf of the credit union and staff, we want to thank Ricki for all her years of dedicated service to Members 1st Credit Union,” said Redmann. “She will be greatly missed by our Board and staff. We share our thanks and best wishes to Ricki in her retirement!”



# FINANCIAL REPORT

This past year was again challenging on many levels. But even with these challenges the credit union was able to provide needed loans and deposit accounts to our members, and total loan balances, total deposit balances and the number of members reached record levels for the credit union in 2022.

## SOME HIGHLIGHTS FROM 2022 INCLUDE:

**\$135 million**

Loans totaling \$135 million were granted to members

**3,234**

The credit union added 3,234 new members

**15.65%**

Loan balances grew by +16%, up +\$35 million to a total of \$257 million

**23,953**

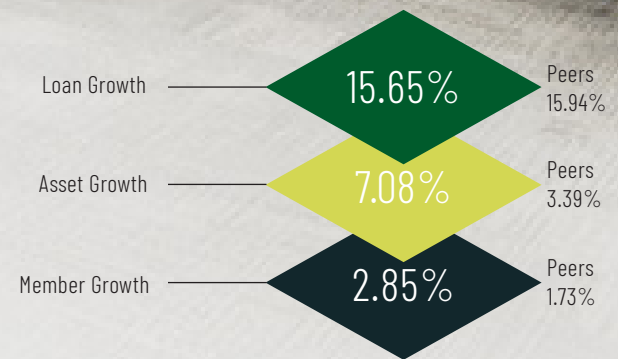
Membership grew by +2.85%, ending the year with 23,953 members.

**8.38%**

Deposits up +\$23 million to \$301 million in total

**\$2.3 million**

The net income was \$2.3 million



### Number of Members



### Net Worth Ratio



### Delinquency Ratio







## STATEMENT OF BALANCE SHEET

For the years ending December 31

ASSETS	2021	2022
Loans, Net of ALL	\$221,607,555	\$256,457,930
Investments	33,582,664	41,528,245
Cash and Demand Accts	36,455,301	15,483,646
Fixed Assets, Net	7,110,621	6,713,381
Other Assets	8,352,904	8,681,566
<b>TOTAL ASSETS</b>	<b>\$307,109,045</b>	<b>\$328,864,768</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Notes Payable	\$1,000,000	0
Accounts Payable	2,415,980	3,050,839
Members' Shares	277,655,027	300,930,089
Equity	26,038,038	24,883,840
<b>TOTAL LIABILITY &amp; EQUITY</b>	<b>\$307,109,045</b>	<b>\$328,864,768</b>

## STATEMENT OF INCOME AND EXPENSES

For the years ending December 31

INTEREST INCOME	2021	2022
Loan Income	\$7,737,399	\$8,543,170
Investment Income	252,433	745,429
Other Income	2,941,202	3,296,093
<b>GROSS INCOME</b>	<b>\$10,931,034</b>	<b>\$12,584,692</b>
<b>COST OF FUNDS</b>		
Cost of Funds & Borrowing	378,925	322,231
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	\$4,452,131	\$5,126,777
Other Operational Exp	4,029,656	4,686,215
Provision for Loan Loss	174,163	179,835
<b>NET INCOME</b>	<b>\$1,896,159</b>	<b>\$2,269,634</b>

\*Unaudited