2022
ANNUAL REPORT

Members Credit Union

Members Credit Union

Board of Directors

Supervisory Committee

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Joint Report

2022 was a year full of difficulty, challenge, and success for our members, Members Credit Union, and our MCU Family. Our MCU Family suffered a tragic loss in February when our beloved Senior Vice President, Eric Stiff, passed away after a short and hard-fought battle with AML. Eric's passing rocked our credit union family to its core. However, we are proud to say, as strong families do, our Credit Union Family closed ranks and stood firmly together for each other, picking up the pieces when needed and moving forward one step at a time. The secret to completing any journey, no matter how difficult, is simply just putting one foot in front of the other, and before you realize it, you are exactly where you are supposed to be. We will forever miss Eric and can only hope he is proud of us and his credit union!

The impact of actions taken during the COVID-19 pandemic continued to impact our economy in 2022 negatively. We saw inflation rise to near-record levels, affecting every part of our lives, including food, energy, transportation, housing, borrowing, and clothing. This rising inflation caused aggressive action by the Federal Reserve...increasing rates by 4.50% from the near-zero rates we had in February 2022. The Federal Reserve's actions have caused inflation to moderate, but inflation is still too high, and more rate hikes are expected, creating the expectation and fear of a recession in late 2023 or 2024. In fact, many economists predict some recession is what it will take to actually tame inflation. The Federal Reserve remains optimistic it can meet its inflation goal and navigate a "soft landing" for our economy.

The impact of COVID-19 on the labor pool has continued to impact our ability to fill vacancies. Although our time to fill these vacancies has increased, we have eventually been able to successfully fill all positions. We do anticipate this labor issue to remain in place at least through most of 2023. This issue may potentially improve from a combination of the recessionary impact of the Federal Reserve’s rate action and more of the labor force actually returning to the workplace from their home offices.

On a positive note, the dedication of our employees allowed Members Credit Union to continue being one of a small number of credit unions with ALL employees working in our offices.

Our credit union's "WHY" continues to have a very positive impact on our dedication to delivering quality products and services to our membership. Our "WHY" is "To be the caring and trusted financial partner to each member, so our members are able to focus less on finances and more on what really matters in their daily lives." In the midst of the pandemic fallout, knowing the credit union could help make an even more positive difference in the lives of our members only made the credit union staff work that much harder to live our "WHY."

As we have moved out of the actual pandemic, our member behavior has returned to normal and is near pre-pandemic levels. We have seen our loan delinquencies return to normal levels, up from record lows during the pandemic. Even though they have increased, they are still in the lowest tier assigned by our regulators and are very normal for our membership and loan portfolio.

On a case-by-case basis, our financial solutions team continued to work with members who were impacted by rising inflation. For some members, we offered payment extensions allowing them to focus on paying other necessary everyday expenses. For other members whose situation was less dire, we temporarily lowered payments. Members continued to enroll in home banking and found our product simple and convenient to use.

Because of the increased usage of all our digital products, we created a new Digital Engagement Department in 2021. During 2022, Digital Engagement added a new Artificial Intelligence "Chatbot" service to our website to serve our membership. This service, marketed under the name "Mem-Bie," offers 24-7 service to our members by providing immediate answers to our member's most common questions about our products and services in English & Spanish. Since its launch at the end of August, Mem-Bie has served over 6,700 unique users and answered 41,000 questions for these users. Approximately 71% of these interactions with Mem-Bie occurred during our normal hours, offloading this routine call volume from our call center and allowing our call center team members to devote more time to members who have more complicated questions or needs. The remaining 29% of these interactions occurred after hours, making us convenient to our members whenever the member really needs us.

As a credit union, we weathered 2022 remarkably well, thanks to the incredible support of our loyal membership. After two years of muted spending and massive inflows of federal and state government pandemic assistance, our members returned to spending patterns that reached pre-pandemic levels.

As a result of this increased spending, we experienced a net deposit growth of approximately 1.00% in 2022, and our two-year deposit growth was an amazing 17.4%.In addition, our member's borrowing needs returned in 2022, and we experienced 10.50% loan growth.

During 2022, we received a final recovery payment of $524,000 from the funds we had to write off in 2009 due to the losses in the Corporate Credit Union system created by the Great Recession. We used $174,000 of these funds to add to our community assistance funds, pay bonuses to our employees, and increase our scholarship fund. Including this extraordinary recovery item, our net income was $6.2 million, which is a Return on Assets of 1.35%. We increased our Capital/Asset ratio in 2022 to 11.36%, up from a pandemic low of 10.08%, and projected to return to pre-pandemic ratios by year-end 2023.

We are proud of what we accomplished in 2022:

1) Meeting our member's loan and spending needs
2) Helping our members who experienced distress due to the impacts of record-setting inflation manage their financial affairs
3) Maintaining a sense of normalcy for both members and employees alike by continuing to operate at a very high impact rate throughout the year.

As we look forward to what we hope is a successful year in 2023, we have new developments and projects on the horizon.

At our Board Planning Session in October, the Board approved the recommendation to begin the process of becoming a Certified Development Financial Institution or CDFI and apply for Low-Income Designation. We believe both of these designations fit very well into our overall mission of meeting the financial needs of every member in the communities we serve, with an even greater emphasis on those members of modest means. We will partner with CU Strategic Services to facilitate the application process for each of these designations. These designations will allow us to apply for Federal grant funds to help offset the cost of new financial products and services.

We also plan to further develop our Learning Management System to help deepen our commitment to training our employees to better equip them to meet the needs of our members and meet their own professional development goals.

In closing, we want to thank our membership, our employees, and the credit union's Board of Directors for their unwavering support and loyalty throughout a very challenging, rewarding, and sometimes difficult 2022. As we continue working together and caring for one another, we know we can make great things happen in 2023.

Bob Donley

Bob Donley

Bob Donley
President/CEO

William A. Tittsworth

W. A. Tittsworth

William A. Tittsworth
Chairman of the Board

Board of Directors
Members Credit Union
Winston-Salem, North Carolina

INDEPENDENT AUDITORS' REPORT

Opinion

We have audited the accompanying financial statements of Members Credit Union, which comprise the statements of financial condition as of December 31, 2022 and 2021, and the related statements of income, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the financial statements referred to above presented fairly, in all material respects, the financial position of Members Credit Union as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Members Credit Union and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Members Credit Union's ability to continue as a going concern within one year after the date that the financial statements are available to be issued.

Auditors' Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Members Credit Union's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Members Credit Union's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Butler & Burke, LLP

Winston-Salem, North Carolina
April 10, 2023

MEMBERS CREDIT UNION
STATEMENTS OF FINANCIAL CONDITION
December 31, 2022 and 2021

	2022	2021
ASSETS		
Cash and cash equivalents	$ 9,151,847	$ 26,277,411
Investment securities, available-for-sale	98,993,967	128,731,641
Investment securities, held-to-maturity	146,878,672	109,910,032
Loans receivable, net of allowance for loan losses	185,729,909	168,330,204
Assets held for sale	73,500	69,622
Accrued interest receivable	1,218,405	854,506
Property and equipment, net	9,112,269	9,244,767
NCUSIF deposit	4,002,654	3,756,253
Other assets	7,855,516	7,715,070
TOTAL ASSETS	$ 463,016,739	$ 454,889,506
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' share and savings accounts	$ 407,889,602	$ 405,452,205
Accrued expenses and other liabilities	3,990,505	2,816,252
Total Liabilities	411,880,107	408,268,457
Members' Equity		
Regular reserve	11,650,670	11,650,670
Undivided earnings	41,356,756	35,166,039
Accumulated other comprehensive income (loss)	(1,870,794)	(195,660)
Total Members' Equity	51,136,632	46,621,049
TOTAL LIABILITIES AND MEMBERS' EQUITY	$ 463,016,739	$ 454,889,506

MEMBERS CREDIT UNION
STATEMENTS OF INCOME
For the Years Ended December 31, 2022 and 2021

	2022	2021
Interest Income		
Outstanding loans	$ 11,867,676	$ 10,044,583
Investment securities	3,709,326	1,433,715
Total Interest Income	15,577,002	11,478,298
Interest Expense		
Members' share and savings accounts	1,087,571	665,601
Total Interest Expense	1,087,571	665,601
NET INTEREST INCOME	14,489,431	10,812,697
Provision for Loan Losses	1,429,558	937,485
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	13,059,873	9,875,212
Non-Interest Income		
Fees and other income, net	4,553,973	4,089,786
Rental income	43,882	47,471
Gain on U.S. Central estate settlement	523,842	891,948
Total Non-Interest Income	5,121,697	5,029,205
Non-Interest Expense		
Compensation and benefits	7,276,335	6,887,718
Occupancy	1,075,463	941,400
Office operations	2,871,293	2,511,145
Other	767,762	758,562
Total Non-Interest Expense	11,990,853	11,098,825
NET INCOME	$ 6,190,717	$ 3,805,592

MEMBERS CREDIT UNION
STATEMENTS OF COMPREHENSIVE INCOME
For the Years Ended December 31, 2022 and 2021

	2022	2021
Net Income	$ 6,190,717	$ 3,805,592
Other Comprehensive Income (Loss)		
Unrealized holding losses arising during the period on securities available-for-sale	(1,675,134)	(615,630)
TOTAL COMPREHENSIVE INCOME	$ 4,515,583	$ 3,189,962

MEMBERS CREDIT UNION
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
For the Years Ended December 31, 2022 and 2021

	Regular Reserve	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Balance, January 1, 2021	$ 11,650,670	$ 31,360,447	$ 419,970	$ 43,431,087
Comprehensive Income	-	3,805,592	(615,630)	3,189,962
Balance, December 31, 2021	11,650,670	35,166,039	(195,660)	46,621,049
Comprehensive Income	-	6,190,717	(1,675,134)	4,515,583
Balance, December 31, 2022	$ 11,650,670	$ 41,356,756	$ (1,870,794)	$ 51,136,632

MEMBERS CREDIT UNION
STATEMENTS OF CASH FLOWS
For the Years Ended December 31, 2022 and 2021

	2022	2021
OPERATING ACTIVITIES		
Net income	$ 6,190,717	$ 3,805,592
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	378,384	421,900
Amortization of investment premium (discounts), net	(216,558)	(32,640)
Provision for loan losses	1,429,558	937,485
Net changes in operating assets and liabilities:		
(Increase) decrease in interest receivable	(363,899)	(129,758)
(Increase) decrease in other assets	(140,446)	(420,632)
Increase (decrease) in accrued expenses and other liabilities	1,174,253	(193,999)
Net Cash Provided by Operating Activities	8,452,009	4,387,948
INVESTING ACTIVITIES		
Proceeds from maturities of investment securities, held-to-maturity	96,610,545	10,697,320
Proceeds from sale/call of investment securities, held-to-maturity	-	48,500,000
Purchases of investment securities, held-to-maturity	(118,392,445)	(116,868,327)
Proceeds from maturities of investment securities, available-for-sale	47,548,953	52,884,643
Proceeds from sale/call of investment securities, available-for-sale	-	5,000,000
Purchases of investment securities, available-for-sale	(34,456,595)	(38,584,196)
Net increase in loans receivable	(18,829,263)	(4,671,120)
Purchases of property and equipment	(245,886)	(533,360)
Change in NCUSIF deposit	(246,401)	(466,848)
Change in assets held for sale	(3,878)	(55,972)
Net Cash Used in Investing Activities	(28,014,970)	(44,097,860)
FINANCING ACTIVITIES		
Net increase in members' share and savings accounts	2,437,397	57,918,296
Net Cash Provided by Financing Activities	2,437,397	57,918,296
CHANGE IN CASH AND CASH EQUIVALENTS	(17,125,564)	18,208,384
Cash and Cash Equivalents, Beginning	26,277,411	8,069,027
Cash and Cash Equivalents, Ending	$ 9,151,847	$ 26,277,411
SUPPLEMENTAL DISCLOSURES		
Cash paid during the year for interest	$ 1,087,571	$ 665,601
Unrealized losses arising during the year on investment securities, available-for-sale	$ (1,675,134)	$ (615,630)

NOTE A: ORGANIZATION

Members Credit Union is a member-owned, nonprofit cooperative organized under the laws of the State of North Carolina. Its members are principally employees of sponsor companies affiliated with the Credit Union.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accounting and reporting policies of the Credit Union conform to accounting principles generally accepted in the United States of America (GAAP). A brief description of significant policies is presented below.

Cash and Cash Equivalents

Cash and cash equivalents include cash and amounts on deposit with commercial banks with an original maturity of three months or less. These accounts at times may exceed federally insured limits. The Credit Union has not experienced any losses in these accounts and management does not believe it is exposed to any significant credit risk.

Investment Securities

The Credit Union's investment securities are classified and accounted for as follows:

Held-to-Maturity - Investment securities which the Credit Union has the positive intent and ability to hold to maturity are reported at cost, adjusted for amortization of premiums and accretion of discounts which are recognized in interest income using the interest method.

Available-for-Sale - Investment securities are classified as available-for-sale when the Credit Union anticipates that the securities could be sold in response to rate changes, prepayment risk, liquidity, availability of and the yield on alternative investments, and other market and economic factors. These securities are reported at fair value.

Unrealized gains and losses on securities available-for-sale are recognized as direct increases or decreases in other comprehensive income. Purchase premiums and discounts are recognized in interest income using the interest method over the terms of the securities. Declines in the fair value of held-to-maturity and available-for-sale securities below their cost that are deemed to be other than temporary are reflected in earnings as realized losses. In estimating other-than-temporary impairment losses, management considers the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Credit Union to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value. Gains and losses on the sale of securities are recorded on the trade date and the costs of securities sold are determined using the specific identification method.

The Credit Union does not maintain a trading portfolio.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Loans Receivable and Allowance for Loan Losses

Loans receivable are stated at unpaid principal balances, less an allowance for loan losses. Interest on loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

Loan fees and certain direct loan origination costs are not deferred, since the effect of deferral and amortization as an adjustment of loan yield is not material to the financial statements of the Credit Union.

The Credit Union also purchases participation loans originated by various other credit unions. The originating institution performs all servicing functions on these loans. The Credit Union will purchase only the following participation loans: automobile loans, unsecured closed-end loans, and unsecured insured home improvement loans. Participation loans are included with loans receivable in their respective loan class and stated at unpaid principal balance, less an allowance for loan losses, and net of any purchased premiums or discounts. Interest on participation loans is recognized over the term of the loan and is calculated using the simple-interest method on principal amounts outstanding.

The allowance for loan losses is established as losses are estimated to have occurred through a provision for loan losses charged to earnings. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed, generally when the loan is six months past due without receipt of a payment in the last ninety days. Subsequent recoveries, if any, are credited to the allowance.

The allowance for loan losses is evaluated on a regular basis by management and is based upon management's periodic review of the collectibility of the loans in light of the nature and volume of the loan portfolio, adverse situations that may affect the borrower's ability to repay, estimated value of any underlying collateral, prevailing economic conditions, and historical experience. The loan portfolio is evaluated by category for impairment. Accordingly, the Credit Union does not separately identify individual loans for impairment. This evaluation is inherently subjective as it requires estimates that are susceptible to significant revision as more information becomes available.

Accrual of interest on loans is discontinued when management believes, after considering economics, business conditions, and collection efforts that the borrower's financial condition is such that collection of interest is doubtful. All loans continue to accrue interest until they are 90 days past due.

In situations where, for economic or legal reasons related to a member's financial difficulties, the Credit Union grants a concession for other than an insignificant period of time to the member that the Credit Union would not otherwise consider, the related loan is classified as a troubled debt restructuring (TDR). The Credit Union strives to identify members in financial difficulty early and work with them to modify to more affordable terms before their loan reaches nonaccrual status. These modified terms include payment relief in the terms of an extension of the original maturity date and short-term payment reductions. The Credit Union does not provide its members rate reductions, principal forgiveness, or reductions of accrued interest. In cases where management has identified a TDR, an analysis is performed to determine whether the loan is impaired.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Assets Held for Sale

Assets held for sale is comprised of automobiles repossessed by the Credit Union due to non-payment on loans. When repossessed, the carrying value of the automobiles are adjusted to the lower of the loan balance outstanding or fair market value based on published prices from a national automobile dealership association, with losses initially recorded in the provision for loan losses. Any subsequent expenses that do not significantly increase the vehicles value and actual losses on sale are recorded as repossession expenses and losses in the accompanying statements of income.

Property and Equipment

Land is carried at cost. Office buildings, furniture, fixtures, equipment, and leasehold improvements are carried at cost, less accumulated depreciation and amortization. Buildings, furniture, fixtures, and equipment are depreciated using the straight-line method over the estimated useful lives of the assets, generally 40 years for buildings and 3 to 20 years for equipment and furniture. The cost of leasehold improvements is amortized using the straight-line method over terms ranging from 3 to 10 years.

NCUSIF Deposit

The deposit in the National Credit Union Share Insurance Fund (NCUSIF) is maintained in accordance with National Credit Union Administration (NCUA) regulations, which require the maintenance of a deposit by each insured credit union in an amount equal to one percent of its insured shares. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source, or the operations of the fund are transferred from the NCUA Board.

NCUSIF Insurance Premiums

Credit unions are required to pay an annual insurance premium equal to one-twelfth of one percent of total insured shares, unless the payment is waived or reduced by the NCUA Board. The NCUA Board waived the premium in 2022 and 2021.

Members' Share and Savings Accounts

Members' shares are subordinated to all other liabilities of the Credit Union upon liquidation. Dividends on members' share and savings accounts are based on available earnings at the end of a dividend period and are not guaranteed by the Credit Union. Dividend rates on members' share accounts are set by the Board of Directors, based on an evaluation of current and future market conditions.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Fair Value Measurements

Financial assets and liabilities required to be measured on a recurring basis (at least annually) are classified under a three-tier hierarchy. Fair value is the amount that would be received to sell an asset, or paid to settle a liability, in an orderly transaction between market participants at the measurement date.

The classification of assets and liabilities within the hierarchy is based on whether inputs to the valuation methodology used for measurement are observable or unobservable. Observable inputs reflect market-derived or market-based information obtained from independent sources while unobservable inputs reflect estimates about market data. See Note L for assets of the Credit Union measured at fair value on a recurring basis.

Income Taxes

The Credit Union is exempt by statute, from federal and state income taxes. Accordingly, income tax expense is limited to activities that are deemed by the Internal Revenue Service to be unrelated to their exempt purpose.

The Credit Union's primary tax positions relate to its status as an entity exempt from income taxes and classification of activities related to its exempt purpose. It is the opinion of management that the Credit Union has no uncertain tax positions that would be subject to change upon examination.

The Credit Union is required to file a federal exempt organization tax return (Form 990) annually to retain its exempt status. The Credit Union is also required to file an exempt organization business income tax return (Form 990-T) for any year unrelated business income exceeds $1,000. The Credit Union's Form 990 filings are generally subject to examination by the Internal Revenue Service for three years after they are filed.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results could differ from those estimates.

Subsequent Events

The Credit Union has evaluated its subsequent events (events occurring after December 31, 2022) through the date of this report, which represents the date the financial statements were available to be issued and determined that all significant events and disclosures are included in the financial statements.

NOTE B: SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Recently Issued Accounting Pronouncements Not Yet Effective

In February 2016, the FASB issued ASU No. 2016-13, *Financial Instruments – Credit Losses (Topic 326)*. The new standard introduced the current expected credit losses methodology (CECL) for estimating credit losses. The main objective of this update is to provide financial statement users with more decision-useful information about the expected credit losses on financial instruments and other commitments to extend credit held by a reporting entity at each reporting date. The amendments in this update replace the incurred loss impairment methodology in current GAAP with a methodology that reflects expected credit losses and requires consideration of a broader range of reasonable and supportable information to inform credit loss estimates. The guidance will be effective for periods beginning after December 15, 2022.

NOTE C: INVESTMENT SECURITIES

Investment securities have been classified in the statements of financial condition according to management's intent. The carrying amount of securities and their approximate fair values at December 31, 2022 and 2021, are as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities available-for-sale				
December 31, 2022:				
U.S. government and federal agency securities	$ 15,533,947	$ 1,934	$ (1,865,780)	$ 13,670,101
Deposits in other financial institutions	84,733,197	-	-	84,733,197
Mortgage-backed securities	597,617	-	(6,948)	590,669
	$ 100,864,761	$ 1,934	$ (1,872,728)	$ 98,993,967
December 31, 2021:				
U.S. government and federal agency securities	$ 16,991,896	$ 206,136	$ (407,284)	$ 16,790,748
Deposits in other financial institutions	111,185,451	-	-	111,185,451
Mortgage-backed securities	749,952	5,490	-	755,442
	$ 128,927,299	$ 211,626	$ (407,284)	$ 128,731,641

NOTE C: INVESTMENT SECURITIES (CONTINUED)

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
Securities held-to-maturity				
December 31, 2022:				
U.S. government and federal agency securities	$ 144,263,103	$ -	$ (15,157,926)	$ 129,105,177
Deposits in other financial institutions	2,516,632	-	-	2,516,632
Mortgage-backed securities	98,937	439	(1,511)	97,865
	$ 146,878,672	$ 439	$ (15,159,437)	$ 131,719,674
December 31, 2021:				
U.S. government and federal agency securities	$ 107,228,005	$ 268,536	$ (1,978,401)	$ 105,518,140
Deposits in other financial institutions	2,516,632	-	-	2,516,632
Mortgage-backed securities	165,395	12,295	-	177,690
	$ 109,910,032	$ 280,831	$ (1,978,401)	$ 108,212,462

The scheduled maturities of held-to-maturity and available-for-sale securities at December 31, 2022, are as follows:

	Securities held-to-maturity		Securities available-for-sale	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value
Due in one year or less	$ 250,000	$ 250,000	$ 84,762,484	$ 84,762,362
Due from one to five years	125,738,963	113,011,056	12,071,443	10,352,868
Due from five to ten years	20,790,772	18,360,753	3,433,217	3,288,068
	146,779,735	131,621,809	100,267,144	98,403,298
Mortgage-backed securities	98,937	97,865	597,617	590,669
	$ 146,878,672	$ 131,719,674	$ 100,864,761	$ 98,993,967

Included in the above mortgage-backed securities, the Credit Union has mortgage-related derivatives in the form of collateralized mortgage obligations. At December 31, 2022, the amortized cost of those collateralized mortgage obligations was $614,354 and the estimated market value was $606,040.

NOTE C: INVESTMENT SECURITIES (CONTINUED)

Information pertaining to securities with gross unrealized losses at December 31, 2022, aggregated by investment category and length of time that individual securities have been in a continuous loss position are as follows:

	Less Than Twelve Months		Over Twelve Months	
	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value
Securities available-for-sale				
U.S. government and federal agency securities	$ -	$ -	$ 1,865,780	$ 13,351,658
Mortgage-backed securities	59	15,708	6,889	574,962
	$ 59	$ 15,708	$ 1,872,669	$ 13,926,620
Securities held-to-maturity				
U.S. government and federal agency securities	$ 2,692,585	$ 40,350,557	$ 12,465,341	$ 88,754,620
Mortgage-backed securities	1,511	43,590	-	-
	$ 2,694,096	$ 40,394,147	$ 12,465,341	$ 88,754,620

Management evaluates securities for other-than-temporary impairment on at least a quarterly basis, and more frequently when economic or market concerns warrant such evaluation. Consideration is given to the length of time and the extent to which the fair value has been less than cost, the financial condition and near-term prospects of the issuer, and the intent and ability of the Credit Union to retain its investment in the issuer for a period of time sufficient to allow for any anticipated recovery in fair value.

The Credit Union had eighty-three debt securities with unrealized losses at December 31, 2022. All of these securities were either guaranteed by the U.S. Government or secured by mortgage loans. These unrealized losses relate principally to current interest rates for similar types of securities. In analyzing an issuer's financial condition, management considers whether the securities are issued by the federal government or its agencies, whether downgrades by bond rating agencies have occurred, and the results of reviews of the issuer's financial condition. As the Credit Union has the ability to hold debt securities until maturity, or for the foreseeable future if classified as available-for-sale, no declines are deemed to be other-than-temporary.

NOTE D: LOANS RECEIVABLE

The composition of loans receivable at December 31 is as follows:

	2022	2021
Automobile	$ 124,106,329	$ 115,396,362
Mortgage	7,601,754	6,690,187
Unsecured	53,800,384	45,553,265
Share secured	1,694,979	1,765,095
Other	-	3,585
	187,203,446	169,408,494
Less allowance for loan losses	(1,473,537)	(1,078,290)
	$ 185,729,909	$ 168,330,204

Allowance for Loan Losses

The Credit Union has an established methodology to determine the adequacy of the allowance for loan losses that assesses the risk and losses inherent in the Credit Union's portfolio. For purposes of determining the allowance for loan losses, the Credit Union segments certain loans in its portfolio by product type. The Credit Union's loans are segmented into the following pools: automobiles, mortgages, unsecured, share secured, and other. The Credit Union also sub-segments two of these segments into classes based on credit risk. Mortgages are divided into the following classes: (a) first mortgages, (b) home equity loans, and (c) land loans. Unsecured loans are divided into the following classes: (a) signature loans and credit cards, and (b) personal debt consolidation. Each class of loan requires significant judgment to determine the estimation method that fits the credit risk characteristic of its portfolio segment. The Credit Union uses internally developed models for this process. Management must use judgment in establishing additional input metrics for the modeling process. The models and assumptions used to determine the allowance are independently validated and reviewed to ensure that their theoretical foundation, assumptions, data integrity, computational process, reporting practices, and end-user controls are appropriate and properly documented.

NOTE D: LOANS RECEIVABLE (CONTINUED)

The following are the factors the Credit Union uses to determine the balance of the allowance account for each segment or class of loans.

Automobile

Automobile loans are not assessed at an underlying class level. The Credit Union uses a six-month rolling average historical loss time frame for the segment. These time frames are based on historical loss experience modeling and other quantitative and mathematical migration techniques over the loss emergence period.

Mortgage

Mortgage loans are pooled by portfolio class and a historical loss percentage is applied to each class. The Credit Union uses a six-month rolling average historical loss time frame for each class. These time frames are based on historical loss experience modeling and other quantitative and mathematical migration techniques over the loss emergence period.

Unsecured

Unsecured loans are pooled by portfolio class and a historical loss percentage is applied to each class. The Credit Union uses a six-month rolling average historical loss time frame for each class. These time frames are based on historical loss experience modeling and other quantitative and mathematical migration techniques over the loss emergence period.

Share Secured

Share secured loans are not assessed at an underlying class level. Furthermore, the Credit Union does not have a historical loss on these loans as they are fully collateralized by deposits held by the Credit Union.

Other

Other loans are not assessed at an underlying class level. The Credit Union uses a six-month rolling average historical loss time frame for the segment. These time frames are based on historical loss experience modeling and other quantitative and mathematical migration techniques over the loss emergence period.

NOTE D: LOANS RECEIVABLE (CONTINUED)

Loans by Segment

The total allowance reflects management's estimate of loan losses inherent in the loan portfolio at the balance sheet date. The Credit Union considers the allowance for loan losses of $1,473,537 adequate to cover loan losses inherent in the loan portfolio at December 31, 2022. The following table presents by portfolio segment, the changes in the allowance for loan losses and the recorded investment in loans for the years ended December 31, 2022 and 2021.

	2022					
	Automobile	Mortgage	Unsecured	Share Secured	Other	Total
Allowance for Loan Losses:						
Beginning Balance	$ 430,800	$ 9,004	$ 638,486	$ -	$ -	$ 1,078,290
Charge-Offs	(378,396)	-	(904,770)	-	-	(1,283,166)
Recoveries	51,830	-	197,025	-	-	248,855
Provision	498,876	(9,004)	939,686	-	-	1,429,558
Ending Balance	$ 603,110	$ -	$ 870,427	$ -	$ -	$ 1,473,537
Ending Balance: collectively evaluated for impairment	$ 603,110	$ -	$ 870,427	$ -	$ -	$ 1,473,537
Financing Receivables:						
Ending Balance	$ 124,106,329	$ 7,601,754	$ 53,800,384	$ 1,694,979	$ -	$ 187,203,446
Ending Balance: collectively evaluated for impairment	$ 124,106,329	$ 7,601,754	$ 53,800,384	$ 1,694,979	$ -	$ 187,203,446

	2021					
	Automobile	Mortgage	Unsecured	Share Secured	Other	Total
Allowance for Loan Losses:						
Beginning Balance	$ 294,996	$ 12,500	$ 501,759	$ -	$ -	$ 809,255
Charge-Offs	(269,329)	-	(635,332)	-	-	(904,661)
Recoveries	54,919	-	181,292	-	-	236,211
Provision	350,214	(3,496)	590,767	-	-	937,485
Ending Balance	$ 430,800	$ 9,004	$ 638,486	$ -	$ -	$ 1,078,290
Ending Balance: collectively evaluated for impairment	$ 430,800	$ 9,004	$ 638,486	$ -	$ -	$ 1,078,290
Financing Receivables:						
Ending Balance	$ 115,396,362	$ 6,690,187	$ 45,553,265	$ 1,765,095	$ 3,585	$ 169,408,494
Ending Balance: collectively evaluated for impairment	$ 115,396,362	$ 6,690,187	$ 45,553,265	$ 1,765,095	$ 3,585	$ 169,408,494

NOTE D: LOANS RECEIVABLE (CONTINUED)

Credit Quality Information

The Credit Union's internal risk ratings based on Beacon scores are as follows:

- 740 and above – Members may pose little to no additional risk.
- 680 to 739 – Members may pose nominal risk of loss.
- 620 to 679 – Members may show average risk.
- 560 to 619 – Members may show above average risk.
- 559 and below – Members may show high risk.

The following table represents credit exposures by creditworthiness category as of December 31, 2022 and 2021. The use of creditworthiness categories to grade loans permits management's use of migration analysis to estimate a portion of the credit risk. The Credit Union's internal creditworthiness grading system is based on experiences with similarly graded loans. Loans that trend upward toward higher levels generally have a lower risk factor associated; whereas, loans that migrate toward lower ratings generally will result in a higher risk factor being applied to those loan balances.

	2022					
	740 and Above	680 to 739	620 to 679	560 to 619	559 and Below	Total
Automobile	$ 24,567,969	$ 31,058,339	$ 44,508,648	$ 21,399,385	$ 2,571,988	$ 124,106,329
Mortgage						
First Mortgage	745,674	1,197,152	655,693	1,746	26,265	2,626,530
Home Equity	1,392,115	2,234,989	1,224,128	3,260	49,036	4,903,528
Land	20,354	32,678	17,898	48	718	71,696
Unsecured						
Signature Loans and Unsecured Lines of Credit	6,398,626	10,132,196	17,596,557	8,020,547	1,148,341	43,296,267
Personal Debt Consolidation	1,162,941	3,083,039	4,822,998	1,388,406	46,733	10,504,117
Share Secured	786,447	242,252	336,047	168,445	161,788	1,694,979
Other	-	-	-	-	-	-
Total	$ 35,074,126	$ 47,980,645	$ 69,161,969	$ 30,981,837	$ 4,004,869	$ 187,203,446

	2021					
	740 and Above	680 to 739	620 to 679	560 to 619	559 and Below	Total
Automobile	$ 23,377,564	$ 28,303,874	$ 41,224,630	$ 19,879,917	$ 2,610,377	$ 115,396,362
Mortgage						
First Mortgage	770,586	1,434,549	897,520	3,517	46,403	3,152,575
Home Equity	840,219	1,564,181	978,624	3,835	50,596	3,437,455
Land	24,481	45,575	28,514	112	1,475	100,157
Unsecured						
Signature Loans and Unsecured Lines of Credit	5,153,799	8,957,926	15,677,723	6,976,373	896,812	37,662,633
Personal Debt Consolidation	998,286	2,690,131	3,183,120	992,284	26,811	7,890,632
Share Secured	568,376	223,963	516,675	295,934	160,147	1,765,095
Other	-	-	3,585	-	-	3,585
Total	$ 31,733,311	$ 43,220,199	$ 62,510,391	$ 28,151,972	$ 3,792,621	$ 169,408,494

NOTE D: LOANS RECEIVABLE (CONTINUED)

Age Analysis of Past Due Financing Receivables

Following is a table which includes an aging analysis of the recorded investment of past due financing receivables as of December 31, 2022 and 2021.

	2022					
	0 – 2 Months Past Due	2 – 3 Months Past Due	Greater Than 3 Months Past Due	Current	Total Financing Receivable	Greater Than 3 Months Past Due and Accruing
Automobile	$ 767,741	$ 524,697	$ 114,017	$ 122,699,874	$ 124,106,329	$ -
Mortgage						
First Mortgage	67,078	56,938	-	2,502,515	2,626,531	-
Home Equity	10,349	46,519	98,879	4,747,780	4,903,527	-
Land	-	-	-	71,696	71,696	-
Unsecured						
Signature Loans and Unsecured Lines of Credit	600,142	557,335	261,069	41,877,828	43,296,374	-
Personal Debt Consolidation	77,987	19,402	11,887	10,394,734	10,504,010	-
Share Secured	-	-	78	1,694,901	1,694,979	-
Other	-	-	-	-	-	-
Total	$ 1,523,297	$ 1,204,891	$ 485,930	$ 183,989,328	$ 187,203,446	$ -

	2021					
	0 – 2 Months Past Due	2 – 3 Months Past Due	Greater Than 3 Months Past Due	Current	Total Financing Receivable	Greater Than 3 Months Past Due and Accruing
Automobile	$ 333,895	$ 459,929	$ 44,046	$ 114,558,492	$ 115,396,362	$ -
Mortgage						
First Mortgage	69,004	-	-	3,083,571	3,152,575	-
Home Equity	-	47,466	-	3,389,989	3,437,455	-
Land	-	-	-	100,157	100,157	-
Unsecured						
Signature Loans and Unsecured Lines of Credit	332,370	348,525	155,891	36,825,847	37,662,633	-
Personal Debt Consolidation	11,729	28,724	22,821	7,827,358	7,890,632	-
Share Secured	-	-	-	1,765,095	1,765,095	-
Other	-	-	-	3,585	3,585	-
Total	$ 746,998	$ 884,644	$ 222,758	$ 167,554,094	$ 169,408,494	$ -

NOTE D: LOANS RECEIVABLE (CONTINUED)

Nonaccrual Loans

Accrual of interest on loans is discontinued when management believes, after considering economics, business conditions, and collection efforts that the borrower's financial condition is such that collection of interest is doubtful. When automobiles are repossessed due to non-payment then accrual of interest is discontinued. All loans continue to accrue interest until they are 90 days past due. A period of 90 more days may pass before they are written off. Following is a table which includes nonaccrual loans by class as of December 31, 2022 and 2021.

	2022	2021
Automobiles	$ 114,017	$ 44,046
Home equity	98,879	-
Unsecured	261,069	155,891
Share secured	78	-
Personal debt consolidation	11,887	22,821
	$ 485,930	$ 222,758

Loans to directors and officers of the Credit Union totaled $266,548 and $278,704 at December 31, 2022 and 2021, respectively.

NOTE E: PROPERTY AND EQUIPMENT

Property and equipment at December 31 is summarized as follows:

	2022	2021
Land	$ 3,968,219	$ 3,968,219
Buildings	7,273,735	7,147,844
Furniture and office equipment	1,607,901	1,604,893
Computer equipment	2,713,774	2,599,701
Leasehold improvements	333,016	330,103
	15,896,645	15,650,760
Less accumulated depreciation	(6,784,376)	(6,405,993)
	$ 9,112,269	$ 9,244,767

Depreciation expense totaled $378,384 and $421,900 in 2022 and 2021, respectively.

NOTE F: LINE OF CREDIT

The Credit Union has available $144,974,750 in multiple lines of credit with various financial institutions, collateralized by certain assets of the Credit Union. There were no outstanding balances at December 31, 2022 or 2021.

NOTE G: MEMBERS' SHARE AND SAVINGS ACCOUNTS

Members' share and savings accounts at December 31 are summarized as follows:

	2022	2021
Checking	$ 91,776,433	$ 103,226,027
Money market	26,842,760	24,943,262
Super 60	74,845,410	66,481,128
Share savings	163,582,090	158,716,371
IRA shares	20,078,755	18,178,603
	377,125,448	371,545,391
Share and IRA certificates	30,764,154	33,906,814
	$ 407,889,602	$ 405,452,205

At December 31, 2022 and 2021, the aggregate amount of members' share and savings accounts over $250,000 was $15,520,551 and $19,953,078, respectively.

At December 31, 2022, scheduled maturities of share and IRA certificates are as follows:

2023	$ 19,993,481
2024	6,232,549
2025	2,338,512
2026	1,382,352
2027	817,260
	$ 30,764,154

Interest expense on members' share and savings accounts for the years ended December 31, 2022 and 2021 is summarized as follows:

	2022	2021
Checking	$ 8,780	$ 8,548
Money market	83,042	33,915
Super 60	324,805	127,042
Share savings	345,692	150,659
Share certificates and IRAs	325,252	345,437
	$ 1,087,571	$ 665,601

NOTE H: RETIREMENT PLAN

The Credit Union sponsors a 401(k) retirement plan. Employees with more than 90 days of service who work more than 1,000 hours annually and have attained the age of 21 are eligible to participate. The Credit Union will contribute a dollar for dollar match up to 4% of regular pay. Additionally, the Credit Union contributes 2.5% of regular pay, regardless of participation by the employee. Retirement plan expense totaled $277,890 and $268,305 in 2022 and 2021, respectively.

NOTE I: COMMITMENTS AND CONTINGENT LIABILITIES

The principal commitments of the Credit Union are as follows:

Lease Commitments

At December 31, 2022, the Credit Union was obligated under noncancelable operating leases at nine branch locations. Net rent expense under operating leases, included in occupancy expenses, was $165,684 and $165,921 in 2022 and 2021, respectively.

The required minimum rental payments under the terms of the leases at December 31, 2022, are as follows:

2023	**$ 104,972**
2024	**64,352**
2025	**40,011**
2026	**4,056**
	$ 213,391

Loan Commitments

At December 31, 2022, the Credit Union had outstanding commitments to members for variable rate unused lines of credit that are not reflected in the accompanying financial statements as follows:

Total approved lines of credit	**$ 73,246,122**
Amounts borrowed	**(39,094,861)**
Unused lines of credit	**$ 34,151,261**

Financial Instruments With Off-Balance Sheet Risk

The Credit Union does not write options, offer standby letters of credit and financial guarantees, write interest rate caps or floors, or secure interest rate swaps or forward or futures contracts. Consequently, the Credit Union does not have exposure to credit loss in the event of non-performance by another party to such financial instruments.

NOTE J: CAPITAL REQUIREMENTS

The Credit Union is subject to various regulatory capital requirements administered by the NCUA, as well as similar state requirements. Failure to meet minimum capital requirements can initiate certain mandatory, and possibly additional discretionary, actions by regulators that, if undertaken, could have a direct material effect on the Credit Union's financial statements. Under capital adequacy regulations and the regulatory framework for prompt corrective action, the Credit Union must meet specific capital regulations that involve quantitative measures of the Credit Union's assets, liabilities, and certain off-balance sheet items as calculated under generally accepted accounting principles. The Credit Union's capital amounts and net worth classification are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

Quantitative measures established by regulation to ensure capital adequacy require the Credit Union to maintain minimum amounts and ratios (set forth in the table on page 25) of net worth to total assets. In 2021 and prior, credit unions were also required to calculate a Risk-Based Net Worth Requirement (RBNWR) which established whether or not the Credit Union would be considered "complex" under the regulatory framework. To qualify as complex under these previous requirements, a credit union must have had more than 50 million dollars in assets and a RBNWR ratio greater than 6.0%. A complex credit union would be considered undercapitalized if its net worth ratio did not exceed its RBNWR ratio. The Credit Union's RBNWR ratio as of December 31, 2021 was 6.32%. In 2022, the regulations changed so that only credit unions with total assets greater than $500 million would be considered complex and be required to calculate their RBNWR unless opting into the complex credit union leverage ratio (CCULR) framework. A complex credit union that maintains a minimum net worth ratio of 9% and meets other qualifying criteria is eligible to opt into the CCULR. A qualifying complex credit union that opts into the CCULR and maintains the minimum net worth ratio is considered well capitalized. The Credit Union was not considered complex as of December 31, 2022 since total assets did not exceed $500 million. The Credit Union meets all capital adequacy requirements as of December 31, 2022 and 2021.

As of December 31, 2022, the most recent call reporting period, NCUA categorized the Credit Union as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized" the Credit Union must maintain a minimum net worth ratio of 7.0% of assets and, if complex, meet any applicable RBNWR or opt into the CCULR framework. There are no conditions or events since that notification that management believes have changed the Credit Union's category.

NOTE J: CAPITAL REQUIREMENTS (CONTINUED)

The Credit Union's actual capital amounts and ratios at December 31, 2022 and 2021 are as follows:

	Actual		To Be Adequately Capitalized Under Prompt Corrective Action Provisions		To Be Well Capitalized Under Prompt Corrective Action Provisions	
	Amount	Ratio	Amount	Ratio	Amount	Ratio
December 31, 2022						
Net Worth	$ 53,007,426	11.45%	$ 27,781,004	6.0%	$ 32,411,172	7.0%
December 31, 2021						
Net Worth	$ 46,816,709	10.29%	$ 27,293,370	6.0%	$ 31,842,265	7.0%
RBNWR	$ 28,749,017	6.32%	N/A	N/A	N/A	N/A

In performing its calculation of total assets, the Credit Union used the quarter-end balance option, as permitted by regulation.

NOTE K: FAIR VALUE OF FINANCIAL INSTRUMENTS

The fair values of the Credit Union's financial instruments, including cash, available-for-sale investment securities, accrued interest, loans receivable, and members' share and savings accounts approximate the carrying amounts reflected in the accompanying financial statements. At December 31, 2022, the carrying value of held-to-maturity investment securities exceeded the fair value by $15,158,998. At December 31, 2021, the carrying value of held-to-maturity investment securities exceeded the fair value by $1,697,570

NOTE L: FAIR VALUE MEASUREMENTS

Valuation techniques used to measure fair value are prioritized into the following hierarchy:

Level 1 — Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Credit Union has the ability to access.

Level 2 — Inputs to the valuation methodology include:

- Quoted prices for similar assets or liabilities in active markets;
- Quoted prices for identical or similar assets or liabilities in inactive markets;
- Inputs other than quoted prices that are observable for the asset or liability;
- Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

If the asset or liability has a specified (contractual) term, the Level 2 input must be observable for substantially the full term of the asset or liability.

Level 3 — Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The asset's or liability's fair value measurement level within the fair value hierarchy is based on the lowest level of any input that is significant to the fair value measurement. Valuation techniques used need to maximize the use of observable inputs and minimize the use of unobservable inputs. The Credit Union uses fair value accounting to report available-for-sale investment securities. These securities are valued based on quoted market prices, when available, or on market prices provided by recognized broker dealers.

The fair value methods described above may produce a fair value calculation that may not be indicative of net realizable value or reflective of future fair values. Furthermore, while the Credit Union believes its valuation methods are appropriate and consistent with other market participants, the use of different methodologies or assumptions to determine the fair value of certain financial instruments could result in a different fair value measurement at the reporting date.

NOTE L: FAIR VALUE MEASUREMENTS (CONTINUED)

The following table sets forth by level, within the fair value hierarchy, the Credit Union's assets measured at fair value on a recurring basis as of December 31, 2022 and 2021, respectively:

	Level 1	Level 2	Level 3	Total
2022				
Securities available-for-sale				
U.S. government and federal agency securities	$ -	$ 13,670,101	$ -	$ 13,670,101
Mortgage-backed securities	-	590,669	-	590,669
Deposits in other financial institutions	84,733,197	-	-	84,733,197
Total assets at fair value	$ 84,733,197	$ 14,260,770	$ -	$ 98,993,967
2021				
Securities available-for-sale				
U.S. government and federal agency securities	$ -	$ 16,790,748	$ -	$ 16,790,748
Mortgage-backed securities	-	755,442	-	755,442
Deposits in other financial institutions	111,185,451	-	-	111,185,451
Total assets at fair value	$ 111,185,451	$ 17,546,190	$ -	$ 128,731,641

NOTE M: US CENTRAL ESTATE SETTLEMENT

The Credit Union held Member Capital Shares with US Central via Vizo Financial Corporate Credit Union (Vizo) and fully wrote off the amounts in 2009 after US Central was conserved because of the financial crisis in 2009. In March 2021, the NCUA announced that based on the audited 2020 financials of the National Credit Union Share Insurance Fund (NCUSIF), the US Central estate had sufficient cash to provision for all future guaranty obligations and made distributions to capital holders in April and August 2021. In its September 2021 board meeting, the Vizo Financial board approved a payout from these distributions to reimburse member credit unions 63% of the corporate capital losses they incurred during the financial crisis, with the remaining 37% to be reimbursed in 2022. As a result of this reimbursement, the Credit Union realized a gain on the US Central estate settlement of $523,842 and $891,948 for the years ended December 31, 2022 and 2021, respectively.