

2022 ANNUAL REPORT

MembersAlliance
CREDIT UNION

You can *rely* on us!



A fond farewell

With 2022 came the announcement from Chris Erickson, our Vice President of Lending, that she would be retiring after 42 years of service to our members and our community and helping shape what MembersAlliance Credit Union is today. Words cannot express the impact she has had on our credit union, and we would be remiss if we did not express our gratitude for all she has done.

Chris, you deserve nothing but the best in retirement and we truly thank you for all that you have done in service of MembersAlliance Credit Union and our mission.



2022 Impact numbers

\$54,000+

in community support dollars spent towards, financial education, non-profit organizational support, and community event funding.

900+

participants in 33 financial education classes, virtual and in person sessions, for both adults and teens.

40+

local organizations, non-profits, and charitable ventures supported or partnered with in 2022.

Chairman's Report

The Credit Union's assets remained solid in 2022, locking in the significant growth that occurred in 2020 and 2021. Our loan portfolio continued with a steady growth pattern during the year as a result of the increased demand for real estate loans and a recovery in the automobile loan market. Net income reached record levels due to favorable loan loss conditions and recoveries of corporate credit union investment losses from 2010. Increases in prevailing interest rates have allowed the Credit Union to resume paying higher dividends on share accounts and share certificates.



An audit at the beginning of 2022 by Selden Fox, Ltd., resulted in a clean opinion and concluded that the Credit Union's financial statements fairly present its financial condition. The current year-end audit activities are underway. Similar positive results are expected again. A routine examination by the Illinois Department of Financial and Professional Regulation concluded that the Credit Union operates in a safe and sound manner, is stable, and is able to withstand normal business fluctuations. The Credit Union's share insurer, American Share Insurance, participated in that examination and commended the Credit Union for maintaining a safe and sound financial institution that is dedicated to serving its membership.

The Board continues to devote greater portions of its monthly meetings to planning and strategy matters. Our goal is to ensure that the Credit Union continues to be a thriving financial cooperative that provides products and services that benefit the membership. We desire to be a good employer and have taken steps to attract and retain career-focused employees. We also intend to be a good corporate citizen by continuing to sponsor local events and activities that benefit our communities.

The current Board of Directors consists of eight individuals with various backgrounds and abilities. Our common goal is to act in the best interests of the Credit Union and its members. This has allowed us to maintain a Board-level focus on the future needs of the organization and to plan accordingly.

On behalf of the Board, I want to thank the membership for continuing to use and support the Credit Union. Thanks also to the Board, Management, and staff of the Credit Union for working to make it a purpose-driven financial institution. Thanks especially to the front-line employees for their continued dedication to serving the membership during the year.

Gregory C. Hopkins
Chairman of the Board

President's Report



I'm grateful for the opportunity to look back on each year we've shared at MembersAlliance and think about what I've learned personally from the experiences we've shared during the year. 2022 taught me that we are fortunate to be operating, serving, and participating in a community full of hard working, positive, caring, and relationship oriented people. People seemed to really appreciate the opportunity to get together after nearly two years of social distancing. It makes me appreciate the role MembersAlliance plays in our community more than ever.

In 2022, we established the MembersAlliance Community Impact Fund in cooperation with the Community Foundation of Northern Illinois. Our goal was to establish a foundation, without the expense and liabilities related to creating an actual foundation. CFNIL worked with us to establish an account with them that allows our corporate giving to combine with member donations that can be distributed at our discretion to provide support to our many community partners. This helps us in our commitment to having an empowering impact in our community.

In 2022, nine staff members completed course work and exams to become Certified Financial Counselors. These staff members are now able to work and guide our members who may be facing challenges in their journey toward financial wellness and prosperity. This exhibits our commitment to inspiring financial wellness.

I am especially grateful for our current group of volunteer board members. They are an inspiration to me. They give freely of their time and knowledge and continue to support and value our efforts to have a long-term impact on our community.

I continue to be astounded by our executive team that never shies away from challenges and makes every effort to ensure that MembersAlliance continues to thrive and be the difference maker here in our community. In January of 2023, Chris Erickson, Vice President of Lending, retired after forty-two years with MembersAlliance. I am privileged to have been her teammate through many challenging, exciting, character-building, and memorable experiences over the years.

Our team of employees and the extraordinary service they provide set a high standard and exemplify our We Care philosophy. I am always proud of our staff and what they achieve by working together with purpose.

Finally, our members, who use our services and see the value in what we can do as your financial partner, are the heartbeat of MembersAlliance. Thank you for your continued trust in us and your commitment to cooperative local banking.

Cheryl A. Sio

Cheryl A. Sio, President

Investment Securities

December 31, 2022

CARRYING VALUE AND ESTIMATED MARKET VALUE OF INVESTMENT SECURITIES ARE AS FOLLOWS

	WEIGHTED AVERAGE YIELD	CARRYING VALUE	ESTIMATED MARKET VALUE
U.S. AGENCY SECURITIES	1.0%	\$22,169,253	\$22,169,253

AMORTIZED COST AND ESTIMATED MARKET VALUE OF INVESTMENTS IN DEBT SECURITIES ARE AS FOLLOWS:

	AMORTIZED COST	GROSS UNREALIZED GAINS	GROSS UNREALIZED LOSSES	ESTIMATED MARKET VALUE
US AGENCY SEC	\$24,860,000	\$0	\$2,690,747	\$22,169,253
MTG-BKD SEC	\$0	0	0	\$0
TOTAL DEBT SEC	\$24,860,000	\$0	\$2,690,747	\$22,169,253

THE AMORTIZED COST AND ESTIMATED MARKET VALUE OF DEBT SECURITIES, INCLUDING MORTGAGED-BACKED SECURITIES ARE SHOWN BELOW. EXPECTED MATURITIES WILL DIFFER FROM CONTRACTUAL MATURITIES BECAUSE BORROWERS MAY HAVE THE RIGHT TO CALL OR REPAY OBLIGATIONS, WITH OR WITHOUT CALL PREPAYMENT PENALTIES:

	AMORTIZED COST	ESTIMATED MARKET VALUE
U.S. GOV'T & FED'L AGENCY SECURITIES		
DUE IN ONE YEAR OR LESS	\$0	\$0
DUE AFTER ONE YEAR < FIVE YEARS	21,860,000	19,780,604
DUE AFTER FIVE YEARS < TEN YEARS	3,000,000	2,388,649
DUE AFTER TEN YEARS		
TOTAL U.S. SECURITIES	\$24,860,000	\$22,169,253
MORTGAGE-BACKED SECURITIES	0	0
TOTAL DEBT SECURITIES	\$24,860,000	\$22,169,253

Proceeds from sales of investments in debt securities (incl. mortgage-backed securities) during 2022 were \$0. These proceeds included gross gains of \$0 & gross losses of \$0.

Comparative

ASSETS & LIABILITIES		
ASSETS	2022	2021
LOANS:		
LOANS TO MEMBERS	\$80,511,920	\$73,381,491
REAL ESTATE - 1ST MORTGAGE	61,143,415	57,620,312
REAL ESTATE - HOME EQUITY	5,417,654	2,934,072
VISA LOANS	12,487,261	11,970,769
PARTICIPATION LOANS	10,307,245	9,250,132
TOTAL LOANS	\$169,867,494	\$155,156,776
ALLOWANCE FOR LOAN LOSS	1,431,560	(1,580,111)
NET LOANS	\$168,435,934	\$153,576,665
CASH	\$10,531,406	\$23,780,489
INVESTMENTS:		
CDs @ FINANCIAL INSTITUTIONS	\$57,866,000	\$55,866,000
CORPORATE CU & CORP CU SHARES	300,000	300,000
FEDERAL AGENCY SECURITIES & CMO	22,169,253	16,054,695
FHLB CAPITAL STOCK	255,800	187,700
NET INVESTMENTS	\$80,591,053	\$72,408,395
FIXED ASSETS:		
LAND	\$1,226,557	\$684,398
BUILDING & IMPROVEMENTS (NET)	1,413,439	1,500,406
EDP & EQUIPMENT (NET)	182,158	295,546
TOTAL FIXED ASSETS (NET)	\$2,822,154	\$2,480,350
OTHER ASSETS:		
PREPAID EXPENSES	\$411,463	\$408,340
ACCRUED INTEREST ON LOANS & INVEST.	513,980	384,722
ASI SHARE INSURANCE DEPOSIT	3,097,448	2,750,541
MISC ASSET ACCTS	5,811,417	5,235,416
TOTAL ASSETS	\$272,214,856	\$261,024,917
LIABILITIES		
ACCOUNTS PAYABLE	\$3,475,323	\$2,479,842
DIVIDENDS PAYABLE	145,043	36,969
ACCRUED EXPENSES	424,952	1,132,059
TOTAL LIABILITIES	\$4,045,318	\$3,648,870
EQUITY		
SHARE ACCOUNTS:		
REGULAR SHARES	\$137,749,524	\$138,924,789
CLUB SHARES	153,184	161,974
SHARE DRAFTS	60,900,400	58,522,373
MONEY MARKET SHARES	29,137,376	25,959,573
SHARE, IRA & HSA CERTIFICATES	21,747,312	14,659,546
TOTAL SHARES	\$249,687,796	\$238,228,255
RESERVES:		
REGULAR RESERVE	\$3,535,732	\$3,535,732
INVESTMENT VALUATION RESERVE	(2,690,747)	(305,305)
UNDIVIDED EARNINGS	17,636,758	15,917,365
TOTAL RESERVES	\$18,481,743	\$19,147,792
TOTAL EQUITY	\$268,169,539	\$257,376,047
TOTAL LIABILITIES & EQUITY	\$272,214,856	\$261,024,917

Statements

INCOME AND EXPENSE:			
	2022	2021	
INCOME:			
INTEREST ON LOANS	6,167,218	5,914,390	
INTEREST ON INVESTMENTS	1,092,594	722,825	
FEES	1,491,891	1,432,916	
MISC OPERATING INCOME	2,898,929	2,534,464	
TOTAL GROSS INCOME	11,650,631	10,604,595	
EXPENSES:			
EMP SALARIES, BENEFITS, TAXES, etc.	5,289,725	5,155,580	
OFFICE OCCUPANCY	727,559	771,856	
OFFICE OPERATIONS	949,699	982,351	
MARKETING & BUSINESS DEVELOPMENT	272,734	264,490	
SERVICE & PRODUCT EXPENSES	1,526,840	1,535,195	
COMMUNITY ENGAGEMENT & NFP SUPPORT	46,957	44,603	
OTHER EXPENSES	532,630	491,294	
TOTAL OPERATING EXPENSES	9,346,144	9,245,369	
PROVISION FOR LOAN LOSSES EXPENSE	115,118	(68,398)	
DIVIDEND EXPENSE	373,184	138,163	
NON-OPERATING EXPENSE	96,793	46,234	
NET INCOME / (LOSS)	1,719,393	1,243,227	
STATEMENT of REGULAR RESERVE, ALLOWANCE for LOAN LOSS and UNDIVIDED EARNINGS			
	REGULAR RESERVE	ALLOWANCE for LOAN LOSS	UNDIVIDED EARNINGS
BALANCE @ 1/1/2022	\$3,535,732	\$1,580,111	\$15,917,366
NET INCOME DISTRIBUTION			1,719,393
LOANS CHARGED OFF		(528,001)	
RECOVERIES		264,333	
PROVISION FOR LN LOSSES		115,117	
12/31/2022	\$3,535,732	\$1,431,560	\$17,636,759
VARIOUS BENCHMARK COMPARISONS			
	2022	2021	2020
NUMBER OF MEMBERS	19,763	19,653	19,666
NUMBER OF LOANS (Excluding Participations)	12,011	12,983	12,604
AVERAGE SHARE BALANCE	\$12,634	\$12,122	\$10,756
AVERAGE LOAN BALANCE	\$13,285	\$11,238	\$10,793
% NET CHARGED OFF LOANS	0.15%	0.380%	0.510%

Community

Making a difference. Doing good. Having an impact. Empowering prosperity. These are all statements that can describe what we see as our part of our purpose. Community involvement, participation and sponsorship of events, supporting and partnering with local organizations are all priorities for MembersAlliance. There are countless worthwhile local organizations all striving to make a difference right here in our community. Below is a list of the organizations we were privileged to partner with and sponsor a variety of local events and organizations within this amazing community we call home in 2022!

Adopt An Angel-Winnebago County*
 AFP National Philanthropy Day
 Alpine Kiwanis Brat Days
 Anderson Japanese Gardens
 Banzai Financial Educational Curriculum
 BBB/MACU Community Shred Day
 Carpenter's Place*
 East High School BAMIT Academy
 ELEV815
 Easter Seals Academy
 Fatherhood encouragement Project*
 Gigi's Playhouse/Jeep Freeze
 The Haven Network*
 HomeStart
 Hoo Haven*
 IL Stateline Young Life
 INCubator program at Hononegah HS
 Jefferson High School BAMIT Academy
 KCancer Softball*
 K-Fact*
 Midway Village - All Hallow's Eve
 Motherhouse Crisis Nursery*
 Music on the Mall - Edgebrook
 Pregnancy Care Center of Rockford
 RACVB - Dasher Dash
 Remedies Renewing Lives
 Rockford Park District - Music in the Park/All Aglow
 Rockford Reachout Jail Ministries*
 Rockford Rescue Mission*
 Rock House Kids*
 Rockton Main Street Trick or Treat/River Market
 Stateline Youth for Christ - City Life
 Stuff the Bus - schools supply drive
 Transform Rockford - Great Neighborhoods
 United Way of Rock River Valley
 Veteran's Drop-In Center
 Vets Roll
 Women of Today's Manufacturing
 Youth Services Network

Matters

Member of these local business organizations: Rockford Area Chapter of Credit Unions; Rockford Area Chamber of Commerce; Rockford Area Economic Development Council; Belvidere Chamber of Commerce; Rockford Area Realtors; Parks Chamber; HomeStart/City of Rockford; Rockford Network of Professional Women; Better Business Bureau (accredited w/A+ rating); Alignment Rockford.

*Along with our corporate efforts, our Employee Enhancement Committee (EEC) selects not-for-profits to which employees can donate time, money, or supplies. **The EEC donated a total of \$4807 to these local groups & organizations.**



Partners in Kind

Our Partners in Kind (PIK) crew continues to expand on well received events and isn't afraid to try new forms of engagement, always looking for ways to encourage a kinder community. This year we were excited to partner with Furst Staffing on a couple of events. We're always open to new ideas so please feel free to share any out of the box concepts you may have. The prevailing goal is to promote kindness and encourage others to pass it on, creating a kinder community for all of us!

2022 Community Partners:

Dee Dee's Cafe
 Elev815 Pumpkin Giveaway
 Gensler Gardens
 Great Harvest Bread Co.
 J&C Old Fashioned Ice Cream -
 Food Truck Tuesdays
 Rockford Roasting Co
 Wired Cafe



Year in photos

2022 Leadership

MembersAlliance Credit Union is governed by a volunteer Board of Directors which is voted on at our annual meeting.

Board of Directors (listed in alphabetical order)

Chris Anderson
Susan Campbell
Keith Eden
Gregory Hopkins
Mary Maxted
Steve Naff
Cheryl Sio
Michael Youngblood

Chairman of the Board

Gregory Hopkins

Officers

Cheryl Sio, President

Christine Erickson, Vice President of Lending

Lisa Keller, Vice President of Operations

Kelly Froeliger, Vice President of Finance

Matt Lynch, Vice President of Branding & Development

MembersAlliance Credit Union

84th Annual Meeting

March 9, 2023 5:30 p.m.

2550 S. Alpine Road
Rockford, IL 61108

MembersAlliance
CREDIT UNION

You can *rely* on us!

Bank Easy. Save More. Live Well. *We can Help.*

815.226.2260 | www.membersalliance.org

Traditional Branches

2550 S. Alpine Rd.
Rockford, IL 61108
815.226.2260

6951 Olde Creek Rd.
Rockford, IL 61114
815.484.1160

Walmart Instores

3902 W. Riverside Blvd.
Rockford, IL 61101
815.484.5350

7219 Walton St.
Rockford, IL 61108
815.484.5345

4781 E. Rockton Rd.
Rockton, IL 61072
815.484.1250

YOUR SAVINGS INSURED TO \$250,000 PER ACCOUNT



AMERICAN SHARE INSURANCE

By members' choice, this institution is not federally insured.



ACCREDITED
BUSINESS

