



# TOMORROW TOGETHER

2023 ANNUAL REPORT



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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

TOGETHER

TOMOR

*tomorrow together*

## LOCAL DIFFERENCE

Member savings are pooled together to provide loans to some, while others receive dividends. This means that credit union profits are not pocketed by distant shareholders but returned directly to our members. It's a system that fosters strength and vitality, a true credit union advantage.

Our easy-to-use financial products and services benefit our local members, not corporate shareholders who are 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





**Caroline Redmann**  
President & CEO

## CEO REPORT

While economic fluctuations and financial uncertainty took a huge toll on the cost of everything, Members 1st Credit Union fared better than many financials. The reason is simple - our people and commitment to our members. It is important to do business with people you know and can trust. As a local cooperative, our members are the same people we know in our community. Our investments are the very loans we grant to members. We couldn't ask for a sounder investment than the people in the North State! Our members are resilient and trustworthy, and it shows in our numbers. We are stronger together!

We value that trust and in return we commit to providing personal service you can count on. While other financials are busy deploying self-service machines, we will focus on things that are important to our members, like picking up the phone, resolving issues, and holding your hand when its needed. We understand the frustrations of complicated financial lives and we believe it requires a shared human experience to do service right. You are not just a number or algorithm to us. Our not-for-profit structure should tell you where our heart is kept - our vision is nothing short of improving the lives of our community.

Members 1st Credit Union is a direct reflection of

our communities and 2023 was not kind to our pocketbooks. Many of our members had to dip into savings to keep up with price increases in energy, food, and rents. Seeing the drain on finances, M1CU found ways to help more members save money. We eliminated all NSF fees and reduced Courtesy Pay fees from \$29 to \$15. We also instituted limits, so fees don't keep piling up. Knowing that it is hard to save, with high prices, we made some changes. We added a roll-the-change product called STASH that automatically deposits your change from debit card transactions to your savings, and we created an Emergency Savings account that earns a higher rate of interest on the first \$1,000 to encourage savings smaller amounts when you can. We lowered all the minimum deposits for certificates of deposits to \$100 so even small victories can benefit from higher rates. We expanded our lending criteria to help more members with stumbling blocks to their credit. And we are working to make small loans easier to get. Look for a loan product that will quickly fund short-term needs for more members in 2024.

Unfortunately, when members need to hold on to their hard-earned funds the most, fraudulent activity has skyrocketed. Knowing how unsettling it is to receive a fraud attempt, our staff has quickly responded to

the challenges and know how to help you through and keep your account protected. Listening to our members and following through is what we do best! We thank our members that agreed and voted us the Best of the North State and Chico! You are the reason we love our work!

Thank you for choosing Members 1st Credit Union and investing in your community! We are honored to be in this together!



**Ken Reed**  
Board Chairman

As we reflect on this past year, it has clearly been a difficult time for our members and financials around the country. High rates of inflation reduced spending power, and eroded savings have made autos and housing unaffordable for many. Despite a challenging economic environment, Members 1st Credit Union was a steady source of strength and support for our Members, team members, and communities in all the ways you have come to expect.

As the Chair of your volunteer Board of Directors, I'm proud to report that even with nationwide declines in deposits, MICU continued to deliver financial results as we increased liquidity and built our capital reserves for our future. The conservative nature of our cooperative structure allows Members 1st Credit Union to remain financially safe, secure, and sound. Owned by its members since 1936, we serve and reinvest our deposits in loans to our friends and neighbors within our communities. Our community has always been and always will be, the source of our strength!

Not only did we achieve strong financial results, but we were honored to be recognized with numerous awards by our local communities. In Redding, we were voted Best of the North State in four categories: Best Credit Union, Best Mortgage Lender, Best Investment

## BOARD CHAIR REPORT

Firm, and Top Employer by our most important audience—our Members! New this year, our CEO was a finalist in the person of the Year. And in Chico, we took second place in the Best of Chico best Bank/Credit Union category. The many awards given to Members 1st speak volumes about our passionate team members who work extremely hard to provide the personal service our members deserve.

Serving our members goes hand in hand with serving our communities. In 2023, Members 1st donated more than \$84,000 to 66 community organizations and non-profits to promote financial literacy, education, help families in need, and community development. I am proud of our efforts in furthering our mission of people helping people.

Looking forward, Members 1st Credit Union is well positioned to take on the new challenges. I am proud of our team of volunteers and staff for the work they have accomplished. On behalf of the Board of Directors and staff dedicated to serving you, we send our heartfelt thanks for your trust and loyalty.

“

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 2023

Members 1st Credit Union was pleased to be recognized as Best Credit Union 2023 in the Record Searchlight's Best of the North State competition. This marked the EIGHTH consecutive year Members 1st has received this award! Additionally, Members 1st received the top vote for the Best Mortgage Lending Company, Best Investment Firm, and Best

Employer with 1-100 Employees! The Chico News & Review honored Members 1st with a second place finish in the Best Bank or Credit Union competition in 2023. 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 'ANDERSON' and 'NOMINATIONS' in bold green and yellow respectively. Below are 'BUSINESS OF THE YEAR', 'DISTINGUISHED SERVICE AWARD', and 'CUSTOMER SERVICE AWARD' in green. There are several smaller green and white stars scattered around the main star.



**REDDING**  
**WINNER**  
BEST CREDIT UNION  
BEST MORTGAGE LENDING COMPANY  
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 'REDDING' and 'WINNER' in bold green and yellow respectively. Below are 'BEST CREDIT UNION', 'BEST MORTGAGE LENDING COMPANY', 'BEST INVESTMENT FIRM', and 'BEST EMPLOYER: 1-100 EMPLOYEES' in green. There are several smaller green and white stars scattered around the main star.



**CHICO**  
**2ND 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 'CHICO' and '2ND PLACE' in bold green and yellow respectively. Below is 'BEST BANK OR CREDIT UNION' in green. There are several smaller green and white stars scattered around the main star.

# 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 in events throughout the year. Whether it's time spent teaching financial literacy to our youth, hosting toy drives, maintaining 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 2023, Members 1st invested more than \$84,000 and 852 volunteer hours from staff into our local communities.

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



Partnered with the City of Anderson to help **MAINTAIN OUR PARKS** by refreshing curbs along driveways and parking lots with a fresh coat of paint

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



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



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

Aided in the set up of Turtle Bay's **GARDEN OF LIGHTS**



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

Provided **FINANCIAL EDUCATION WORKSHOPS TO 71 STUDENTS** through the credit union's Bite of Reality program in partnership with local nonprofits.



**BOYS & GIRLS CLUB OF CHICO**



Dedicated hours to our local **BOYS AND GIRLS CLUB OF CHICO** with assistance preparing quarterly newsletters and sponsoring local initiatives to support their many student programs





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 **\$8,000** toward the rebuilding of the Honey Run Covered Bridge

Provided free financial literacy curriculum to **12 LOCAL HIGH SCHOOLS** now totaling **43 TEACHERS** served and **2,560 STUDENTS** educated since its inception

Sponsored the annual Anderson community summer concert series including the **MOSQUITO SERENADE** and **SUNSET RIVER JAMS**

Sponsored the **CHICO AREA RECREATION DEPARTMENT'S** community events including Easter celebration, kite crafts, movies in the park, and more.



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



Helped grant wishes to local children with more than **\$4,600** toward Make-A-Wish Northern California

# PROTECTING OUR MEMBERS

In 2023, Members 1st Credit Union took significant steps to ensure the safety and security of our valued members. The year was marked by proactive measures and educational initiatives, from informative blogs to enhanced authentication and responsive fraud reporting, Members 1st Credit Union remains dedicated to maintaining a secure banking environment while empowering our members with the tools and knowledge necessary to navigate potential risks effectively. Three of our key initiatives from 2023 include:

**1** Delivering fraud education and awareness through our informational blogs. These blogs covered a range of topics including phishing scams, romance scams, and elder abuse, providing our members with information on how to identify and avoid potential threats.

**2** Enhancing our security measures by introducing authentication through one-time passcodes. By adding this extra layer of security, the credit union better safeguards members' financial assets and personal information from unauthorized access and misuse.

**3** Regular training sessions were conducted to educate employees on the latest trends in fraud and scam tactics, equipping them with the knowledge and skills needed to effectively detect and prevent fraudulent activities.

As a result of our concerted efforts in 2023, we successfully intercepted and prevented **172 member incidents** related to various frauds and scams, **saving members \$1,079,951.26.**

Members 1st Credit Union is in a strong financial position and your money is safe and federally insured with us. The operations of your hometown credit union could not be more different from the typical bank. 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 are regularly reviewed by a third party to guide us in having the most up-to-date controls and processes

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

We mask your Social Security Number (SSN) in our systems to keep your personal data safe

Account protection through multiple layers of security

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

We regularly scan external and internal devices for known vulnerabilities

Staff trains to correctly identify members before sharing private information

# 2023 VOLUNTEER LEADERSHIP

## BOARD OF DIRECTORS



Ken Reed  
SECRETARY



Sharon O'Quin  
1ST VICE CHAIRPERSON



Jason Montague  
2ND VICE CHAIRPERSON



Karina Lapp  
SECRETARY/TREASURER



Ed Niederberger



Griffith Tonkin



Jim Wilson



Riley Breslin



Aaron Moore

## SUPERVISORY COMMITTEE



Bryan Fraser  
COMMITTEE CHAIR



Steve Clark  
SECRETARY



Amanda DeOcampo



Blake Werner



Eric Woodstrom

“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*

”





**Ed Niederberger**  
Board Member

## HONORING 30 YEARS OF SERVICE

After three decades of service, Members 1st Credit Union bids farewell to Ed Niederberger as he retires from his position on the Board of Directors. Mr. Niederberger, a dedicated volunteer for 30 years, has been an integral part of the credit union's governance structure since 1994 when he joined the Board of Directors of the California State Employees Credit Union No. 13.

Throughout his tenure, Mr. Niederberger has been an active member of the Personnel and Nominating Committees, recruiting candidates to strengthen the credit union's board and leadership and contributing to the credit union's strategic success. In his 30 years of service, Mr. Niederberger served multiple terms as 1st Vice Chair or 2nd Vice Chair and had the honor of serving as interim Chairman following Ricki McClure's retirement from the board in 2023.

Mr. Niederberger brought a wealth of experience to his role, having retired from the Shasta County Sheriff's Department after a distinguished career. His extensive knowledge of law enforcement and deep-rooted ties to the Shasta County Courthouse was an invaluable asset. He helped establish relationships and shared protocols and procedures from the courthouse with the credit union's asset recovery department, giving them the tools they needed to help members navigate the legal landscape.

"We extend our heartfelt gratitude to Ed Niederberger for his outstanding service and unwavering dedication to Members 1st Credit Union," said Caroline Redmann, President and CEO of Members 1st Credit Union. "His contributions to the credit union and staff have left a lasting impact. Ed's leadership and influence have been instrumental in shaping the culture of our board. We deeply appreciate his commitment to the credit union and wish him all the best in his well-deserved retirement."

In his retirement, Mr. Niederberger looks forward to indulging in his passions, which include working on classic cars and flying his plane, a Cherokee 235. While he'll be spending his days pursuing these hobbies in Idaho, his extended family remains in the North State, ensuring he'll still be an active presence in the community he has called home since 1975.

Please join us in extending best wishes to Ed Niederberger as he embarks on this new chapter of his life.



# 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 2023.

## SOME HIGHLIGHTS FROM 2023 INCLUDE:

**\$1.4 million**

Dividends totaling \$1.4 million were paid to members

**2,614**

The credit union added 2,614 new members

**\$84.8 million**

Loans totaling \$84.8 million were granted to members in 2023

**87.31%**

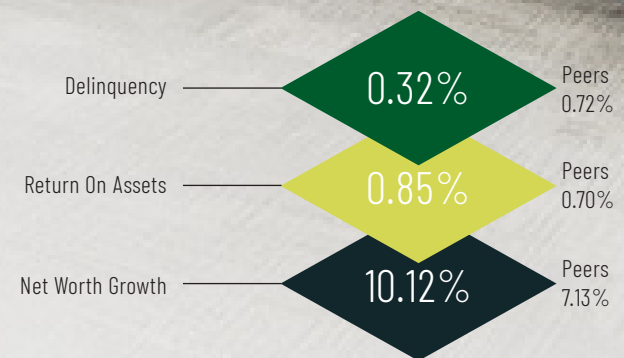
Loan to share deposit ratio increased 1.80% from 2022 to 2023 to a total of 87.31%.

**9.41%**

Net worth ratio grew 1.13% from 8.28% to 9.41%

**\$2.7 million**

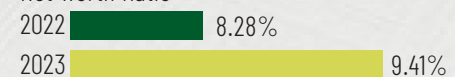
A total of \$2.7 million was earned in net income



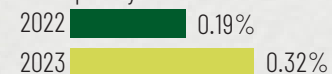
### Number of Members



### Net Worth Ratio



### Delinquency Ratio





## STATEMENT OF BALANCE SHEET

For the years ending December 31

ASSETS	2022	2023
Loans, Net of ACL	\$256,457,930	\$248,273,378
Investments	41,528,245	30,239,207
Cash and Demand Accts	15,483,646	23,012,881
Fixed Assets, Net	6,713,381	6,414,447
Other Assets	8,681,566	9,801,200
<b>TOTAL ASSETS</b>	<b>\$328,864,768</b>	<b>\$317,741,113</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Notes Payable	0	0
Accounts Payable	3,050,839	3,983,357
Members' Shares	300,930,089	285,461,572
Equity	24,883,840	28,296,184
<b>TOTAL LIABILITY &amp; EQUITY</b>	<b>\$328,864,768</b>	<b>\$317,741,113</b>

## STATEMENT OF INCOME AND EXPENSES

For the years ending December 31

INTEREST INCOME	2022	2023
Loan Income	\$8,543,170	\$10,448,742
Investment Income	745,429	1,015,738
Other Income	3,296,093	3,295,155
<b>GROSS INCOME</b>	<b>\$12,584,692</b>	<b>\$14,759,635</b>
<b>COST OF FUNDS</b>		
Cost of Funds & Borrowing	322,231	1,445,500
<b>OPERATING EXPENSES</b>		
Salaries and Benefits	\$5,126,777	\$5,383,234
Other Operational Exp	4,686,215	4,647,798
Provision for Loan Loss	179,835	526,989
<b>NET INCOME</b>	<b>\$2,269,634</b>	<b>\$2,756,114</b>

\*Unaudited