



**San Angelo Federal Credit Union
82nd Annual Membership Meeting
April 30, 2021**

Report packet includes:
2020 Annual Meeting Minutes
Board of Director Report
President Report
Supervisory Committee Report
Credit Committee Report
Nominating Committee Report
2020 Financial Summary



**We're small enough to
know your name, but...**

we're big on YOU

**San Angelo Federal Credit Union
81st Annual Membership Meeting
March 3, 2020**

San Angelo Federal Credit Union held its 81st annual membership meeting on Tuesday, March 3, 2020 at the McNease Convention Center, 500 Rio Concho Dr., San Angelo, Texas.

Brandon Sanders, Chairman of the Board of Directors of San Angelo Federal Credit Union, called the meeting to order at 7:08 p.m., and welcomed the members. Board member, Roger Julien led the invocation. Board member, Monica Schniers, led the Pledge of Allegiance. Board member, Kipp Rathmell, led the Texas Pledge.

The Chairman called for Old Business; Mr. Sanders took notice there was a quorum present. Mr. Sanders stated the minutes from the 2019 annual membership meeting were printed in the program; after the membership had time to review the minutes, Mr. Sanders called for approval of the minutes. Ms. Patti Hunt moved to accept the minutes as presented. Mr. Bud Hunt seconded the motion and the motion carried. There was no other old business.

The Chairman called for New Business. Mr. Sanders recognized his fellow Board members; he thanked the volunteers for their leadership, dedicated service, passion, and contributions to SAFCU. In order to allow more time for the 20 prize drawings, the committees did not give a verbal report as they were printed in the program. Mr. Sanders introduced Ms. Laura Whisenhunt, President, for the first item under New Business. Ms. Whisenhunt called for the Scottie Savers to come forward; twelve members were recognized, and each was presented with \$10.00 cash as a door prize. A ticket was drawn for the Scottie Saver prize; Joshua Ramirez won the Jelly Belly candy dispenser. Six Youth Account members were recognized, and each was presented with \$15.00 cash as a door prize. A ticket was drawn for the Youth prize; Megan Dunn won the Bluetooth speaker.

Laura Whisenhunt, SAFCU President, gave the President's report. Ms. Whisenhunt expressed her gratitude to the membership, and the dedicated Board of Directors, Supervisory Committee and Credit Committees. She recognized each of the employees; she thanked them for their dedication, hard work, and being an essential piece to the credit union's overall success. She reported a net profit of \$197,281 for 2019. Ms. Whisenhunt presented the new CardNav app, which will add another level of security to member's debit cards. She reviewed several control preferences to demonstrate how to establish real time alerts and travel notifications. She also presented the new online loan application, along with other features within Mobicint that is available on the mobile app (External Accounts, Secure Messaging).

Tickets were drawn for four door prizes of \$20.00 each. The winners were Marietta Oates, Petra Orrosquieta, Gary Taylor, and Abel Loreda. A ticket was drawn for the 3-pc Canister set; the winner was Nancy Thomas.

Mr. Sanders introduced Mary Cleveland, as Nominating Committee Chair to give the Nominating Committee report. Ms. Cleveland recognized Lori Davila, and Joanna Jackson, as the Nominating Committee members. The Nominating Committee recommended three Board positions: returning Board members Javier Barrera and Tina Dierschke seeking re-election, and new member Mason Matthews, to each serve a three-year term. She read their biographies and credentials. Chairman Sanders called for nominations from the floor, and there were none. Bud Hunt moved to accept the Nominating Committee report and Karen Collins seconded the motion. Motion carried. Larry Hoelscher made a motion that nominations cease, and Will Barnes seconded the motion. Motion carried. Mr. Sanders asked for opposition to the vote. Hearing none, Javier Barrera, Tina Dierschke, and Mason Matthews were elected to the Board for a three-year term, by acclamation.

Tickets were drawn for three door prizes of \$20.00 each. The winners were David Behrend, Larry Hoelscher, and Marlene Julien. A ticket was drawn for the Serving tray with chip & dip bowl; the winner was Anita Hassell.

Mr. Sanders recognized retiring Board member, Kipp Rathmell for his commitment and outstanding dedication to SAFCU. Mr. Rathmell was presented with a plaque for his three-year term.

Tammy Barnes, Mary Cleveland, and Emma Orrosquieta. A ticket was drawn for the 3-pc ceramic jar set; the winner was Cristal Orrosquieta.

Ms. Whisenhunt presented Edna Ramirez with her 10-year service award. As the 2018 employee of the year, Edna Ramirez presented the award for the Employee of the Year for 2019. Ms. Ramirez advised this employee provides excellent member service, goes above the call of duty by working as the loan assistant and member service representative for SAFCU. Dana Garcia was selected as the 2019 Employee of the Year; she was presented with a plaque, and \$100 cash.

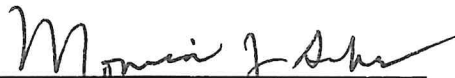
Tickets were drawn for two door prizes of \$50.00 each. The winners were Elizabeth Lopez and Valarie Bluthardt. A ticket was drawn for the Insulated rolling cooler; the winner was Curtis Shelton.

The 2020 Member testimonial video experienced technical difficulties; the sound was not loud enough for members to hear. Ms. Whisenhunt expressed her apologies and would post the video on the SAFCU website and FaceBook page.

Mr. Sanders called for other new business. There being no other business, the final tickets were drawn for two door prizes of \$50.00 each. The winners were David Burmeister and Sheree Yeates. A ticket was drawn for the rolling luggage bag; the winner was Juan Orrosquieta.

Mr. David Behrend moved to adjourn, and Mr. Will Barnes seconded the motion. Motion carried. Meeting adjourned at 8:01 p.m.

Respectfully submitted,



Monica Schniers, Secretary



Brandon Sanders, Chairman

Board of Director's Report

On behalf of the Board of Directors, thank you for being members and owners of San Angelo Federal Credit Union. I would also like to thank my fellow board members for their dedication to our credit union. United in leadership, we are responsible for ensuring SAFCU has a capable, qualified, and transparent management team. The strength of their commitment is integral to our long-term sustainability and prosperity.

In addition to establishing policies and ensuring that SAFCU adheres to pertinent laws, regulations, and sound business practices, we are also charged with making sure new products and services are developed as needed.

Despite the COVID-19 pandemic, SAFCU performed reasonably well in 2020. Though the credit union needs to make a profit to keep the doors open, our sole interests are our members' interests. Whenever we can, in keeping with our credit union mission, we will distribute profits back to you. With the continued success of our credit union, we can offer the financial products and services that help enhance your life, improve our delivery channels, and expand our community outreach.

- As our membership grows, so do our assets - which is one of the primary indicators of how well our members are receiving the products and services we offer. Our membership grew by 5%, and our current assets stand at \$31,798,000;
- Favorable interest rates and a stressed economy motivated our members to borrow \$9,337,951 in new money last year. Although loans decreased by 21%, delinquencies remained low at 0.06%. This is a reflection of two things: the competitive rates we're able to offer and your strong commitment to honoring your financial obligations;
- We target particular segments of our community where we can make the greatest impact. Helping with financial literacy and the account management for our members who are most vulnerable is one way we can do that - we loaned \$29,566 to members who utilized our Lifesaver loans, as an alternative to payday lending;
- We want to offer better resources that allow us to focus more attention on our members using the safest, most secure, and most convenient technology available - we introduced an electronic signature to help members complete their loan documents during the height of the pandemic. Members enjoy the ease and convenience of all our online services to stay connected to their account. Mobile app users increased from 493 in January 2020 to a total of 628 by year end;
- As a financial cooperative, we understand that we can most effectively serve you and strengthen the credit union movement by engaging in the vast network of organizations and service groups available;
- We remain very supportive of Cornerstone's Advocacy efforts because we understand the impact legislation has on our ability to serve our member's financial needs.

Our volunteer Board of Directors is a diverse group of talented individuals with a broad range of financial and managerial expertise that together makes a top-notch board to lead us into the future. Roger Julien resigned from the Board in December 2020, and we appreciate his five years of dedicated service. The Board recently appointed Deborah Michalewicz to fill his unexpired term. We look optimistically into the future because, as this last year has shown, SAFCU is well positioned to face any challenge and seize any opportunity that presents itself in 2021.

Sincerely,

Brandon Sanders

Board of Directors

Brandon Sanders, Chairman
Chip Sayers, Vice Chairman
Tina Dierschke, Treasurer
Monica Schniers, Secretary

Javier Barrera, Member
Mason Matthews, Member
Deborah Michalewicz

President's Report

When you joined SAFCU with your initial deposit, you became one of the most important people in the credit union industry – you are a member, and you are an owner! That initial deposit was your share in SAFCU, and it empowered your voice in your financial institution.

Every person in America and every financial institution had to face the challenges of the COVID-19 pandemic. San Angelo Federal Credit Union is no different. The health and safety of our employees and our members are equally important to us. In 2020, we enacted certain protocols to minimize exposure, while ensuring you have access to your money and our full array of services whenever you need them. Following the Governor and CDC guidelines, in order to minimize personal contact during the peak breakout of the Coronavirus, the Board and Management made the decision to close the lobby at both offices and transition to offer all our services at the drive-thru. Members were able to meet with CU staff by appointments, as we wore masks and maintained social distance. SAFCU offers a variety of online capabilities that helped minimize personal contact to keep everyone safe and well. We hope the technical advancements we have made will help you feel confident about the security of your money and your ease of access to it. As your financial first responder, SAFCU went to great lengths to help our members and our community through the most challenging year in modern times. We are thankful to our City Leaders and our medical first responders for taking immediate action as well, to be able to resume normal in-person activities.

Since our credit union's founders opened for business in 1939, we've grown from 56 members to 4,029, and our assets have grown from \$200 to \$31,798,000. We are proud of how far we've come, and I know our many accomplishments would not have been possible without the ongoing energy, optimism, commitment, and servant hearts of everyone involved in the operation of our credit union. Because of the work we've all done together, SAFCU is doing very well, despite the pandemic.

San Angelo Federal Credit Union can report a profit of \$220,109 for 2020. We remain a strong credit union with an overall net worth ratio of 8.02% (total capital/total assets). Due to pandemic restrictions, most of our community activities for 2020 was limited, however, we were thrilled to:

- Sponsor the West Texas Longhorn Association at the San Angelo Stock Show and Rodeo
- Supported our City of San Angelo and Tom Green County employee appreciation days
- For our Christmas project, SAFCU employees adopted six grandparents from Meals for the Elderly and four children from the Salvation Army's Angel Tree
- Contributed to Chapter of Credit Union's Christmas project, the Salvation Army's Angel Tree

As we navigate the challenges of 2021, we promise that SAFCU will continue to grow responsibly while listening and responding to your needs. Our member – owners are integral to our credit union family, and we are sincerely grateful that you have chosen SAFCU as your financial partner. We will continue to explore innovative products and service solutions to enhance your financial life. Our dedicated employees embrace our values and goals and deliver excellent member service.

Sincerely,
Laura Whisenhunt

San Angelo Federal Credit Union Staff:

Laura Whisenhunt, President	Julia Tibbals, Accountant
Patti Hunt, Vice President of Lending	Billie Jo Tracy, Head Teller
Karen Collins, Loan Supervisor	Brianna Aguirre, Teller
Tonya Virtue, Loan Officer	Maresha Johnson, Teller
Edna Ramirez, Member Service Representative	Andrea Simmons, Teller
Dana Garcia, Loan Assistant / Loan MSR	

Supervisory Committee Report

The Supervisory Committee is the audit committee, with the primary responsibility to determine the credit union is soundly managed and the members' assets are safeguarded. The basic responsibilities of the Supervisory Committee are spelled out by the National Credit Union Administration (NCUA), the federal agency that regulates all federally chartered and federally insured credit unions. In general, the committee is constituted to act as an independent body to monitor and evaluate the quality of the credit union's finances, operations, and decisions. The members of the Supervisory Committee are appointed by the Board of Directors.

The annual 2020 Supervisory Committee Audit was conducted virtually by WayPoint Financial Services. Additional audits of credit union records are required to ensure that we are in compliance with the Bank Secrecy Act (BSA), Customer Identification Program (CIP), Office of Foreign Assets Control (OFAC), Automatic Clearing House (ACH), and Anti-Money Laundering (AML). The auditors may have recommendations for the Supervisory Committee and the Board of Directors to assist the credit union in complying with NCUA rules and regulations, along with internal controls for SAFCU policies. Credit Union Resources, Inc. performed the member account verification for member's March 31, 2020 statements. We ask you to contact the Supervisory Committee if, at any time, you discover any account discrepancies. Please notify SAFCU when you move to a different address or change phone numbers, so we can successfully reach you to avoid delays or problems. The Supervisory Committee selects a random sample each month to contact members from new accounts, closed accounts, and paid off loans. We also perform regular surprise cash verification with the tellers, as well as audit a random sample of address changes and new loans.

Since SAFCU performed well during the last National Credit Union Administration (NCUA) exam, effective 9/30/2019, the normal evaluation period is every 18 months; therefore, SAFCU did not require an evaluation during 2020. The NCUA exam monitors major risk and regulatory compliance areas of the credit union. Overall, SAFCU's transaction, credit, interest rate, liquidity, strategic, compliance, and reputation risks are low to moderate and remain unchanged. We are proud to report SAFCU experienced no data breaches in 2020, and we continue to ensure that your data remains secure.

The Board of Directors, the staff, and all the committees work diligently to help achieve the strategic goals and standards set forth for the credit union each year. We strive to give the highest quality of service that we, as member volunteers, can provide to see that you, our member, receive the very best at San Angelo Federal Credit Union.

Sincerely,

Ron Lewis

Supervisory Committee Members

Ron Lewis, Chairman
Becky Dunn, Secretary
Cheryl Howard, Member

Judy Martin, Member
Victor Hassell, Member
Javier Barrera, Board Liaison

Credit Committee Report

SAFCU is grateful to have a dedicated Credit Committee, who are willing to share their time and expertise to help our members with loan requests that do not align with traditional loan policy. We meet several times a month to review loan applications presented by the loan officers. In 2020, we reviewed a total of 439 loans. While 129 of those were declined, we were able to help 310 members and approve their loan requests.

The COVID-19 Pandemic affected virtually every business and most consumers as well. SAFCU was able to sustain member service levels, utilizing every safety method available to protect our members as well as staff. The overall loans originated and loans approved reflects a decrease during 2020, however, we were able to maintain our projected loan income. Primarily this was achieved through our Pandemic Skip A Payment program. Our members directly affected by COVID-19 through illness, job loss, furlough, etc. were able to skip up to 3 consecutive monthly loan payments. This not only helped our members with an immediate reduction in monthly debt, but also helped SAFCU's interest income for the year. This was a true testimony to the Credit Union philosophy of "People Helping People", as members were able to use every penny to offset immediate financial demands.

We introduced eDocs during 2020 to allow members to electronically sign documents for loans, and membership without leaving the safety of their homes. This has proven to be a welcome addition to our member service portfolio. The MasterCard program will be undergoing some changes that should be seamless for our members. If you currently use gotomycard.com you will receive notice that site will be changing; more information will be distributed soon. It is a great credit card to have in your wallet with no annual fee, low fixed rates and the same interest rate for cash advances! We survived the challenges that 2020 brought us, thanks to our dedicated members and staff!

The following table compares:	<u>2019</u>	to	<u>2020</u>
Number of loans approved	2,159		1,685
Amount of loans approved	\$ 11,228,338		\$ 9,337,951
Outstanding loan balance	\$ 19,660,684		\$ 18,908,979
Income from loans	\$ 810,223		\$ 865,486
Delinquency Ratio	0.26%		0.06%
Loan / Asset Ratio	76.30%		59.50%
Charge Offs	\$14,991		\$26,666

Sincerely,

Victor Vasquez

Credit Committee Members

Victor Vasquez, Chairman
Tony Meza, Secretary
Pat Organ, Member

Tony Hill, Member
Dennis Urbantke, Member
Brandon Sanders, Board Liaison

Nominating Committee

Bio for Board Members seeking re-election

Monica Schniers

Monica received a Bachelor of Arts Degree in Sociology from Angelo State University and graduated Magna Cum Laude in 1994. Monica has worked for Tom Green County for the past 26½ years. She began her career as a juvenile probation officer and held various positions within the probation department prior to her current juvenile board appointment as the Chief Juvenile Probation Officer.

Monica is a recent graduate of the Leadership San Angelo Program of the San Angelo Chamber of Commerce and is a volunteer member of the Citizen Review Team and Regional Child Death Review Committee for Child Protective Services. She resides in Tom Green County with her husband Tom and their two very energetic grandsons, Tevin and Jayce. Monica is an active member of the St. Thomas Catholic Church in Miles, Texas and teaches their 3rd & 4th grade religion class.

Monica has been a member of the San Angelo Federal Credit Union since 2001. She became a member of the Board of Directors in 2012 and has served as the Board's Secretary since that time. She is seeking re-election for a three-year term on the SAFCU Board of Directors.

Chip Sayers

Chip worked for San Angelo Federal Credit Union as the Comptroller for 7 years and retired in August 2017. He has owned Sunset Construction business since 1982, building houses in the San Angelo area.

Chip received a bachelor's degree in Business, with dual majors of Finance and Accounting from the University of Texas at Austin. He has experience with Financial and Managerial Accounting, Investment Management, and Real Estate Investing.

Chip has served as treasurer for the Home Builders Association and served on the City of San Angelo Construction Board.

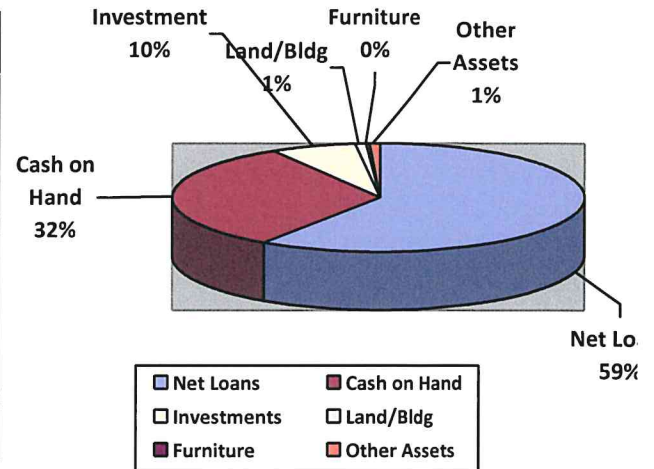
Chip is married to Stephanie, and they have one daughter Kimberly. They are the proud grandparents of 3-year old grandson, Colton. Chip and Stephanie are also avid UT Longhorn fans.

Chip has been a member of the San Angelo Federal Credit Union since 2000. He joined the Board of Directors in January 2018. He is seeking re-election of a three-year term on the SAFCU Board of Directors.

Statement of Financial Condition for 2020

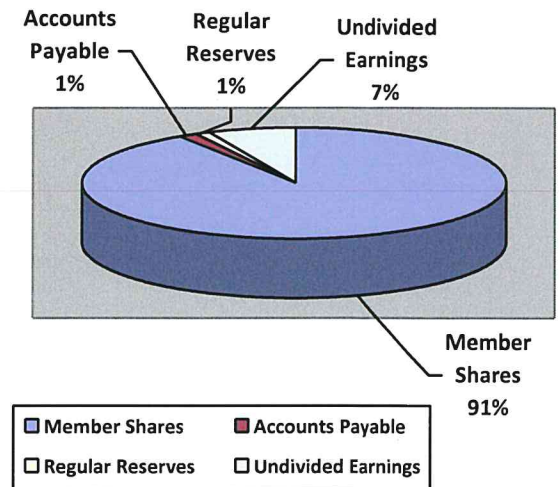
Assets:

Net Loans to Members	\$18,908,978.86
Cash on Hand	\$10,173,763.59
Investments	\$2,126,636.16
Land and Building	\$251,488.30
Furniture and Equipment	\$35,398.48
Other Assets	\$301,735.55
Total Assets	\$31,798,000.94



Liabilities and Capital:

Member Shares	\$28,912,141.59
Accounts Payable	\$379,648.30
Regular Reserves	\$357,773.69
Undivided Earnings	\$2,148,437.36
Total Liabilities & Capital	\$31,798,000.94



Distribution of Income:

Total Gross Income	\$1,318,114.69
Operations	- \$1,056,320.62
Dividends	- \$41,684.72
Net Income	\$220,109.35