



San Angelo Federal Credit Union
83rd Annual Membership Meeting
April 29, 2022

Report packet includes:
2021 Annual Meeting Minutes
Board of Director Report
President Report
Supervisory Committee Report
Credit Committee Report
Nominating Committee Report
2021 Financial Summary



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

we're big on **YOU**

San Angelo Federal Credit Union
Board of Directors Special Meeting
Friday, April 30, 2021

A special meeting of the San Angelo Federal Credit Union Board of Directors was held on Friday, April 30, 2021 for the 82nd Annual Membership Meeting at the Credit Union office. For the member appreciation day, the members enjoyed lunch provided by Richie's Hibachi with a parking lot picnic. Board members present were Brandon Sanders, Monica Schniers, Javier Barrera, Chip Sayers, Deb Michalewicz, and Mason Matthews. Board member Tina Dierschke was absent. President, Laura Whisenhunt was also present.

Mr. Sanders called the meeting to order at 12:25 pm.

New Business. The board members reviewed annual meeting report packet (attachment a). Mr. Sayers made a motion to approve the 2020 annual meeting minutes. Ms. Schniers seconded the motion. Motion carried.

Ms. Whisenhunt counted the member votes for the election of officers. A total of 95 votes were in the affirmative to re-elect Monica Schniers and Chip Sayers as returning Board members for a three-year term.

Mr. Sanders reviewed the current Board officers. Mr. Sayers made a motion to elect the existing slate of officers as they are willing to continue in their respective positions. Ms. Schniers seconded the motion. Motion carried.

The 2021 Board Officers are as follows:

Chairman – Brandon Sanders

Vice Chairman – Chip Sayers

Secretary – Monica Schniers

Treasurer – Tina Dierschke

The Board members discussed liaison for committees; Brandon Sanders agreed to remain as BOD liaison for the Credit Committee and Javier Barrera agreed to remain as BOD liaison for the Supervisory Committee.

Roundtable. The Board complimented the staff on a job well done for the annual meeting in conjunction with a member appreciation day. Suggestion to distribute a member survey to receive more additional feedback. Discussion to consider a bi-annual formal annual meeting at the convention center.

Adjournment. Mr. Sayers made a motion to adjourn the meeting, and Mr. Matthews seconded the motion. Motion carried. Mr. Sanders adjourned the meeting at 12:55 pm.

Door Prize drawing was held at 3 pm via FaceBook live.

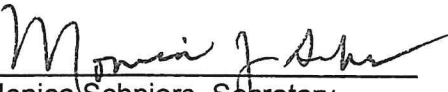
Twelve members won \$25 cash prize: J. Calvert, C. Mendez, B. Tapia, S. Rodriguez, J. Ybarra, C. Minor, D. Michalewicz, P. Orrosquieta, J. Orrosquieta, R. Lewis, K. Coffey, and P. Brody.

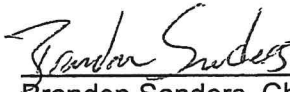
Four members won \$50 cash prize: J. Nunez, A. Gaeta, U. Ramirez, and S. Batiste.

The \$100 cash prize winner was S. Lara.

Four non-cash prize winners were: R. Anderson won the Cuisinart Cookie Press, C. Armor won the 5 pc Beverage Dispenser, L. Calvert won the Galvanized Steel Tray, and B. Sanders won the Rolling Luggage 2 pc bag set.

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 2021. 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 \$33,777,545;
- Auto buying was stunted across the country, due to inventory shortage that drove up vehicle prices. And, with favorable interest rates and a stressed economy motivated our members to borrow \$9,074,980 in new money last year. Although loans decreased by 4%, delinquencies remained low at 0.16%. 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 \$40,494 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 continue to offer our members an electronic signature option 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 628 in January 2021 to a total of 709 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, who are dedicated to the overall success of SAFCU. We are confident about our future because, as these last two years have shown, SAFCU is well positioned to face any challenge and seize any opportunity that presents itself in 2022.

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, Member

President's Report

YOU are one of the most important people in the credit union industry-YOU are a member ~ owner. Your initial deposit was your share in San Angelo Federal Credit Union, and that share empowers your voice and your vote. When you participate in the voting process, you're contributing to the growth, strength, and well-being of SAFCU.

Over the past two years, 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 2021, 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. We were able to keep our lobbies open for the majority of the year, closing only at the peak of the COVID-19 breakouts due to staffing issues. 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 two years in modern times. That is what we're here for – YOUR financial well-being.

Since our credit union's founders opened for business in 1939, we've grown from 56 members to 4,106, and our assets have grown from \$200 to \$33,777,545. 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 and certain lingering economic challenges.

San Angelo Federal Credit Union can report a profit of \$257,184 for 2021. We remain a strong credit union with an overall net worth ratio of 8.27% (total capital/total assets). Due to pandemic restrictions, most of our community activities for 2021 remained limited, however, we were thrilled to:

- Sponsor the West Texas Longhorn Association at the San Angelo Stock Show and Rodeo
- Support our City of San Angelo and Tom Green County employee appreciation days
- Participate in "Halloween at the Y" and distribute candy & SAFCU prizes to the community
- For our Christmas project, SAFCU employees fulfilled wish lists for twelve children from the Children's Advocacy Center "Christmas for Kids" program. We are thankful to the many members who donated as well, because every child should have a gift at Christmas!

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
Patti Hunt, Vice President of Lending
Karen Collins, Loan Supervisor
Tonya Virtue, Loan Officer
Brianna Aguirre, Member Service Representative
Dana Garcia, Loan Assistant / Loan MSR

Julia Tibbals, Accounting Manager
Billie Jo Tracy, Head Teller
Maresha Johnson, Teller
Armendina Garcia, Teller
Michael Revira, Teller
Edna Ramirez, MSR retired 4/28/2022

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 2021 Supervisory Committee Audit was conducted 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, 2022 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.

The National Credit Union Administration (NCUA) exam was effective 3/31/2021, which 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 2021, 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
Judy Martin, Secretary
Cherryl Howard, Member

Victor Hassell, Member
Pete Madrid Jr, Member
Javier Barrera, Board Liaison

Credit Committee Report

With the second year of the pandemic in the rear-view mirror, SAFCU continued to put members first. Our credit committee met faithfully every two weeks, fully masked, to take care of those members with loan requests that did not meet loan policy. A total of 384 loans were reviewed in 2021, with 252 of them being approved.

We saw firsthand how the COVID-19 crisis also affected the financial health of our members. We worked daily to address each individual need as they arose and did everything that we could to help our members cope with the continual struggle of health, family, work, and finances. The introduction of eDocs in 2020 was instrumental in allowing members to conduct loan business safely from home and protected our staff as well. We utilized every creative means we could to maintain the level of service our members expect and deserve and are prepared to take those steps again should the need arise. Members can take comfort in knowing we will be able to continue our “praiseworthy” member service despite the obstacles!

While the overall number and dollar amount of loans approved did decline in 2021, our overall income from loans increased by about \$20,000 for the year. This was mainly due to the addition of a few more mortgage loans being opened and credit card usage increasing as members were trying to meet family needs. The MasterCard conversion in July 2021 is still a work in progress, but we are striving to keep “ease of use” for our members at the forefront. We appreciate your patience during this transition. Be sure to register your SAFCU MasterCard with www.ezcardinfo.com and take advantage of this online feature to allow you to make payments and see transaction history!

Thank you to our dedicated members, volunteers and staff!

The following table compares:	<u>2020</u>	to	<u>2021</u>
Number of loans approved	1,685		1,440
Amount of loans approved	\$ 9,337,951		\$ 9,074,980
Outstanding loan balance	\$ 18,908,979		\$ 18,234,679
Income from loans	\$ 865,486		\$ 885,107
Delinquency Ratio	0.06%		0.16%
Loan / Asset Ratio	59.50%		53.9%
Charge Offs	\$26,666		\$11,380

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 election

Brandon Sanders III

Brandon has worked in the financial field for the past 10 years. He was the Internal Auditor for the City of San Angelo, from 2016 - 2021. He is now working for Oliver, Rainey & Wojtek. Brandon received a Bachelor's Degree in Accounting & Finance from Angelo State University in 2011.

In previous years, he was involved with the meals on wheels program for Meals for the Elderly. He has also coordinated fundraisers for Multiple Sclerosis, and volunteer with the YMCA. Born and raised in San Angelo. He is married to Nikki, and they have a beautiful baby girl who recently celebrated her first birthday.

Brandon was elected to the Board in 2016 and has served as the Board Chairman since 2017. Brandon shares his expertise to support SAFCU in all our future endeavors.

Deborah Michalewicz

Deborah worked as the Legal Assistant / Deputy City Clerk for the City of San Angelo for over 21 years and retired in 2009. She received a Master's degree in Theology and Religious Education from Loyola University in New Orleans in 2004.

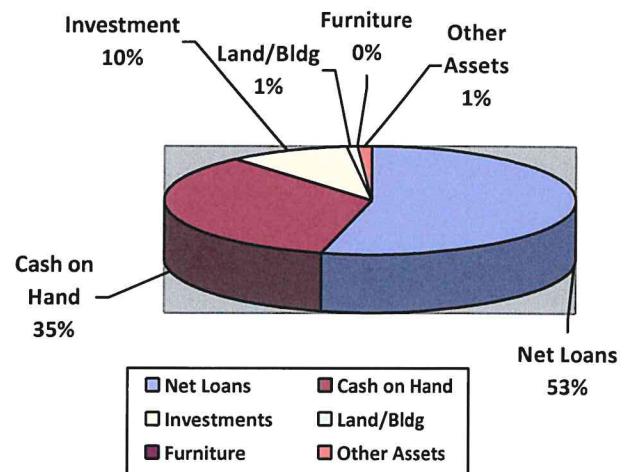
In previous years, she was a volunteer fire fighter and Secretary for the Water Valley Volunteer Fire Department, Inc. Deborah has also directed the Kids Eat Free; Summer Lunch program for the Texas Hunger Initiative at St. Therese Catholic Church in Carlsbad from 2010 to 2018. She currently serves on the Board of Directors for Catholic Outreach Services in San Angelo. She is married to Arnold, and they farm cotton in Water Valley.

After being appointed to the Board of Directors in 2021, Deborah is seeking election to the Board of Directors for a 3-year term.

Statement of Financial Condition for 2021

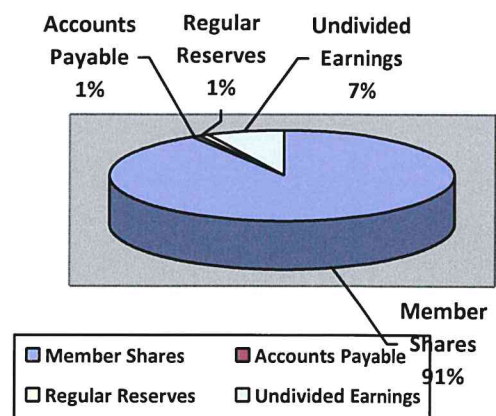
Assets:

Net Loans to Members	\$18,208,273.65
Cash on Hand	\$11,703,071.85
Investments	\$3,228,601.46
Land and Building	\$264,941.91
Furniture and Equipment	\$16,769.78
Other Assets	\$355,886.10
Total Assets	\$33,777,544.75



Liabilities and Capital:

Member Shares	\$30,776,225.57
Accounts Payable	\$237,924.56
Regular Reserves	\$357,773.69
Undivided Earnings	\$2,405,620.93
Total Liabilities & Capital	\$33,777,544.75



Distribution of Income:

Total Gross Income	\$1,363,337.00
Operations	- \$1,064,433.46
Dividends	- \$ 41,719.97
Net Income	\$ 257,183.57