

Annual Report 2023



empowering dreams to be realized



Annual Meeting Agenda

May 21, 2024

- I. Ascertain Quorum
- II. Read & Approve Minutes of Previous Meeting
- III. Report of Directors
- IV. Report of Treasurer
- V. Report of Loan Officers
- VI. Report of Supervisory Committee
- VII. Unfinished Business
- VIII. New Business
- IX. Report of Nominating Committee
- X. Adjourn

Management Staff


Patricia Sarne, President & CEO
Terri Gude, Sr. Vice President/COO
David Baldwin, Vice President/CFO
Laurie Aultman, Vice President, Mortgage Lending
Roselyn Carr, Vice President, Consumer Lending
Dawn Newsome, Vice President, Business Lending
LaToshia Williams, Vice President, Human Resources
Carrie Carlberg, Vice President, Consumer Underwriter
Tammy Minton, Vice President, Dade City Mgr.
Jasmine Wilkins, Vice President, Zephyrhills Mgr.
Kristin Mescall, BSA Officer
Sarah Greenberg, Business Development Officer
Kristen Woodarek, Branch Manager, San Antonio
Leanna Lynch, Branch Manager, Wesley Chapel
Kate Sessa, Marketing Director

Board of Directors

John T. Vogel, Chairman
Raymond E. Sturwold, Vice Chairman
Tim Baldwin, Treasurer
Tony Coleman
John W. Grant IV
Stella Piersall
Sheada Madani Pratico
Cindy Ross
Patricia Sarne

Supervisory Committee

Jay Vogel, Chairman
Danny Burgess
Zane Gilmore
Amanda Martin
James Smith II



Leveraging Our Collective Resources to Help One Another Thrive



Community Impact



250 hours volunteered by team members at community events and organizations



We make a difference through **Community Document/Tech Shred and Recycle events** and office sustainability efforts:



\$30,150 donated to local organizations

•**2,050** pounds of tech kept out of landfills

•**468** pounds of particulate air pollution reduced

•**15,600** pounds of paper recycled

•**15.75** barrels of oil saved



\$15,000 in Scholarships Awarded to 10 members graduating from local high schools

•**132.74** trees saved

•**24.96** cubic yards of landfill space saved

•**31,980** Kilowatts of energy saved

Member Financial Wellness



Nine team members served the community as Credit Union Certified Financial Counselors



226 Greenpath Financial Counseling Services Provided



Put **936** Members Behind The Wheel



89 Home Equity Loans



44 Small Business Loans



Saved a member **\$721** in interest by refinancing his loan

Saved a member **\$1,450** in interest on a loan they had considered making through another financial institution

Refinanced auto and saved member **\$42** a month!

Member received a HELOC loan to pay off credit cards. His monthly payment was reduced from \$1,528 to \$375 and a **savings of \$67,000** over 20 years!

Helped a member secure a HELOC loan so they could build a ramp for handicap access to the home.

Introduced Value in Participation program (VIP Perks)

Paid **\$30,544** in additional dividends to members

Waived **\$43,953** in fees

Financial Ratios

| | 2023 | 2022 |
|--|--------|--------|
| Net capital to Average Assets | 9.69% | 8.81% |
| Net Income to Average Assets | 1.04% | 0.76% |
| Net Operating Expenses to Average Assets | 2.70% | 2.32% |
| Total Loans to Total Shares | 47.22% | 43.15% |

Statement of Income and Expense for Year Ending 12.31.2023

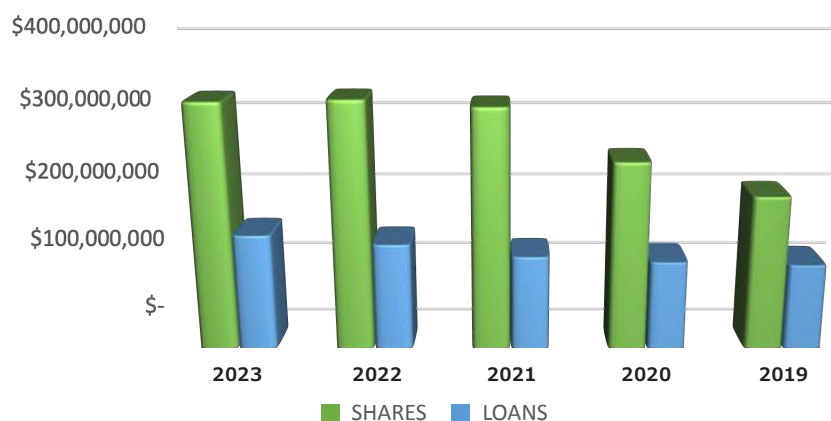
| | 2023 | 2022 | % Change |
|------------------------------------|---------------------|---------------------|---------------|
| Interest Income | \$12,317,684 | \$8,384,998 | 46.90% |
| Other Income | \$3,272,592 | \$3,149,269 | 3.92% |
| TOTAL INCOME | \$15,590,276 | \$11,534,267 | 35.16% |
| Dividends Paid to Members | \$2,349,453 | \$639,124 | 267.61% |
| Provision for Loan Losses Expense | \$128,857 | \$6,233 | 1,967.34% |
| Operating Expenses | \$9,458,641 | \$8,031,460 | 17.77% |
| TOTAL EXPENSE | \$11,936,951 | \$8,676,817 | 37.57% |
| NET INCOME | \$3,641,863 | \$2,857,450 | 27.45% |
| Gain (Loss) on Investments | \$(8,237) | \$(219,418) | |
| Gain on Sale of Fixed Asset | | \$ - | |
| NET CONTRIBUTION TO CAPITAL | \$3,633,626 | \$2,638,032 | 37.74% |

Statement of Financial Position for Year Ending 12.31.2023

| | 2023 | 2022 | % Change |
|--|----------------------|----------------------|--------------|
| ASSETS | | | |
| Loans (Net of Allowance) | \$152,721,369 | \$140,510,562 | 8.69% |
| Investments | \$184,469,888 | \$192,594,675 | -4.22% |
| Mark to Market Adjustment on Investments | \$(14,045,738) | \$(18,503,804) | |
| Other Assets | \$25,935,402 | \$28,439,481 | -8.80% |
| TOTAL ASSETS | \$349,305,921 | \$343,040,914 | 1.83% |
| LIABILITIES & EQUITY | | | |
| Shares | \$326,749,099 | \$329,549,169 | -0.85% |
| Other Liabilities | \$2,739,641 | \$1,766,256 | 55.11% |
| Reserves & Undivided Earnings | \$33,862,919 | \$30,229,293 | 12.02% |
| Mark To Market Adjustment on Investments | \$(14,045,738) | \$(18,503,804) | |
| TOTAL LIABILITIES AND EQUITY | \$349,305,921 | \$343,040,914 | 1.83% |

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| SHARES | \$326,749,099 | \$329,549,169 | \$320,362,645 | \$250,495,154 | \$205,609,855 |
| LOANS | \$154,306,747 | \$142,185,688 | \$125,770,210 | \$118,635,000 | \$114,587,588 |

Share and Loan Balances



Chairman's Report

The Board of Directors would like to thank the nearly 19,000 members for your membership. We hold dear the trust that you have instilled in us to ensure the Credit Union provides the best value to you, the owner, while also ensuring the safety and soundness of the Credit Union. The board is proud to share that 2023 was a strong year for the credit union. We added over 2,100 new members, 4 new services and paid over \$2 million in dividends back to our members.

As the Credit Union ended its 68th year in service to our communities, YOUR Credit Union continues to embody its original mission of People Helping People. We are a community of people leveraging our collective resources to help one another thrive. As a cooperative, it takes all of us working together to reach our common goal – offering financial services that empower dreams to be realized. As we continue into 2024, we will work hard in our service to you and the communities we serve.

Your Future. Our Community. Together.

Submitted on behalf of the Board of Directors,

John T. Vogel
Chairman of the Board of Directors

Report of Treasurer

Fiscal year 2023 continued the current tightening cycle imposed by Federal Reserve monetary policy. While 2022 ushered in 4.25% of rate increases, an additional 1% over four rate increases was continued through July of 2023. The impacts on our credit union of the higher interest rate environment center on increased revenue, higher returns to our members, and a dramatically improved capital position. We experienced a 34.96% increase in loan interest revenue, a 74.81% increase in investment interest revenue and a growth of 35.16% in total revenue. Dividend payments to members increased 267.11% in 2023 as we paid our members over \$2.3MM in interest and participation dividends. Net worth of the credit union grew by 12.02% over the prior year.

The average yield on our 2023 loan portfolio is 5.34% up from 4.09%. The average yield on our 2023 investment portfolio is 2.24%, an increase from 1.87%. We were able to increase our overall loan portfolio by 8.52% which helped contribute to increased revenue. Our share balances decreased slightly, overall, by \$2.8 million, a 0.85% decrease, giving us a loan-to-share ratio of 47.22%, an increase of 9.43%. We expect to continue our focus on loan growth in 2024 in order to continue the trend of increased dividend payouts.

Excluding extraordinary gains and losses, our net income from core operations increased 27.56% in 2023. We ended the year with a net contribution to capital of \$3.6 million. We currently carry an unrealized loss on government bonds held of \$14 million. We do not expect to realize these losses and expect them to continue to be lower as we approach the maturity of these investments. We continue to be categorized as a low risk, well-capitalized credit union by the NCUA, and our liquidity position is much stronger than our peer credit unions.

As we move forward, we will continue to focus on our core service of lending, while managing operating expenses to provide for the best return to you, the owner.

Tim Baldwin
Treasurer

Report of the Nominating Committee

The Nominating Committee nominated the following individuals for three-year terms to the Board of Directors:

Tim Baldwin – Raymond Earl Sturwold – Cindy Ross

There were no nominations received by petition as of the April 5, 2024 deadline.

Report of Loan Officers

| Number of Total Loans | | | |
|--|-------|-------------------------------|--------------|
| Approved in 2023 | 2,274 | Total Dollar Amount Disbursed | \$50,431,972 |
| Number of Mortgage Loans | | | |
| Approved in 2023 | 130 | Total Dollar Amount | \$12,845,200 |
| Number of Business Loans (included in numbers above) | | | |
| Approved in 2023 | 44 | Total Dollar Amount | \$5,794,673 |

Year-end loan balances were \$12,121,060 greater than year-end 2022 and the number of outstanding loans for 2023 is 9,625, an increase of 463 loans. Year-end used auto balances showed an increase of 42%, while our HELOC and 2nd mortgages balances increased 89% from year end 2022. Our loan loss ratios and delinquencies continue to remain low, and we finished the year with an Allowance for Loan/Lease Losses of \$1,585,378.

Report of the Supervisory Committee

It is the responsibility of the Supervisory Committee to review the accounting records and operations of the Credit Union following procedures established by the National Credit Union Administration, the regulatory agency for all federally chartered credit unions. DoerenMayhew, CPAs and Advisors, were engaged to examine our financial statements and conduct several special audit procedures. They performed an audit of the Credit Union's records as of March 31, 2023, and their report is printed herein. The Management of the Credit Union adopted their recommendations. In addition to the audit, we conducted several special monthly and quarterly audit procedures throughout the year. It is the opinion of the Supervisory Committee that San Antonio Citizens Federal Credit Union continues to be well managed and in compliance with all policies and regulations.

Report of the Independent Auditor

Opinion

We have audited the financial statements of San Antonio Citizens Federal Credit Union, which comprise the statements of financial condition as of March 31, 2023 and 2022, and the related statements of income, comprehensive operations, members' equity, and cash flows for the year then ended, and the related notes to the financial statements.

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Credit Union as of March 31, 2023 and 2022, 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 (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of San Antonio Citizens Federal Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

DoerenMayhew
CPAs AND ADVISORS
Miami, FL
July 31, 2023

Your future.
Our community.
Together.



San Antonio • Dade City • Zephyrhills • Wesley Chapel