

# **Laredo Federal Credit Union**

## **65<sup>th</sup> Annual Membership Meeting**

**June 23, 2021**

Annual Meeting Agenda  
Wednesday, June 23, 2021

- |       |                              |   |
|-------|------------------------------|---|
| I.    | Call to Order                | Richard Perales, Chairman                   |
| II.   | Invocation                   | Cynthia Conchas, Secretary                  |
| III.  | Ascertain Quorum             | Richard Perales                             |
| IV.   | Prior Meeting Minutes        | Richard Perales                             |
| V.    | Election of Board Members    | Richard Perales                             |
| VI.   | Treasurer's Report           | Dr. Jacinto Juarez                          |
| VII.  | Supervisory Committee Report | Dr. Mayra L. Peña,<br>Committee Chairperson |
| VIII. | Adjournment                  | Richard Perales                             |

## Board of Directors

| <b>Name</b>        | <b>Position</b>  | <b>Term Expires</b> |
|--------------------|------------------|---------------------|
| Richard Perales    | Chairman         | 2021                |
| Dr. Mayra L. Peña  | Vice Chairperson | 2021                |
| Cynthia Conchas    | Secretary        | 2023                |
| Dr. Jacinto Juarez | Treasurer        | 2022                |
| Lucia Guardiola    | Director         | 2021                |
| Veronica Iñiguez   | Director         | 2023                |
| Raquel Sepulveda   | Director         | 2022                |
| <br>               |                  |                     |
| Rafael A. Martinez | President/CEO    |                     |

### **Supervisory Committee**

|                      |             |
|----------------------|-------------|
| Dr. Mayra L. Peña    | Chairperson |
| Manuelita O. Sanchez | Member      |
| Diana Gomez          | Member      |
| Delia P. Solis       | Member      |

### **Mission Statement**

**Laredo Federal Credit Union is value driven with integrity, moral, and ethical principles of honesty, responsibility complemented with courteous, efficient, and professional service to its members.**

## Board of Directors Report

It is our pleasure to welcome you to our 65<sup>th</sup> Annual Membership Meeting. We are truly grateful to our President, Rafael A. Martinez, and his staff for their continued effort and dedication to promote and serve our members.

Your Board of Directors remains intent on fulfilling the duties and responsibilities for which we were elected, and we do this by keeping abreast of the latest market trends and technologies. This is one of the many ways that we can continue to provide you, our members, with the quality of service you deserve.

As always, we pledge our support to the credit union and its members today and for many years to come and we look forward to serving you.

Respectfully,

Board of Directors

## Treasurer's Report

The credit union's Statement of Financial Condition is presented on page five. The Consolidated Statement of Financial Condition is presented on page six, and the Consolidated Statement of Income and Expenses is presented on page seven. The credit union paid out \$158,980.09 in dividends in 2020. I hope that you will continue with your loyalty to the credit union.

Sincerely,

Dr. Jacinto Juarez

## Statement of Financial Condition

December 31, 2020

### Assets

|                           |                         |
|---------------------------|-------------------------|
| Loans                     | \$48,291,406.47         |
| Allowance for Loan Losses | (385,623.30)            |
| Cash                      | 8,647,122.54            |
| Investments               | 78,091,888.75           |
| Land & Buildings          | 2,539,752.92            |
| Furniture & Equipment     | 419,367.39              |
| Other Assets              | 2,486,006.35            |
| <b>Total Assets</b>       | <b>\$140,089,921.12</b> |

### Liability & Equity

|                                       |                         |
|---------------------------------------|-------------------------|
| Accounts Payable                      | \$123,424.02            |
| Other Liabilities                     | 1,550,665.11            |
| Members' Savings                      | 127,893,788.87          |
| Statutory Reserves                    | 3,104,791.90            |
| Undivided Earnings                    | 7,417,251.22            |
| <b>Total Liabilities &amp; Equity</b> | <b>\$140,089,921.12</b> |

### Key Financial Data for 2020

|                  |                  |
|------------------|------------------|
| Assets           | \$140,089,921.12 |
| Members' Savings | \$127,893,788.87 |
| Loans            | \$ 48,291,406.47 |
| Operating Income | \$ 5,693,319.52  |
| Expenses         | \$ 5,003,568.31  |
| Dividends        | \$ 158,980.09    |
| Return on Assets | .32%             |
| Net Worth Ratio  | 9.35%            |



**STATEMENT OF FINANCIAL CONDITION  
December 31, 2020**

**ASSETS**

|   |           |                       |
|---|-----------|-----------------------|
| CONSUMER LOANS                          | \$        | 32,732,753.88         |
| REAL ESTATE LOANS                       | \$        | 15,327,527.14         |
| BUSINESS LOANS                          | \$        | 231,125.45            |
| <b>TOTAL LOANS</b>                      | <b>\$</b> | <b>48,291,406.47</b>  |
| (LESS)ALLOWANCE FOR LOAN LOSSES         | \$        | 385,623.30            |
| <b>NET LOANS</b>                        | <b>\$</b> | <b>47,905,783.17</b>  |
| Vault, CASH DISPENSERS, & ATM'S         | \$        | 2,774,079.50          |
| OVERNIGHT CASH MANGEMENT FUNDS          | \$        | 5,873,043.04          |
| <b>TOTAL CASH &amp; CASH EQUIVALENT</b> | <b>\$</b> | <b>8,647,122.54</b>   |
| AFS - INVESTMENTS                       | \$        | 39,741,188.75         |
| HTM - INVESTMENTS                       | \$        | 154,337.00            |
| CD's - INVESTMENTS                      | \$        | 37,883,999.00         |
| FEDERAL HOME LOAN BANK SHARES           | \$        | 54,800.00             |
| CATALYST CORP FCU SHARES                | \$        | 257,564.00            |
| <b>NET INVESTMENTS</b>                  | <b>\$</b> | <b>78,091,888.75</b>  |
| LAND AND BUILDINGS (NET OF DEPR)        | \$        | 2,539,752.92          |
| OTHER FIXED ASSETS (NET OF DEPR)        | \$        | 419,367.39            |
| ALL OTHER ASSETS                        | \$        | 1,251,025.84          |
| NCUSIF CAPITAL DEPOSIT                  | \$        | 1,234,980.51          |
| <b>TOTAL OTHER ASSETS</b>               | <b>\$</b> | <b>5,445,126.66</b>   |
| <b>TOTAL ASSETS</b>                     | <b>\$</b> | <b>140,089,921.12</b> |

**LIABILITIES AND EQUITY**

|                                     |           |                       |
|-------------------------------------|-----------|-----------------------|
| ACCOUNTS PAYABLE                    | \$        | 123,424.02            |
| ATM & SHAREDRAFTS                   | \$        | 87,686.36             |
| DIVIDENDS/INTEREST ON SHARES        | \$        | 15,114.50             |
| DEFERRED EMPLOYEE PENSION           | \$        | 1,176,124.00          |
| ALL OTHER LIABILITIES               | \$        | 271,740.25            |
| CATALYST LINE OF CREDIT             | \$        | -                     |
| <b>TOTAL LIABILITIES</b>            | <b>\$</b> | <b>1,674,089.13</b>   |
| SHARE CERTIFICATES                  | \$        | 14,120,448.92         |
| SHARE DRAFT ACCOUNTS                | \$        | 16,820,155.60         |
| REGULAR SHARES                      | \$        | 73,121,604.79         |
| MONEY MARKET                        | \$        | 12,101,965.15         |
| SPECIAL SAVINGS                     | \$        | 3,930,720.04          |
| ESCROW ACCTS                        | \$        | 191,205.51            |
| IRA ACCOUNTS                        | \$        | 7,607,688.86          |
| <b>TOTAL MEMBERS' SAVINGS</b>       | <b>\$</b> | <b>127,893,788.87</b> |
| REGULAR/STATUTORY RESERVES          | \$        | 3,104,791.90          |
| ACCUMULATED OTHER COMPREHENSIVE     | \$        | (2,579,072.10)        |
| UNDIVIDED EARNINGS                  | \$        | 9,980,293.18          |
| NET INCOME                          | \$        | 16,030.14             |
| <b>TOTAL NET WORTH</b>              | <b>\$</b> | <b>10,522,043.12</b>  |
| <b>TOTAL LIABILITIES AND EQUITY</b> | <b>\$</b> | <b>140,089,921.12</b> |

We certify to the best of our knowledge and belief this statement and related statements are true and correct and present fairly the position and the results of operations for the periods covered.



**Federally Insured  
by NCUA**

**PRESIDENT**

\_\_\_\_\_  
Rafael A. Martinez, President



## CONSOLIDATED STATEMENT OF INCOME & EXPENSE

### December 31, 2020

| INCOME                                 | THIS MONTH           | QTR TO DATE            | YEAR TO DATE           |
|--|----------------------|------------------------|------------------------|
| INTEREST ON CONSUMER LOANS             | \$ 140,654.94        | \$ 428,769.35          | \$ 1,788,432.04        |
| INTEREST ON REAL ESTATE LOANS          | \$ 79,183.66         | \$ 230,820.09          | \$ 952,832.32          |
| INTEREST ON BUSINESS LOANS             | \$ 1,276.51          | \$ 3,937.95            | \$ 19,439.01           |
| <b>TOTAL LOAN INTEREST</b>             | <b>\$ 221,115.11</b> | <b>\$ 663,527.39</b>   | <b>\$ 2,760,703.37</b> |
| INCOME FROM INVESTMENTS                | \$ 91,894.71         | \$ 285,721.79          | \$ 1,328,596.07        |
| FEES AND CHARGES                       | \$ 105,093.72        | \$ 290,059.26          | \$ 1,118,100.36        |
| MISC OPERATING INCOME                  | \$ 18,240.80         | \$ 62,600.63           | \$ 485,919.72          |
| <b>TOTAL INVESTMENT &amp; FEES</b>     | <b>\$ 215,229.23</b> | <b>\$ 638,381.68</b>   | <b>\$ 2,932,616.15</b> |
| <b>TOTAL OPERATING INCOME</b>          | <b>\$ 436,344.34</b> | <b>\$ 1,301,909.07</b> | <b>\$ 5,693,319.52</b> |
| <b>EXPENSES</b>                        |                      |                        |                        |
| EMPLOYEE COMPENSATION                  | \$ 155,268.80        | \$ 485,533.89          | \$ 1,983,783.28        |
| EMPLOYEE BENEFITS                      | \$ 42,114.31         | \$ 119,424.76          | \$ 473,454.75          |
| TRAVEL & CONFERENCE EXPENSES           | \$ (4,000.00)        | \$ (15,603.00)         | \$ 16,829.48           |
| ASSOCIATION DUES                       | \$ 2,122.17          | \$ 7,371.47            | \$ 29,950.69           |
| OFFICE OCCUPANCY EXPENSES              | \$ 43,030.43         | \$ 120,999.69          | \$ 464,780.78          |
| OFFICE OPERATIONS EXPENSES             | \$ 64,674.74         | \$ 183,861.71          | \$ 769,018.02          |
| EDUCATION & PROMOTION EXPENSES         | \$ (398.51)          | \$ 5,004.50            | \$ 44,017.38           |
| LOAN SERVICING EXPENSES                | \$ 6,965.77          | \$ 19,494.83           | \$ 76,148.60           |
| PROFESSIONAL & OUTSIDE SERVICES        | \$ 112,267.05        | \$ 229,530.21          | \$ 1,079,924.05        |
| OTHER OPERATING EXPENSES               | \$ (32,353.99)       | \$ (26,620.75)         | \$ 65,661.28           |
| <b>TOTAL OPERATING EXPENSES</b>        | <b>\$ 389,690.77</b> | <b>\$ 1,128,997.31</b> | <b>\$ 5,003,568.31</b> |
| <b>TOTAL NET INC (LOSS) BEFORE DIV</b> | <b>\$ 46,653.57</b>  | <b>\$ 172,911.76</b>   | <b>\$ 689,751.21</b>   |
| INTEREST ON BORROWED FUNDS             | \$ -                 | \$ -                   | \$ 36.06               |
| REGULAR SHARE DIVIDENDS                | \$ 3,189.71          | \$ 9,571.38            | \$ 52,318.77           |
| IRA DIVIDENDS                          | \$ 1,301.75          | \$ 3,849.57            | \$ 18,635.36           |
| MONEY MARKET DIVIDENDS                 | \$ 1,206.36          | \$ 3,625.01            | \$ 18,154.89           |
| SHARE DRAFT DIVIDENDS                  | \$ 246.96            | \$ 734.87              | \$ 2,773.59            |
| DIVIDENDS ON CERTIFICATES OF DEPOSIT   | \$ 4,784.93          | \$ 14,554.96           | \$ 67,061.42           |
| <b>TOTAL DIVIDEND EXPENSE</b>          | <b>\$ 10,729.71</b>  | <b>\$ 32,335.79</b>    | <b>\$ 158,980.09</b>   |
| <b>INCOME (LOSS) FROM OPERATIONS</b>   | <b>\$ 35,923.86</b>  | <b>\$ 140,575.97</b>   | <b>\$ 530,771.12</b>   |
| PROVISION FOR LOAN LOSSES              | \$ 19,893.72         | \$ 80,238.73           | \$ 172,208.39          |
| (GAIN) LOSS ON DISPOSITION OF ASSETS   | \$ -                 | \$ -                   | \$ -                   |
| (GAIN) LOSS NON - OPER. MISC/CLAIMS    | \$ -                 | \$ -                   | \$ -                   |
| (GAIN) LOSS ON INVESTMENTS             | \$ -                 | \$ -                   | \$ (66,350.98)         |
| <b>TOTAL NON OPERATING (GAIN) LOSS</b> | <b>\$ 19,893.72</b>  | <b>\$ 80,238.73</b>    | <b>\$ 105,857.41</b>   |
| <b>NET INCOME (LOSS)</b>               | <b>\$ 16,030.14</b>  | <b>\$ 60,337.24</b>    | <b>\$ 424,913.71</b>   |

## Supervisory Committee Report

All Federal credit unions are required to have an annual audit and periodic verification of members' accounts. We are also subject to an annual regulatory examination by the National Credit Union Administration. These reviews are performed to ensure our credit union is operating in an ethical and professional manner. Any deficiencies that are cited during these reviews are reported to the Board of Directors and the Supervisory Committee.

If you have any questions or concerns that you feel should be addressed directly and confidentially to the Supervisory Committee, you may submit them to the **Supervisory Committee, P.O. Box 450890, Laredo, Texas 78045-0890**. This is a private post office box that is accessible only by the Supervisory Committee. Your support is much appreciated.

Sincerely and for the Committee,

Dr. Mayra L. Peña  
Committee Chairperson

|                      |                               |
|----------------------|-------------------------------|
| Dr. Mayra L. Peña    | Committee Member, Chairperson |
| Manuelita O. Sanchez | Committee Member              |
| Diana Gomez          | Committee Member              |
| Delia Solis          | Committee Member              |



**Laredo Federal Credit Union**  
**Annual Membership Meeting Minutes**  
**November 18, 2020**

The Annual Membership Meeting was conducted virtually on November 18, 2020. The meeting convened at 5:31pm. Directors Richard Perales, Cynthia Conchas, Dr. Jacinto P. Juarez, Lucia Guardiola, Dr. Mayra L. Peña, Veronica Iñiguez and Raquel Sepulveda Juarez were present. A required quorum was met. In addition to the LFCU Directors, the Supervisory Committee Members Lucia Guardiola, Diana Gomez, and Manuelita Sanchez were present. Rafael A. Martinez (President/CEO) and 12 staff members were also present.

- I. **Call to Order**-Vice-Chairman, Richard Perales called the meeting to order at 5:31pm.
- II. **Presentation of Colors & Invocation**- Cynthia Conchas was called for the invocation, presentation of colors and Pledge of Allegiance.
- III. **Ascertain Quorum**-Vice-Chairman, Richard Perales noted that a quorum of 5 Board Members were present. Approximately 35 credit union members attended the Annual Membership Meeting.
- IV. **Prior Meeting Minutes**-The minutes were accepted as presented. A motion was made by Rafael A. Martinez and was seconded by Anel Christina Rodriguez.
- V. **Election of Directors**- Mr. Perales informed the members ballots were not distributed because it was not necessary. Mr. Perales stated there would not be a contested election.
- VI. **Treasurer Report**- The credit union paid out \$192,677.84 in dividends in 2019.
- VII. **Supervisory Committee Report**- Lucia Guardiola, Chairperson of the Supervisory Committee, informed the members about the duties of the Supervisory Committee.
- VIII. **Adjournment**- A motion was made by Javier Gomez and was seconded by Perry Lopez to adjourn the meeting at 5:42 p.m.

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Richard Perales, Chairman

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Cynthia Conchas, Secretary