

2023 Annual Report

A photograph showing two hands, one on the left and one on the right, holding a long, narrow, light-colored paper sign. The sign has the words "ANNUAL MEETING" printed in a black, serif, all-caps font. The background is a blurred, greyish wall with some faint, illegible text or patterns.

ANNUAL MEETING

Shared Resources Credit Union

75th Annual Meeting

February 13, 2024

75TH Annual Meeting Agenda

- Welcome Call to Order
- Approval of Last Year's Meeting Minutes
- Chairman Report
- Introduce Board of Directors
- Unfinished Business
- New Business
- Nominating Committee Report
- Election of Directors
- President's Report
- Introduce the Staff
- Door Prizes
- Adjournment

2023 Annual Meeting Minutes from February 7, 2023

Call to order: Chairman Bennett Radin called the meeting to order at 7:00 p.m. at Monument Inn. There was a quorum present with 115 members attending. The minutes from the previous meeting held on March 15, 2022 were distributed with the annual reports. Howard Rothman read the minutes and a motion was made to approve the minutes. The motion was seconded, and carried. Chairman Radin gave his report and introduced the board of directors. Reports from various officials were printed in the annual report. There were no questions from the floor.

Old Business None

New Business Election of directors. Chairman of the nominating committee, Clyde Coxie, Jr., introduced incumbents who were seeking re-election. Terry Mullins, Sherry Ramphal and Howard Rothman. There were no nominations from the floor. Ballots were not distributed. Motion was made and seconded to re-elect the board of directors.

Stephanie Salazar gave the state of the credit union address and introduced the staff. The staff held prize drawings for the members in attendance. There was a total of \$1,525 given away in cash.

Adjournment Motion was made and seconded to adjourn the meeting at 7:56 p.m.

Chairman Address for 75th Annual Meeting

Welcome to the 75th annual meeting of Shared Resources Credit Union. Thank you for being here. Our success depends on the involvement of our member-owners, and we appreciate each of you for demonstrating your involvement here tonight.

Annual Report Highlights

As we continue to adjust to a post-pandemic world, Shared Resources Credit Union continues to perform quite well and is continuously working to adapt to this new economic landscape, as we will see in the Annual Report for fiscal year 2022–2023. Let's look at a few highlights:

- In 2023 Shared Resources Credit Union was able to increase our ROA to .61 percent compared to .33 percent in 2022. This metric allows you to see how much profit the credit union generated from the total assets on the balance sheet.
- Shared Resources Credit Union continues to be a well-capitalized financial institution, with a strong net worth ratio of 12.28 percent. To put that in perspective, a net worth ratio above 7 percent is considered well-capitalized by our regulators.
- You, the member-owners of this institution, have borrowed more than \$20,102,591, which surpassed our goal of \$19,000,000 for the 2022-2023 fiscal year. Thank you for trusting Shared Resources Credit Union for your lending needs.
- Credit Union leadership is constantly reviewing and actively managing our delinquencies to minimize monetary loss. Our 2023 year end delinquency was .51% compared to the 2022 year end ratio of .84%. I want to thank you the members for your on-time payments which allowed us to achieve this impressive metric.

One of the benefits of credit union membership is the opportunity to share in the profits. Our members are always our top priority, and whenever we can, in keeping with our credit union mission, we will distribute profits back to you in the form of dividends.

Last year, Shared Resources Credit Union performed so well that we generated \$171,080.45 in net income in the 12 months that ended December 31st, 2023. This is a result of responsible cost-management by our credit union staff and leadership.

In the interest of full transparency, we also want to outline some of the challenges the credit union has faced in the post-COVID world that have affected our bottom line. Those include:

- Job losses
- Layoffs
- Overwhelming debt
- Rising cost of consumer goods and services
- Climbing interest rates

While these are concerning, we feel confident that the counseling we've been providing and the rebuilding measures we've taken have us on the road to a robust bottom line, comparable to before the pandemic. Shared Resources Credit Union is committed, as always, to listening to your feedback and exploring the best ways to serve and support our members through challenging circumstances.

Cryptocurrency/Globalization

The COVID-19 pandemic single-handedly changed every element of the modern global economy. This has resulted in a rapid transition to a digital economy. By 2030, the majority of U.S. consumer payments will be made electronically, typically through mobile devices. Buying and selling cryptocurrency is also becoming more mainstream. These changes present a challenge and an opportunity for credit unions. Shared Resources Credit Union is actively analyzing these trends to optimize our member services. One of the steps we took in toward digitalization in 2023 is the implementation of Google Pay and Apple Pay. We hope these two forward looking methods of payment will be something you the members greatly benefit from.

League/Industry Recognition

As a financial cooperative, one of our priorities is actively engaging in service groups and organizations supporting institutions like ours. For instance, our membership in Cornerstone League, our regional credit union association, allows us to benefit from the advocacy, education, tools, and resources that are designed to support our endeavors and, by extension, *you*—our members.

Board/Director Changes

I'd like to recognize my fellow board members for their dedication to this credit union. United in leadership, we are responsible for ensuring your credit union has a capable, qualified, and transparent management team. I can say without hesitation that we do. The strength of this board's commitment to the highest standards of governance and management is integral to Shared Resources Credit Union's well-being, sustainability, and prosperity.

Closing

Now, I'd like to take a moment to express my deepest confidence in the leadership of our CEO, Stephanie Salazar, the wisdom and guidance of our esteemed board of directors, the commitment of our dedicated staff, and the support and loyalty of our member-owners. The last several years have presented changes and challenges, but they also taught us that we are more than capable of facing an evolving economy and technological space in 2024. We certainly look forward to the opportunities to demonstrate our value proposition.

Thank you, ladies and gentlemen. I wish you and your families the very best this year.

Bennett C. Radin
Chairman of the Board

Board of Directors and Term Expiration

- Bennett Radin – Chairman 2025
- Gary Trujillo - Vice Chaiman 2024
- Terry Mullins -Treasurer 2026
- Patricia Johnson – Secretary 2025
- Scott Buchanan- Director 2024
- Howard Rothman- Director 2026
- Clyde Coxie, Jr. – Director 2024
- Sherry Ramphal – Director
- John Whigham, Jr.- Director 2025

Presidents Report

Good evening, I am Stephanie Salazar, the chief executive officer of Shared Resources Credit Union. Welcome to our 75th annual meeting.

We all know that credit unions are different. That's why we're here today. As members, you are equal owners, and we are accountable to you. Every one of you, equally. You make the decisions and participate through your vote. So, thank you for taking time out of your busy schedule to be here and take an active role in your credit union.

Shifting Financial Landscape

Since the pandemic, members have recognized and valued their trusted credit unions even more. As the financial landscape continues to shift in a post-COVID world, Shared Resources works diligently to provide the best value and experience for our members. While we've seen many improvements to the economy, challenges remain and have caused the financial industry to develop more innovative and efficient processes.

For example, we've worked to:

- Develop more online banking tools.
- Expand account options and offer new products.
- Streamline and simplify our processes wherever possible.
- Reduce and eliminate fees.
- Develop financial literacy resources and tools.
- Keep robust cybersecurity measures in place.
- Support advocacy and lobbying efforts on behalf of the credit union community.

Online Banking

After the pandemic, the move away from onsite service challenged us to create an experience that still feels personal while being easier to access and quicker to use. More and more members prefer to bank online with websites and apps that are easy to navigate, even for our less tech-savvy members. Shared Resources *has* worked to offer user-friendly, online options with the same personal touch you've come to expect from us.

- Online bill pay
- Up-to-date account activity
- Digital lending options
- Statement access
- Fraud alerts
- ATM locator with All Point free ATM locations
- Google and Apple Pay
- Savy Money

Financial Literacy Resources and Tools

As a member of Cornerstone League, we've supported the development of the award-winning Your Money Further educational website. Your Money Further won the 2022 dotcom Platinum Award for best financial website and is the industry's only national consumer-facing website designed to deliver high-quality financial services content through the voice and lens of the nation's credit union movement. It has garnered more than 23 million pageviews and more than 15 million consumer visits in the past year and features a robust blog, a library of helpful articles on credit union topics, a credit union locator, and a credit union matcher.

Cybersecurity

Along with the convenience that technology brings, we must be aware of the risks that also come with it, such as:

- Phishing
- Ransomware
- Password reuse
- Data theft
- Cloud security
- And more

Here at Shared Resources Credit Union, we've taken steps to safeguard your assets, your data, and your privacy. Our partnership with All Covered Information Technology company ensures our focus on the credit unions unique computing, networking, and application needs. All Covered is a nationwide leader in information technology and security.

Advocacy and Lobbying Efforts

On the legislative front, we supported efforts to defeat the recent Credit Card Competition Act, and Congress's attempts to include it as an amendment to the National Defense Authorization Act. The legislation would have created new routing mandates affecting the way financial institutions issue credit and potentially put consumers' data privacy at risk. In addition to our credit union league fighting for credit unions daily, Danna Hinojosa and I attended "Hike the Hill" in Austin to speak to our representatives on behalf of Shared Resources members!

Texas-Specific Issues

In addition to nationwide trends in the financial landscape and economy, there have been localized effects felt here in Texas from issues such as:

- A polarized political landscape.
- Concerns about health care accessibility and costs.
- Continuing concerns over our power grid and infrastructure.
- Rising food, gas, and energy prices.
- A still competitive but cooling housing market.
- Climbing mortgage interest rates.

All of us at Shared Resources *are* aware that these issues present unique challenges for our members, and we're dedicated to listening to your suggestions and feedback and exploring the best ways to support you as you navigate these circumstances.

The overall picture for credit unions in Texas is encouraging. According to the Credit Union National Association's 2023 3rd quarter report:

- Texas currently has 410 credit unions headquartered in the state, with a membership of 10,468,054—a growing but still small portion of the state's financial sector.
- Total assets of all credit unions in Texas are over \$155 billion.
- Texas credit unions have 2,696 branches and 40,702 employees.
- Texas credit unions made 1.9 million loans for a total amount of more than \$40 billion.

Since credit unions are not-for-profit financial cooperatives and, unlike banks, have no shareholders demanding a market return on their investment, we can pass profits on to our member depositors in the form of lower loan interest rates, higher yields on savings, and fewer/lower fees.

And of course, none of this would be possible without the participation and input of members like you!

Closing Remarks

It's a top priority of Shared Resources Credit Union to meet the challenges of our current economy, political landscape, infrastructure, and environment head-on while embracing digital technologies and transforming into a modern and flexible business that serves our members and our community. We couldn't have done it without your input and involvement!

As our member-owners, you are integral to our credit union family, and we are sincerely grateful that you've chosen Shared Resources Credit Union as your financial partner. We wish you and your family a healthy and prosperous 2024.

Shared Resources Credit Union Staff

- Stephanie Salazar - President/CEO
- Wendy Lopez- Executive Vice President
- Danna Hinojosa- Accounting Manager
- Lisa Garza- Loan Officer/ MSR
- Regina Villanueva- Loan Officer/MSR
- Roxana Vazquez- Collection Officer
- Stephanie Martinez- Teller/MSR
- Eylin Flores- Teller/MSR

Audit Report

We completed the Supervisory Committee Annual Review of the books and records of Shared Resources Credit Union for the 12-month period ending September 31,2023. Our work was performed in accordance with requirements set forth in Section 91.507 of the Texas Rules for Credit Unions, and Section 715.7(c) of the NCUA Rules and Regulations, and included any additional procedures deemed necessary. The overall records and operations of the credit union were found to be in good condition. The internal control recommendations are offered as ways to enhance your current system of controls. The credit unions next Supervisory Committee Annual Review is scheduled for the 12-month period ending September 2024.

Shared Resources Credit Union 2023

	% Assets		% Assets		YR-TO-DATE
	12/31/2023	12/31/2023	12/31/2022	12/31/2022	GROWTH
PERSONAL LOANS	16,712,343	61.34%	12,829,714	0.51%	3,882,629
CIPL	12,773	0.05%	31,849	0.11%	(19,076)
REAL ESTATE LOANS	3,377,475	12.40%	3,152,595	0.11%	224,880
LOANS TO MEMBERS	20,102,591	73.78%	18,014,159	0.73%	4,088,433
LOAN LOSS ALLOWANCE	(217,900)	-0.80%	(130,863)	-0.45%	(87,037)
OTHER RECEIVABLES	0	0.00%	0	0.00%	0
ACCOUNTS RECEIVABLE	15,468	0.06%	10,196	0.04%	5,272
OTHER RECEIVABLES	15,468	0.06%	10,196	0.04%	5,272
CASH IN BANK	97,573	0.36%	101,180	0.35%	(3,607)
CASH ON HAND	423,104	1.55%	396,866	1.36%	26,238
CASH IN BANK/ON HAND	520,677	1.91%	498,046	1.71%	22,631
CATALYST CORP INVESTMENTS	(315,944)	-1.16%	569,431	1.96%	(885,375)
JUMBO CERTIFICATES	5,704,000	20.94%	8,680,000	29.85%	(2,976,000)
INVESTMENTS	5,388,056	19.78%	9,249,431	31.81%	(3,861,375)
ACC'D INT.PERSONAL LNS	75,827	0.28%	64,547	0.22%	11,280
ACC'D INT JUMBO CD's	48,939	0.18%	13,969	0.05%	34,970
PREPAID EXPENSES	31,637	0.12%	30,626	0.11%	1,011
FIXED ASSETS	264,199	0.97%	327,380	1.13%	(63,181)
ALL OTHER ASSETS	1,016,533	3.73%	1,006,914	3.46%	9,619
ALL OTHER ASSETS	1,437,134	5.27%	1,443,163	4.97%	(6,302)
	27,246,203	100.00%	29,079,029	100.00%	161,622
ACCOUNTS PAYABLE	214,708	0.79%	251,672	0.78%	(36,964)
TAXES PAYABLE	444	0.00%	335	0.00%	109
ACCRUED EXPENSES	24,874	0.09%	21,775	0.07%	3,099
SUSPENSE ACCOUNTS	295,893	1.09%	275,502	0.95%	20,391
ACCOUNTS PAYABLE	535,918	1.97%	549,285	1.80%	(13,366)
ATM SUSPENSE	28,013	0.10%	27,943	0.10%	70
	563,931	2.07%	577,228	1.99%	(13,297)
MEMBER SHARE ACCOUNTS	11,237,453	41.24%	12,119,039	41.68%	(881,586)
ESCROW	12,111	0.04%	15,301	0.05%	(3,190)
SHARE DRAFTS	6,730,995	24.70%	6,646,742	22.86%	84,253
MONEY MARKET ACCOUNTS	3,150,318	11.56%	3,858,868	3.27%	(708,550)
IRA SHARE ACCOUNTS	775,221	2.85%	866,127	2.98%	(90,906)
SHARE CERTIFICATES	760,869	0.28%	1,684,698	5.79%	(923,829)
MEMBER SHARES	22,666,968	80.68%	25,190,774	76.63%	(2,523,807)
REGULAR RESERVES	712,952	2.62%	71,295	2.45%	641,657
UNDIVIDED EARNINGS	2,632,937	9.66%	2,598,074	8.93%	34,863



Shared Resources Credit Union

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and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency



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