

YOUR COMMUNITY CREDIT UNION SINCE

1954



*Celebrating 70 Years of Service*

2023 ANNUAL REPORT

70TH ANNUAL MEMBERSHIP MEETING

APRIL 4, 2024

BORDERFCU.COM

**70TH ANNUAL MEETING**  
**BORDER FEDERAL CREDIT UNION**  
**ORDER OF BUSINESS**  
**APRIL 04, 2024**

70<sup>th</sup> Anniversary Proclamation - City of Del Rio & State Representative Morales..... 5:15 p.m.

Business Meeting Call to Order .....5:30 p.m.

Presentation of Colors ..... Laughlin AFB Honor Guard

National Anthem

Invocation ..... Pastor Martin Seca, Livingstone Church

Pledge of Allegiance..... Dora Alcala, BOD Vice-Chairwoman

Determination of a Quorum ..... Jose Aranda Jr., BOD Asst. Secretary

Approval of 69<sup>th</sup> Annual Meeting Minutes ..... Maria B. Gutierrez, BOD Chairwoman

Board of Directors Report ..... Maria B. Gutierrez, BOD Chairwoman

Supervisory Committee Report..... David Even, SC Chairman

President’s Report ..... Maria J. Martinez, President/CEO

Nominating Committee Report..... Jose Aranda Jr, NC Chairman

Unfinished Business ..... Maria B. Gutierrez, BOD Chairwoman

Member Prizes..... Maria J. Martinez, President/CEO

Adjournment ..... Maria B. Gutierrez, BOD Chairwoman

Dinner.....6:15 – 7:00 p.m.

## **69<sup>th</sup> Annual Membership Meeting Minutes – April 13, 2023**

Maria J. Martinez, President and Chief Executive Officer (CEO) welcomed all members to the 69<sup>th</sup> Annual Membership Meeting of Border Federal Credit Union (BFCU). Meeting was held at BFCU's main office in Del Rio, TX. Mrs. Martinez announced the meeting will be recorded and available to those members who could not log in or be present today.

Robert Wayne Jr., Treasurer of the Board of Directors, led the invocation

Maria B. Gutierrez, Chairperson of the Board of Directors, called the Annual Meeting to order at 5:35 p.m.

Mark Crosby, Secretary of the Board of Directors, verified there was a quorum present. Maria B. Gutierrez entertained a motion to accept the 68<sup>th</sup> Annual Membership Meeting Minutes. Carrie Martin made a motion to approve the 68<sup>th</sup> Annual Membership Meeting Minutes as presented. Dr. Claudia Wright seconded the motion. Motion carried.

Maria B. Gutierrez referenced the Board of Directors' Report and announced, financial results were solid and very strong in 2022. Driving BFCU to be well capitalized with a Net-Worth Ratio of over 15% and over 20% in loan growth in 2022. BFCU also ranked one of the Top 100 credit unions in the nation in 2022, out of almost 1,800 credit unions, ranking #33, up from #69 in 2021. To celebrate the #33 Rank, BFCU will have a Special 12-month Certificate of Deposit at 5.33% Annual Percentage Yield. Maria B. Gutierrez also announced a Special Dividend distribution to members consisting of over \$790,000. Each member with an active regular member share account as of April 13, 2023 will received a special dividend at the end of April 2023. Primary members with a share account less than 20 years will receive \$20.23 and primary members over 20 years or more will receive \$69 each. Maria B. Gutierrez proceeded to introduce all Board members and introduced David Even, Supervisory Committee Chairman.

David Even introduced the Supervisory Committee members and gave the Supervisory Committee's Report. Hamby and Hengeli, LLC performed an audit in conformity with generally accepted accounting principles as of December 31, 2021. The review resulted in no significant/material findings. The National Credit Union Administration (NCUA) also conducted an examination of the credit union records as of March 31, 2022 and found that BFCU was financially sound as of the examination date.

Maria J. Martinez, President/CEO of BFCU, presented the President's Report, and stated BFCU had one of the best years in credit union history in 2022 and continued by thanking the members, Management team, staff and volunteers for all they do to assist in achieving the best results for the credit union. Maria J. Martinez reported, in 2022 over \$3 million dollars of BFCU's Return on Assets were made up of CDFI grants, claim certificate from Catalyst Corporate FCU and tax credits from the IRS as part of the Employee Retention Credit program. In 2022 BFCU booked over \$2.3 million dollars in CDFI grants and will receive an additional grant for over \$2.4 million dollars under the CDFI Equitable Recovery Program to expand lending and investment activities in the low to moderate income communities. Maria J. Martinez announced the VITA program is in full force until April 18<sup>th</sup> and BFCU is accepting scholarships applications from graduating seniors until April 27<sup>th</sup>.

Christopher Ryan gave the Nominating Committee's Report. The Nominating committee included Christopher Ryan, Dora Alcala and Mark Crosby. There were three vacancies on the Board of Directors for the terms of three years each. There were no nominations by petition from the membership. The three nominees selected by the Board of Directors were Mrs. Maria B. Gutierrez, Mr. Jose Aranda Jr. and Mr. Alejandro Garcia. Carrie Martin made a motion to elect the three nominees selected by the Board of Directors for the terms of three years each. Robin Palmer seconded the motion. Motion carried.

Maria B. Gutierrez asked if there was any Old Business. There was none. Maria B. Gutierrez asked for any New Business to be addressed. There was none.

Maria J. Martinez announced, in the spirit of celebrating BFCU's rank as one of the Top 100 credit unions in the nation (#33), BFCU is happy to award a \$33 gift card to 10 members in attendance, for the exception of BFCU employees, volunteers, and their family members in the same household.

Maria B. Gutierrez entertained a motion to adjourn the 69<sup>th</sup> Annual meeting. On a motion made by Mr. James Butterworth and seconded by Avelina Norton, the meeting was adjourned at 6:02 p.m.

## Board of Directors' Report

At Border FCU, we embody a culture of perpetual growth, always on the lookout for opportunities that propel us forward. Grounded in our motto of People Helping People, we've consistently navigated a path of managed expansion, culminating in yet another stellar year in 2023.

Our unwavering dedication remains fixed on furnishing you with an unparalleled member experience, whether through personalized in-person services or cutting-edge technological resources.

The financial results for 2023 stand as a testament to our robust performance. With an annual net income exceeding \$3 million, we achieved an impressive return on average assets of 1.32%. Furthermore, our Net-Worth Ratio soared to 15.72%, significantly surpassing our peers of similar asset size and comfortably exceeding the NCUA's stringent requirement of 7.0% for "well-capitalized" status. Notably, our Delinquency and Charge-off rates remained substantially below industry averages, underscoring the steadfast commitment of our members to Border FCU's mission. Our Delinquent Loans to Total Loans Ratio plummeted to 0.22%, while the total Net Charge-Offs to Average Loans Ratio stood at a mere 0.27%.

Our commitment to growth is synonymous with our pledge to deliver tangible financial benefits directly to you. This includes lower loan rates, higher dividends on deposits, reduced fees, and an array of convenient services. As we chart the course for Border FCU's future, our objective remains steadfast: to fortify our institution, enriching it with exceptional service, seamless access to financial solutions, and state-of-the-art technology, all while maintaining unwavering fiscal stability.

I extend my deepest gratitude to our esteemed Board of Directors, dedicated Supervisory Committee Members, our esteemed President/CEO, and our unrelenting staff for their passion, dedication, and exceptional service. But most importantly, I applaud you, our valued member, for your unwavering support and trust. As your volunteer Board, we consider it a profound honor to represent your interests and are deeply grateful for the opportunity to continue fostering and enhancing your financial success.

*Maria B. Gutierrez*

Board of Directors' Chairwoman



**Maria B. Gutierrez**  
Board Chairwoman



**Dora Alcala**  
Board Vice-Chairwoman



**Mark Crosby**  
Board Secretary



**Jose Aranda Jr.**  
Board Assistant Secretary



**Robert Wayne Jr.**  
Board Treasurer



**Christopher Ryan**  
Board Assistant Treasurer



**Alejandro Garcia**  
Board Member-at-Large

## Supervisory Committee Report

The Supervisory Committee stands as the vigilant guardians of Border FCU's integrity and security. Comprising five dedicated volunteer members appointed by the Board of Directors, this committee operates autonomously from management, diligently overseeing both internal and external auditing processes. Their paramount duty lies in safeguarding member assets, ensuring meticulous record-keeping, and upholding impeccable business standards.

In pursuit of these responsibilities, the committee enlisted the expertise of Hamby & Hengeli, LLC, an independent firm, to conduct a thorough audit in accordance with generally accepted accounting principles as of December 31, 2022. I am pleased to announce that this audit revealed no significant or material findings. Any recommendations or adjustments stemming from this external review were meticulously reviewed by the Board of Directors, accompanied by management's proactive responses.

Moreover, in addition to our annual independent audit, Border FCU undergoes periodic examinations by federal examiners from the National Credit Union Administration (NCUA). The latest examination, conducted as of March 31, 2022, reaffirmed the robustness of our institution, attesting to its sound overall condition.

I am delighted to report that Border FCU remains steadfastly safe, sound, and in impeccable financial health. Guided by prudent and conservative management practices, we continue to deliver exceptional services to our members.

We recognize the paramount importance of providing a secure haven for your financial needs. My heartfelt gratitude goes out to the members of the Supervisory Committee for their unwavering dedication in preserving the trust our members repose in the credit union. Their commitment ensures that Border FCU remains fortified to serve you with excellence. Thank you for your steadfast support and for entrusting us with your financial well-being.

With sincere appreciation,

*David Even*

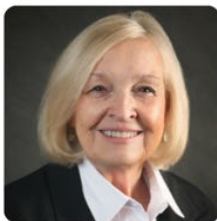
Supervisory Committee Chairman



David Even  
Supervisory Committee  
Chairman



Otila Gonzalez  
Supervisory Committee  
Vice-Chairwoman



Brenda Sagan  
Supervisory Committee  
Secretary



Griselda Martinez  
Supervisory Committee  
Member



Claudia Wright  
Supervisory Committee  
Member

# President's Report

2023 presented challenges, but our collective efforts, resilience, and commitment have propelled us to new heights. Once again, we have overcome obstacles together, and I'm thrilled to take a moment to acknowledge and celebrate our credit union's incredible success.

In 2023, the diligence of our staff and volunteers propelled Border FCU to the 33rd rank in S&P Global's list of Best Performing Credit Unions in the nation—a remarkable leap from the 69th position the previous year. Your support has translated into tangible benefits for our members, including lowered fees, higher dividends, and the approval of the Special Member Loyalty Dividend by our esteemed Board of Directors. Special certificate of deposit promotions further bolstered our financial strength, increasing our shares by over \$3.5 million. Additionally, as a certified Community Development Financial Institution (CDFI), we were granted over \$3 million, enabling us to better serve our underserved communities.

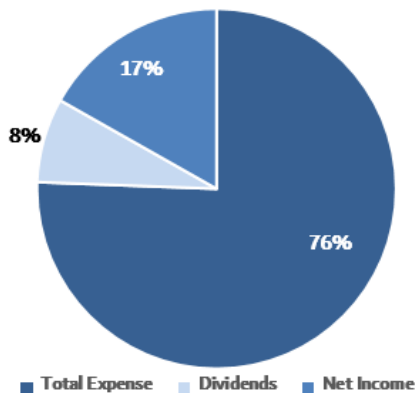
The execution of a building contract with The Element Group marked a significant step forward as we broke ground for our new El Indio Hwy Branch in Eagle Pass. We extend our gratitude to the City of Eagle Pass and Maverick County for approving a special tax incentive for this construction project. A celebratory Ground Breaking event was held in October, and we anticipate a grand opening in late Summer 2024, symbolizing our commitment to accessibility and growth.

Our dedication to community service was evident through multiple Facebook Live Zoom informational trainings on topics such as fraud prevention, financial counseling, and the Summer loan. While our VITA program concludes in 2023, we remain committed to meeting our community's needs and have introduced expanded services through our Express Tax Program. Over the 18 years of operating the VITA program, Border FCU prepared over 30,000 federal income tax returns for free, resulting in an estimated \$4.5 million in savings for our members.

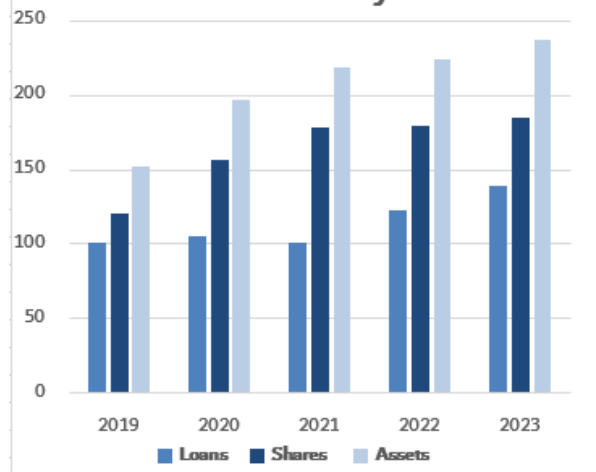
As we pause to contemplate the many challenges conquered and triumphs celebrated throughout the journey of 2023, I am honored to extend heartfelt gratitude on behalf of our esteemed Board of Directors, vigilant Supervisory Committee, and the tireless dedication of our Management Team and staff. Your steadfast commitment as a member-owner of Border Federal Credit Union embodies the spirit of unity and resilience that defines our cooperative spirit. With anticipation soaring, we eagerly await the promise of another year filled with collaborative successes and shared achievements.

*Maria J. Martinez*  
President/CEO

### 2023 Distribution of Income



### 5 Year Financial History in Millions



## Statement of Financial Condition

<b>ASSETS</b>	<b>12/31/2022</b>	<b>12/31/2023</b>
Loans (Net)	\$122,236,623	\$137,527,515
Cash	\$27,733,585	\$26,866,494
Investments	\$53,132,526	\$51,892,203
Fixed Assets (Net)	\$10,125,148	\$10,996,812
Prepaid Expenses	\$428,019	\$333,670
Accrued Income	\$501,382	\$609,623
Other Assets	\$9,486,472	\$9,343,417
<b>Total Assets</b>	<b>\$223,643,755</b>	<b>\$237,569,734</b>

<b>LIABILITIES &amp; EQUITY</b>		
CDFI FA Grant	\$318,479	\$2,973,205
Accounts Payable	\$4,898,796	\$7,125,005
Accrued Expenses	\$4,519,834	\$4,801,805
Regular Shares	\$111,460,915	\$111,403,762
Share Drafts	\$46,413,242	\$50,238,751
Money Market Share Accounts	\$4,985,054	\$4,169,816
Term Share Certificates	\$10,802,525	\$14,042,743
IRA's	\$4,586,648	\$4,477,553
IRA Term Share Certificates	\$186,531	\$189,910
Escrow on Non-Member Loans	\$538,374	\$662,398
Non Member Term Share Certificates	\$693,000	\$196,000
Regular Reserves	\$5,343,131	\$5,343,131
Undivided Earnings	\$28,897,226	\$31,945,655
<b>Total Liabilities &amp; Equity</b>	<b>\$223,643,755</b>	<b>\$237,569,734</b>

<b>CONTINGENT LIABILITIES</b>		
Funds Available for Line of Credit Loans	\$2,967,137	\$2,964,690
Funds Available for VISA Credit Card Loans	\$2,677,128	\$3,040,212
Funds Available for Overdraft Privilege Program	\$2,449,442	\$2,439,404

## Comparative Income Statement

<b>INCOME</b>	<b>12/31/2022</b>	<b>12/31/2023</b>
Loan Interest Income	\$6,337,159	\$8,052,010
Investment Int Income / Cash Equivalent / Other Int Income	\$1,211,520	\$1,740,918
Member Fees & Other	\$9,791,816	\$8,321,817
Non Operating Gain (Loss)	-\$1,563	-\$1,417
<b>Total Income</b>	<b>\$17,338,932</b>	<b>\$18,113,328</b>

<b>LESS</b>		
Operating Expenses	\$12,231,810	\$12,945,290
Loan Loss Provision	-\$19,243	\$747,069
Dividends	\$323,154	\$1,372,534
Interest on Borrowed Funds	\$70	\$6
<b>Total Expenses</b>	<b>\$12,535,791</b>	<b>\$15,064,899</b>

<b>NET INCOME</b>	<b>\$4,803,141</b>	<b>\$3,048,429</b>
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# BORDER FEDERAL CREDIT UNION

## MANAGEMENT



Maria J Martinez  
President/CEO



Manuel Rodriguez  
Chief Information Officer



Roxanne Soto  
Chief Financial Officer



Grant Weiland  
Chief Operations Officer



Gina McNeal  
Director of  
Financial Education



Mariana Zuniga  
Human Resources  
Manager



Griselda Hurley  
Branch Manager  
Gibbs



George DeLeon  
Lending Manager



Carol Martinez  
Member & Branch Services  
Manager



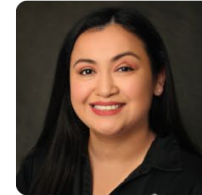
Diana Salinas  
Branch Manager  
EP & CC



Leopoldo Vaquera  
Collections Manager



Abram Rodriguez  
PR/Marketing Manager



Deya Lugo  
Accounting Manager

## STAFF

Gloria Adan

Mayra Arrañaga

Claudia Ayala

Laura L. Barksdale

Beatriz Beltran

Maria Elena Brijalba

Jaelyn Bryant

Alexia Castañeda

Cris Castro

Laura P. Castro

Rosa I. Chavarria

Laura C. Chavez

Mary T. Coday

Mayra A. Contreras

Cristina Covarrubias

Joe J. Cruz

Samantha Cruz

Erika De La Cruz

Nely De La Fuente

Hailey De Leon

Stela S. De Leon

Andrea Delgado

Jakob Dominguez

Marcos Elizondo

Lori Escobar

Cynthia Espinoza

Gabriela Esquivel

Vanessa Esquivel

America Favela

Drue Finley

Jonathan Flores

Maria Elena Flores

Daniela Galindo

Michelle R. Garcia

Larissa Garza

Yesenia Garza

Brianna N. Gonzalez

Dora Gonzalez

Edith Gonzalez

Katie Gonzalez

Martha L. Gonzalez

Carys Guajardo

Alena Hernandez

Amanda Hernandez

Dinah M. Hernandez

Eric Hernandez

Julio Hernandez

Monica Jaquez

Eliette Jasso Rodriguez

Dakota Kypuros

Maximo Ledezma

Annel Leewright

Amanda Martin

Adriana Martinez Obregon

Aldo Martinez

Daniel Martinez

Irasema Martinez

Isabella Martinez

Jeanette Martinez

Ramiro Martinez

Roxana Martinez

Victor "Eddy" Martinez

Yahaira N. Melendez

Claudia Susana Mendez

Kimberly Olivarez

Alondra Pacheco

Hortencia Peña

Cindy Perales

Fabian Perez

Leslie Perez Pena

Briana Pulido

Selina Ramirez

Jocelyn J. Ramos

Anell Resendiz

Cassandra Reyes

Daniel Reyes

Juan Rios

Maria D. Rivera-Delgado

Barbara Rodriguez

Jose M. Rodriguez

Katelyn Rodriguez

Adrian Rubio

Nicole A. Ruiz

Viviana Salas

Diego A. Salazar

Victoria Salazar

Jasmine M. Salgado

Andrea Saucedo

Victor M. Saucedo

Jaime Servin

Betsabe Sifuentes

Alma L. Soto

Christina Stovall

Lizzette Treviño

Raul Treviño

Briana Vasquez

Judith Zapata

Josefina Zavala