



69th ANNUAL REPORT FOR YEAR ENDING DECEMBER 31, 2023

OUR MISSION

To serve our members' financial needs with quality service and innovative technology, while maintaining financial strength, security and stability.

VISION STATEMENT

We are a cooperative, and thereby partners in the financial health of all our members

We do everything with integrity

We have a progressive culture where diversity and inclusion is valued

We actively participate In the communities we serve

Our technology is innovative, adaptive and accessible

OUR SLOGAN

"People Helping People, It's What We Do!!"

ANNUAL MEETING

6:00 PM

Tuesday, March 19,
2024

1404 E. Milam,

Mexia, Tx 76667

Board of Directors

Richard Johnson

Chairman

Dennis Wilson

Vice-Chairman

Terry Don Shivers

Treasurer

Dr. Joe Saucedo

Secretary

Arthur (Chunky)

Busby

Tara Summers

Micah Anderson



Centex Citizens Credit Union
Annual Meeting Agenda
March 19, 2024

- I. Call to Order.....Richard Johnson
- II. Invocation.....Richard Johnson
- III. Quorum.....Richard Johnson
- IV. Approve Minutes.....Richard Johnson
- V. Chairman’s Report.....Richard Johnson
- VI. Treasurers Report.....Terry Don Shivers
- VII. Audit report.....Dr. Joe Saucedo
- VIII. Presidents Report.....Tami Griffin
- IX. Nominating Committee Report.....Richard Johnson
- X. Elect Board Members.....Richard Johnson
- IX. Adjourn.....Richard Johnson



Annual Meeting Minutes
March 21, 2023
6:00 P.M.
Centex Citizens Credit Union
1404 E. Milam,
Mexia Texas

The 2023 Annual Meeting was held in the Mexia branch lobby. We had 32 members present.

Richard Johnson called the annual business meeting of the membership of Centex Citizens Credit Union to order. Richard Johnson gave the invocation. Richard Johnson stated there were 32 members' present, a sufficient number for a quorum. Minutes of the March 22, 2022 annual meeting were included in the information given to each member. Richard Johnson asked for any corrections to the minutes and Dennis Wilson made a motion that the minutes be approved as written. Bobby McDonald seconded the motion and the membership approved the minutes as written by saying "I". Motion passed.

Richard Johnson gave the Chairman's Report. He welcomed everyone to the 69th Annual Meeting, He discussed the field of membership expansion into Leon, Falls, Henderson, Robertson and Ellis counties. He discussed how Centex strives to build brand awareness and provide valuable services to our existing communities as well as the new communities. Richard discussed the successful year Centex had for 2022. He also discussed how Centex strives to deliver excellent personalized service and value to every member. Richard also commended and thanked the Centex staff on behalf of the board of directors as well as his fellow directors for their hard work this past year.



Terry Don Shivers gave the treasurer's report. A printed copy was provided to each member present. Terry Don emphasized that 2022 had a much-welcomed financial comeback from the downturn many financial institutions experienced during COVID in 2020 and 2021. He summarized a few details from the report to show the Credit Union's strength. Assets as of December 31, 2022 totaled 94.8 million which has decreased from the previous year. This is due to the inflated assets acquired during COVID have started to decline. The Net Worth Ratio of 16.7% far exceeds the 7.0% required to be considered well capitalized and increased from the previous year. The Net Income for 2022 was \$1,022,568. Total loan portfolio grew 17% from the previous year. Terry Don also stated the increase in ROA, asset yield, gross spread, and other ratios. The credit union ended 2022 with 11,150 members.

Bobby McDonald gave the audit report. Centex Citizens Credit Union holds a state charter and is governed by the Texas Credit Union Department in Austin Texas. The credit union is bound to compliance and accordance to law by Credit Union bylaws, policies, and NCUA rules and regulations. Part of this compliance is performing an annual outside audit. The 2022 annual audit was performed in January by Credit Union Resources. There were few minor exceptions that have since been corrected. The last State Credit Union Department Exam was for the period ending December 31, 2021 performed in April 2022. Credit Union Resources also performed a vulnerability assessment of our database, as well as our Bank Secrecy Act, Automated Clearing House and website audits. All systems and procedures are adequate.

Tami Griffin gave the President's Report. Tami emphasized that the credit union strives to provide excellent personalized service and value to the membership while maintaining reliability and stability. The credit union strives to continue to serve the underserved and helping them to achieve financial success. 2022 affected everyone with inflation



rising interest rates. The credit union is committed to growing responsibly, exploring innovative products for the membership, and strive to be a better organization and continue to empower our members financial success. Although 2023 faces economic uncertainty, the credit union is well prepared to face any challenges ahead.

Richard Johnson read the Nominating committee's report. The following were nominated and willing to serve as members of the Board of Directors for Centex Citizens Credit Union for the term of three years: Richard Johnson, Dennis Wilson and Tara Waggener.

Chairman Johnson stated that the Texas Credit Union Department rule allows election by acclamation when only one member is nominated for each position to be filled on the board of directors.

Richard Johnson adjourned the meeting at 6:12pm

Richard Johnson, Chairman

Terry Don Shivers, Secretary

Minutes Prepared by Ariel Minchew



Chairman's Report

On behalf of the board of directors, we welcome you to the 69th Annual Meeting of your Credit Union. Since the credit unions inception, the Board of Directors has remained committed to keeping the assets of our members and the Credit Union safe and secure.

2023 was a good year for Centex, our loan portfolio saw strong increases in mortgages and home equities despite a higher rate environment. New autos increased substantially due to increased availability after the COVID crisis, and used autos kept there historical strong demand going.

Our goals are continued growth while remaining a strong credit union positioned for success. We remain committed to delivering each member the highest level of service and individual experience possible

I'd like to thank my fellow board members as well as the staff, management and executive leadership team without whom our 2023 accomplishments would not have been possible.



Treasurers Report

Centex Citizens Credit Union continues to maintain a strong capital position at the end of 2023 of 16.79% . This is more than double the percentage required by NCUA and is a good measure for our regulators, auditors as well as our members.

Loans increased in 2023 by 5.75% to \$ 66,386,253 and shares increased 7.34% to \$ 83,447,424. Centex Citizens thus far has avoided the liquidity issues that so many other credit unions have experienced and some still continue to navigate.

Return on Assets (ROA) grew 5 basis points to 1.19% which is significantly over our peer group average of 0.82%. Asset Yield is also at a very strong 5.02%

Assets ending December 31, 2023 were \$ 101,609,590.

Total income for the year was \$ 1,167,938.



Audit Report

To Comply and qualify for NCUA's federal insurance, the credit union utilizes the support of an outside auditing firm. The 2023 annual supervisory audit was performed by Credit Union Resources a division of Cornerstone Credit Union League in January 2023 for the period ending December 31, 2022.

Our last State Credit Union Department Exam was for the period ending March 31, 2023 and was performed in June 2023.

NCUA also performs an audit every three years and conducted an exam in June 2023 reviewing the period ending March 31, 2023.

Credit Union Resources, Inc. performs numerous other audits for us which include a Vulnerability Assessment of our database, as well as our BSA, ACH, Cyber Security and Website audits.

The results of these audits report that the affairs of Centex Citizens Credit Union during 2023 were conducted in a satisfactory manner and in accordance with prescribed standards and accounting practices. All systems and procedures were found to be adequate and in balance.



Presidents Report

It's hard to believe that our credit union was chartered in 1954. While this is our 69th annual meeting we will be celebrating our 70th year of service on April 30, 2024.

Flashback to 1954 and remembering that on the Mexia State School Campus — the original Mexia State School Credit Union was chartered. To think we are now Centex Citizens Credit Union with a community charter, serving many counties and supporting three branch locations shows how far we have come.

In 2023 we focused on enhancing the member experience by making some changes to our overdraft fees program, we also began crediting direct deposits up to two days early, implemented Repay (a loan payments system) as well as adding Credit Sense—a financial literacy tool for the membership. All of these reflect our strong effort and commitment to assist you the member in achieving your personal financial goals.

Thanks to the support of our dedicated volunteers, and our incredible staff, we will continue to navigate the everchanging financial landscape, while continuing to provide value and personal service.

As we look beyond today and plan for the future we will continue to move forward with technology always adapting and evolving with the financial industry.

On behalf of the volunteers and staff———Thank You!!

CENTEX CITIZENS CREDIT UNION
STATEMENT OF FINANCIAL CONDITION
DECEMBER 31,2023

<u>Assets</u>	<u>2023</u>	<u>2022</u>
Loans to members	66,691,877	63,042,574
Allowance for loan loss	-305,625	-292,915
Investments	147,675	157,101
Fixed Assets	7,332,667	7,608,208
Cash & Cash equivalents	25,398,619	23,462,935
All other assets	2,344,377	846,925
Total Assets	101,609,590	94 ,824,829
<u>Liabilities</u>	<u>2023</u>	<u>2022</u>
Accounts payable& /other liabilities	1,897,725	1,878,223
Shares & Certificates	83,447,424	77,745,171
Undivided earnings	17,057,006	15,889,068
Other comprehensive income (loss)	-792,564	- 687,633
Total Liabilities Shares/Equity	101,609,590	94,824,829

Statement of Income and Expense

<u>Income</u>	<u>2023</u>	<u>2022</u>
Interest from loans	4,014,832	3,105,039
Investment Income	918,045	415,714
Other Income	1,738,710	2,102,114
Total Gross Income	6,671,587	5,622,867
<u>Operating Expenses</u>	<u>2023</u>	<u>2022</u>
Compensation/Emp Benefits	1,875,243	1,793,184
Travel & Conference	24,000	15,871
General Admin. Expense	1,297,839	1,360,658
Professional & Outside Serv	1,443,831	1,006,196
Misc. Operating Exp	68,959	69,149
Provision for loan loss	221,112	193,381
Total Expenses	4,930,984	4,438,439
Dividend Expense	-572,663	-161,860
Total Net Income	1,167,938	1,022,568