

SANTA FE FEDERAL CREDIT UNION
2025 ANNUAL MEETING



TEAM

BOARD OF DIRECTORS

Lewis Brown, Chairman
Mike Poole, Vice Chairman
David Reese, Treasurer
Daniel Martinez, Secretary
Angie Foster
Dusty Kemp
Tim McCauley
David McCauley
Dennis Mustoe
Anna Thoreson
Billy West

SUPERVISORY COMMITTEE

AMARILLO
Mike Blevins
Sandy Bertrand
Robert Mitchell
Joe Martin

ALBUQUERQUE
Patrick Perea

MANAGEMENT AND STAFF

AMARILLO STAFF

Steven Adee, President and CEO
Tammy McNair, EVP/COO
Caleb McLean, CFO
Mistie Allison, VP of Lending & Asset Protection
Krysten Castillo, VP of Human Resources
Mary Beth da Silva, Controller
Tony Dimas, Director of Marketing
Daniela Kerr, Branch Manager
Martina Jackson, Branch Manager
Jared Brown, Member Services Supervisor
Alesha Womack, Loan Processor
Alexis Ramos, First Impression Person
Alexander Mendoza, Loan Officer
Alyssa Mannin, Loan Officer
Brianna Glidewell, Title Clerk
Christian Amrhein, Accounting Clerk
Christie Morgan, IRA/Accounting Specialist
Claudia Ortiz, Collections Officer
Cynthia Garcia, EFT Clerk
Danessa Vega, Member Services Rep
Garren Travis, Scan Clerk
Guadalupe Lugo, Indirect Loan Officer
Lindsey Turpen, Indirect Funder
Michael Mosier, Member Services Rep
Michelle Molberg, First Impression Person
Madisyn Diprima, Member Services Rep

Patricio Navarrete, End user Support Technician
Summer Wheeler, First Impression Person
Susie Abbott, Collections Officer
Travis Warzecha, Information Technology Specialist
Valerie Esquivel, Loan Processor
Yazmin Jaramillo, Member Services Rep

ALBUQUERQUE STAFF

Monica Chavez, Vice President of Branch Operations
Linda Slezak, Member Services Supervisor
Fernando Gallardo, Loan Officer
Isabel Cardoza, Member Services Rep
Liza Molina, Collections Officer
Samantha Wirch, Member Services Rep
Estrella Rodriguez Member Services Rep

BORGER STAFF

Denise Jones, Branch Manager
Bianca Rivera, Loan Officer
Kelsi Felker, Loan Officer
Kalee Alvarez, Member Services Supervisor
Jennifer Mars, Member Services Rep
Madison Morquecho, Member Services Rep

AGENDA

Call to order
Invocation
Ascertaining of a Quorum
Last Year's Meeting Minutes
Board of Directors' Report
Treasurer's Report
Supervisory Committee's Report
Old Business
New Business
Door Prizes
Meeting Adjournment

Lewis Brown, Chairman
Steven Adee, CEO
Daniel Martinez, Secretary
Daniel Martinez, Secretary
Lewis Brown, Chairman
David Reese, Treasurer
Lauren Quill VanBeckum, Waypoint
Lewis Brown, Chairman
Lewis Brown, Chairman
Steven Adee, CEO
Lewis Brown, Chairman

IN 2024

COMMUNITY

OVER
\$16,000
DONATED

15
EVENTS SPONSORED

3
SCHOLARSHIPS GIVEN

5
MEMBER EVENTS

CORE VALUES

RESPECT

INTEGRITY

FAMILY

QUALITY

SERVICE

CEO *Message*

Reflecting on 2024, we are proud of our resilience, innovation, and commitment to serving you. Here are the highlights:

Despite facing industry challenges, we achieved a net income of \$463,603. Our total interest income reached \$10,666,223, while our interest expenses were \$4,827,010. This strong financial performance positions us well for strategic growth in 2025, benefiting all our members.

Our loan portfolio, which totals \$124,872,755, saw significant growth in vehicle and real estate loans. Although we encountered high delinquency and charge-offs, we remain optimistic about the future and our ability to manage these challenges.

Our balanced investment strategy has continued to provide steady returns, with total investment securities amounting to \$30,708,001. This ensures stability and reliability for our members, reinforcing our commitment to their financial well-being.

In terms of member services and growth, we made significant enhancements to our digital banking platform and improved our branch network. Looking ahead to 2025, we are prioritizing membership growth with the reimplementation of the "Bring a Buddy" program, aiming to expand our community and offer even better services.

We maintained strong regulatory compliance and achieved a net worth ratio of 12.17%, classifying us as "Well Capitalized." This robust capital position allows us to continue supporting our members and investing in future growth initiatives.

Compared to the credit union industry, our net worth ratio of 12.17% is higher than the industry average, indicating strong capital adequacy. While our loan portfolio growth slowed in 2024, vehicle and real estate loans remain our primary income sources.

Throughout 2024, we faced several challenges, including increased delinquency and charge-offs, regulatory compliance issues, cybersecurity threats, competition from larger banks, and membership growth concerns. Talent acquisition and retention were also significant hurdles. However, we tackled these challenges head-on and emerged stronger.

Looking forward to 2025, we have outlined several key strategies:

1. Enhancing our digital banking services to provide a seamless experience for our members.
2. Expanding our membership and improving product offerings, including increasing first mortgage options.
3. Strengthening our capital adequacy and risk management to ensure stability.
4. Optimizing processes and investing in staff development to deliver exceptional service.
5. Continuing our commitment to community involvement and making a positive impact.
6. Ensuring compliance and maintaining strong governance practices for transparency and accountability.

We are excited about the completion of a merger that has been in the works for 18 months and have started working on another potential merger in the Lubbock area. These initiatives will enhance our ability to serve you better.

Thank you for your unwavering support and dedication. Together, we will build a strong and prosperous future for Santa Fe Federal Credit Union.

Sincerely, Steven Adee President/ CEO Santa Fe Federal Credit Union



Steven Adee
CEO

SUPERVISORY *Committee*

Santa Fe FCU's volunteer Supervisory Committee is appointed annually by the Chairman of the Board of Directors and confirmed by the entire board. The Supervisory Committee is responsible for the oversight of credit union operations, to ensure compliance with all applicable regulations, and to ensure that all records are maintained accurately. Acting on behalf of the membership, the Supervisory Committee is an entity required by the Federal Credit Union Act.

The committee meets throughout the year to perform duties which include periodic member account verifications, teller cash counts, and general oversight of the credit union operations.

The committee fulfilled their responsibility by contracting with WayPoint, a local auditing firm, to perform the annual audit. The committee receives a monthly financial report at the regularly scheduled board meetings and all members of the committee are invited and encouraged to attend the meetings.

The National Credit Union Administration conducted its last complete federal examination in July 2024. The independent audit team from Waypoint completed their annual review and audit in October 2024 and reported exemplary results. We believe the financial statements contained within this booklet accurately reflect Santa Fe FCU's excellent financial condition, proper internal controls, and a continued expectation for successful operations.

To effectively serve as your representative, we must be kept aware of your concerns. This can be done by formally writing the Supervisory Committee at the address listed below or by personally contacting any member of the committee listed within this report.

Supervisory Committee
P.O. Box 2672
Amarillo, Texas, 79105-2672

Santa Fe FCU continues to grow and prosper as a direct result of our members having the confidence in the services we provide. Such member confidence is achieved through effective planning and implementation of sound business policies. The members of your Supervisory Committee pledge their continued efforts to ensure your credit union remains an organization of quality and integrity.



To the Members of Santa Fe Federal Credit Union:

Your Supervisory Committee meets on a regular basis to oversee the credit union's audit function. Its mission is to ensure accurate and fair presentation of the credit union's financial condition. To accomplish its oversight and fiduciary responsibilities, the Supervisory Committee is assisted by the staff at Waypoint Advisory Services, Inc.

Waypoint, an Amarillo based credit union auditing and consulting firm, conducts an annual examination of your credit union's assets, liabilities, and equity using auditing standards established and acceptable to regulators for the purpose of testing the fairness of the presented balance sheet. National Credit Union Administration (NCUA) Rules and Regulations set forth audit requirements and standards for credit unions, which are linked to asset size and audit type. In order to qualify to perform such testing, a compensated auditor must be independent of the credit union's employees, board of directors, supervisory and credit committees and/or the credit union's loan officers, and members of their immediate families.

Our review, effective August 31 2024, has been delivered to the Santa Fe FCU Supervisory Committee, who is appointed by the board of directors to oversee this review process. We examined, on their behalf, supporting documentation and subledgers, including confirmation information with independent third parties where applicable.

The financials provided accurately reflect any and all adjusting entries and final account balances.

Waypoint Advisory Services, Inc., services over 150 credit unions in the Texas Panhandle and beyond. It is our pleasure to serve the members of Santa Fe Federal Credit Union.



Lauren Quill Van Beckum

Partner/Amarillo Regional Supervisor
Waypoint Advisory Services

TREASURER'S *Report*

As your Treasurer, I am proud to report information pertaining to the financial performance of our credit union during the past year.

Assets and Capital

Santa Fe FCU's Total Assets represented \$198.7 million at year-end 2024. Reserves and Undivided Earnings are at \$24.18 million representing a solid net worth ratio of 12.17%.

Member Loans

The credit union's outstanding loan portfolio represented \$124,769,062 at year-end 2024. Santa Fe FCU saw a -5.91% loan decrease in 2024.

Member Deposits

Member share balances decreased by \$7,900,216 during 2024. Total member equity at year-end was \$172.3 million.

Operating Expenses

Operating expenses for the year of 2024 represented \$8,998,096. The credit union Net Operating Expense ratio was 2.31%. The NCUA guideline for Net Operating Expense is 3% or less.

The overall financial condition of Santa Fe FCU is sound and secure. Descriptive financial statements and statistics have been prepared and provided within this annual report of operations.

We appreciate your membership and encourage you and all family members to fully use the services of your credit union!

David Reese
Treasurer

\$198.7
MILLION IN ASSETS

12.17%
NET WORTH RATIO

-5.91%
LOAN DECREASE

SERVICES

ACCOUNTS

Savings Accounts
Conductor's Club Accounts
Checking Accounts
Student Checking
Accounts
IRAs Certificates of Deposit
Coverdell IRA

ELECTRONIC SERVICES

Online Banking
Mobile App
Mobile App Check Deposit
Bill Pay
Online Loan Application
E-Statements
Electronic Signatures

LOANS

Cars
Trucks
Motorcycles
Classic Cars
ATVs
Boats
Jet Skis
Vacation
Credit Builder Loan
Debt Consolidation
Mortgages
Signature Loan
Credit Cards
Easy Money Line of Credit
RV/Motorhome
Texas HELOC
Cash 4 You Payday Loan
Student Loans

OTHER SERVICES

Safe Deposit Boxes
Notary Services
Courtesy Pay
Money Orders
Payroll Deduction
Wire Transfers
Gift Cards
Cashier's Checks
Mechanical Repair Coverage
Cash Advance
Credit Life Insurance
GAP
TruStage - Life and Auto
Hospital Insurance
AD&D Insurance
Medical Supplement
Credit Disability Insurance
Shared Branching



DEBIT CARD REWARDS

Santa Fe FCU members get rewarded when they use their cards! Visit www.santafefcu.com/rewards



ATMS AND BRANCHES NATIONWIDE

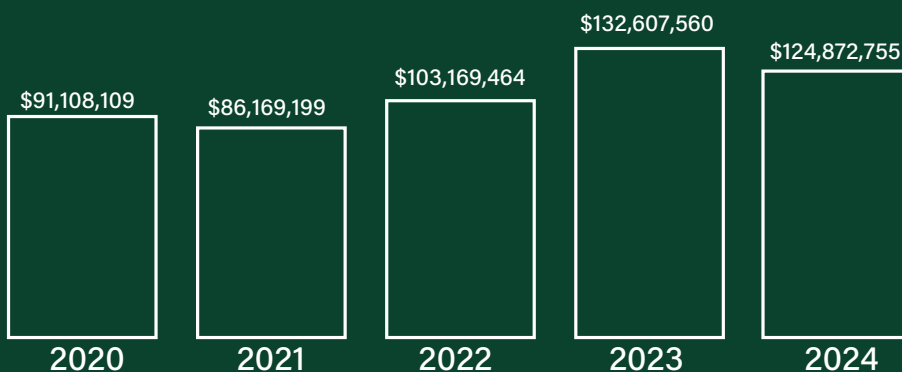
Visit www.santafefcu.com/atm for a list of ATMs and Shared Branch locations!



STATISTICS

13,046
MEMBERS

LOANS



37.06%
LOAN GROWTH
IN THE PAST FIVE YEARS

(332)
MEMBER DECREASE

-4.4%
DECREASE IN MEMBER EQUITY

-5.3%
DECREASE IN ASSETS

-5.6%
DECREASE IN CERTIFICATES OF DEPOSIT

FINANCIAL REPORT

Statement of financial condition

	December 2024		December 2023	
ASSETS				
Loans to Members	\$	124,769,062.02	\$	132,607,560.34
Allowance for Loan Loss	\$	(1,542,227.27)	\$	(1,376,741.15)
Receivables	\$	10,723.74	\$	(10,219.39)
Cash	\$	15,852,208.31	\$	25,543,365.45
Investments	\$	30,708,001.56	\$	30,544,597.94
Employee Benefit Investment	\$	19,003,083.69	\$	13,403,525.54
Prepaid Expenses & Deferred Charges	\$	178,846.29	\$	142,559.84
Fixed Assets	\$	6,393,327.03	\$	6,613,235.71
Accrued Income	\$	806,940.27	\$	729,300.88
Deposit in NCUSIF	\$	1,663,949.08	\$	1,613,669.06
Other Assets	\$	881,454.17	\$	82,793.42
TOTAL ASSETS	\$	198,725,368.89	\$	209,893,647.64
LIABILITIES & EQUITY				
Accounts Payable	\$	985,518.80	\$	1,449,255.42
Notes Payable	\$	-	\$	3,333,333.32
Dividends Payable	\$	7.93	\$	350.46
Taxes Payable	\$	376.77	\$	292.25
Accrued Expenses	\$	267,215.62	\$	275,823.75
Other Liabilities	\$	950,523.48	\$	926,782.31
TOTAL LIABILITIES	\$	2,203,642.60	\$	5,985,837.51
MEMBER EQUITY				
Regular Shares	\$	61,071,329.75	\$	64,046,341.06
Share Drafts	\$	16,667,095.73	\$	16,079,628.00
I.R.A.'s	\$	15,213,356.44	\$	16,045,934.58
Certificates	\$	79,386,629.86	\$	84,066,724.63
Other Deposits	\$	-	\$	-
TOTAL MEMBER EQUITY	\$	172,338,411.78	\$	180,238,628.27
RESERVES AND UNDIVIDED EARNINGS				
Regular & Legal Reserves	\$	-	\$	-
Other Reserves	\$	-	\$	-
Undivided Earnings	\$	23,719,711.25	\$	21,728,219.75
Current Period Net Income	\$	463,603.26	\$	1,940,962.11
TOTAL CAPITAL	\$	24,183,314.51	\$	23,669,181.86
TOTAL LIABILITIES & EQUITY	\$	198,725,368.89	\$	209,893,647.64

FINANCIAL REPORT

Statement of income and expenses

	December 2024		December 2023	
INCOME:				
Income From Loans	\$	8,753,344.21	\$	8,045,399.83
Investment Income	\$	1,912,879.06	\$	1,444,849.05
Employee Offset Income	\$	1,666,055.91	\$	1,650,033.32
Fees & Charges	\$	992,678.27	\$	961,873.47
Miscellaneous Income	\$	964,424.27	\$	1,190,077.56
Total Income	\$	14,289,381.72	\$	13,292,233.23
COST OF FUNDS:				
Dividends on Accounts	\$	4,761,020.69	\$	3,992,029.36
Cost of Borrowed Money	\$	65,989.29	\$	120,392.35
Total Cost of Funds	\$	4,827,009.98	\$	4,112,421.71
EXPENSES:				
Employee Compensation	\$	2,491,679.68	\$	2,676,874.52
Employee Benefits	\$	808,262.81	\$	733,446.59
Travel and Conferences	\$	40,842.58	\$	35,462.97
Association Dues	\$	33,566.83	\$	29,016.24
Office Occupancy	\$	514,830.78	\$	492,636.39
Office Operations	\$	1,648,660.18	\$	1,519,905.42
Educational & Promotional	\$	186,989.93	\$	183,392.75
Loan Servicing	\$	466,612.85	\$	430,562.91
Professional & Outside Services	\$	376,353.82	\$	291,900.72
Provision for Loan Losses	\$	2,323,638.89	\$	741,152.38
Member Insurances	\$	-	\$	-
Miscellaneous Expenses	\$	106,657.51	\$	119,762.68
Total Operating Expense	\$	8,998,095.86	\$	7,254,113.57
NET OPERATING INCOME (LOSS)	\$	464,275.88	\$	1,925,697.95
NON-OPERATING GAINS/(LOSSES):				
Gain/(Loss) on Sale of Investments	\$	0.08	\$	0.16
Gain/(Loss) on Sale of Fixed Assets	\$	(16,416.70)	\$	24.00
Other Non-Operating Gains or (Losses)	\$	15,744.00	\$	15,240.00
Total Non-Operating Expenses	\$	(672.62)	\$	15,264.16
NET INCOME	\$	463,603.26	\$	1,940,962.11

MINUTES

The minutes of the **88th Annual Meeting of Santa Fe Federal Credit Union** meeting held on **March 30, 2024**.

CALL TO ORDER:

The regular meeting was called to order at 11:45 p.m. at Amarillo High School Cafeteria, Amarillo, Texas.

Board members present:

Micheal R. Poole (Vice Chairman)
Anna M. Thoreson (Secretary)
Lewis A. Brown
Larry A. Fassauer
Angie Foster
Dusty L. Kemp
David McCauley
Tim McCauley
Billy D. West

Board Members not present:

Dennis K. Mustoe (Chairman)
David A. Reese (Treasurer)

Supervisory Members Present

Sandy Bertrand

Patrick Perea

Management Personnel Present:

Steven Adee, Tammy McNair, and Caleb McLean

Recording Secretary: Mr. Martinez.

BUSINESS MEETING CALLED TO ORDER:

Mr. Brown of the Board called the 88th Annual Shareholder's Meeting to order at 11:45 at Amarillo High School Cafeteria, Amarillo, TX. Prior to the business meeting, the membership enjoyed a lunch catered by **Desperado's Catering**.

Mr. Martinez (Secretary) notified Mr. Brown a quorum was present, and the annual meeting could proceed as scheduled. There were 186 registered members in attendance.

INVOCATION:

Mr. Brown called on Mr. Adee to lead the invocation.

MINUTES OF PREVIOUS ANNUAL MEETING:

Mr. Brown called for any corrections to the minutes of the previous annual meeting as presented in the annual report booklet. Mr. Poole made a motion to accept the previous annual meeting minutes as presented. Motion second by Mr. David Reese. The motion carried on voice vote.

MINUTES

ELECTION OF DIRECTORS:

Mr. Brown directed the membership to the ballot and referenced the 3 positions open and the candidates running. Mr. Brown then called for nominations from the floor (3) times. Lewis Brown, Dusty Kemp and Dennis Mustoe were elected by acclamation.

- Nomination from the floor: there were no nominations from the floor. .

Having no nominations from the floor, Mr. Brown called for a motion to accept the 3 nominees by acclamation. Mr Poole made a motion to accept the nominees to be accepted by acclamation. Motion seconded by Mr. Fassauer. The motion carried on voice vote.

OFFICER REPORTS:

Mr. Brown referred the members to the Annual Report booklet and made comments concerning our 88 Meeting and the direction of our credit union. Mr. Brown mentioned the building project at Harrison and mentioned that the credit union had just completed its most successful year regarding overall net income.

Mr. Brown asked Lauren Quill from Waypoint Advisory Services to give a brief report on the safety and soundness of the credit union and a summary report of the Supervisory Committee.

Mr. Brown then ask for a motion to accept the Supervisory, and Treasury Reports as presented

Mr. West made a motion to accept the reports as presented. Motion seconded by Mr. Mustoe. vote.

OLD BUSINESS:

Mr. Brown called for any old business to come before the membership.

None being heard, Mr. Brown proceeded to the next item of business on the agenda.

NEW BUSINESS:

Mr. Brown called for any new business to come before the membership.

None being heard, Mr. Brown yielded the podium to Steven Adee, President/CEO to make a brief report. volunteer efforts of the board of directors and supervisory committee members. Mr. Adee then recognized the efforts of the Albuquerque, Borger and Amarillo staffs. He then recognized Mary Martinez who in charge of the marketing for the credit union and thanked her for her service. Then Mr. Adee mentioned that Mrs. Martinez would be leaving the credit union to pursue other opportunities.

DOOR PRIZES:

Mr. Adee asked the members to look at their Annual Report to determine if they had a booklet with his signature. There were two gift cards donated by American Income Life. Mr. Adee then called on Lillie McLean to come forward winner names from the hopper for door prizes. Lillie was presented a cash prize of \$20 for being the official ticket drawer. cash prizes of **\$2,388** were given in denominations of (10) \$100, (13) \$50, (10) \$25 and (1) \$88.

MINUTES

The winners of the cash prize drawing were as follows:

\$100 Winners

Angie Foster

Anna Thoreson

Roxie Clemence

Brett Thoreson

Jake Grubb

Rudy Barrera

Cindy Klause

Layke Byars

Amariyah Moreno

Sandra Wheeler

Stanley Atchley

Hayden Tooley

Kalee Alvarez

Harvey Davis

\$88 Winner

Dina Lill

\$50 Winners

Harper Kirkland

Falba Evans

Carol Whited

Travis Warzecha

Trudy Webb

Tracie Chambers

Riggs Willilams

Vicki Martinez

Eavi Williams

Amy Williamson

River Byars

Parker Grubb

Frank Lucero

Rod Klause

Connie Ollinger

Vana Sheffield

Trevor West

ADJOURNMENT:

Mr. Brown announced to all directors a brief organizational board meeting to be held following the conclusion of the Annual Meeting. Mr. Adee expressed the board's appreciation to all credit union members in attendance. There being no further business to come before the members, Mr. Brown called for a motion to adjourn, adjourn the business meeting at 12:17 p.m. Motion second by Mr. Poole. The motion carried on voice.

Respectfully Submitted,

Lewis A. Brown, Chairman

Daniel Martinez, Secretary

NOTES

This image shows a single page of white paper with horizontal green lines. The lines are evenly spaced and run across the width of the page, typical of notebook or legal stationery. There are no margins, text, or other markings on the page.