

PRESIDENT'S REPORT

Welcome to the 92nd Annual Meeting of the Corpus Christi Postal Employees Credit Union. Thank you for joining us once again, we appreciate your presence and support.

Celebrating 92 years is a big accomplishment for any institution. The fact that we have never opened our doors to everyone is an even bigger accomplishment. We continue to serve ONLY the United States Postal Service and their families which means YOU are the reason we are still here and going strong. We truly appreciate your business and your loyalty throughout the years.

Let me tell you about the year your Credit Union has had. This is definitely a year for the record books. We ended the year with an 18.11% Capital position, the law requires a minimum of 7%.

Our loan portfolio as of December 2023 was \$7,982,530.44, which is another record high for our Credit Union. We ended the year with zero delinquency and no charged off loans. In 2023 we granted 96% of all loan requests.

During 2023 we paid out \$50,043.09 in dividends which represents 7.6% of our total gross income which was \$658,891.93. We have tried to stay competitive regarding rates and dividends which is a struggle when you consider these much larger institutions.

Our accomplishments in 2023 will keep us competitive while continuing to train our staff to better serve you in the future. We are here for all of your financial needs. We believe in the cooperative nature of credit unions and the old adage of "people helping people". We will continue to work together to strengthen our Credit Union for future generations to come.

I would like to thank our Board of Directors for their dedicated service to our Credit Union. Their time is strictly voluntary and they truly have the Credit Union's best interest in mind when making decisions. These men have continued to grow and learn all aspects of the Credit Union rules and regulations. I appreciate them for all the support and advice they have given. I am proud to stand beside them not just as colleagues, but as people I trust and respect.

Respectfully,
Elma Schwing
President/CEO

REPORT OF THE CHAIRMAN OF THE BOARD

I am happy to report that 2023 was a very successful year for our Credit Union. I Would like to thank my fellow board of directors for choosing me to serve as chairman these past two years. I would also like to commend them for their voluntary service and dedication to our Credit Union. We have worked well together to ensure the safety and soundness of our Credit Union. I would also like to thank the staff for a job well done serving our membership.

We have not only updated the look of the Credit Union, but we have also upgraded services and even some limited technology. We know that everyone leads busy lives and the banking world has definitely changed. Our question should be, has it changed for the better? In all areas, we believe it has its' advantages and disadvantages. Everyone wants things to be easy and convenient but if there is an error, is it easy to speak to someone about it? Is it easy for them to refund or fix the error? Probably not.

We as your Credit Union believe in keeping things simple and safe. We believe in knowing our membership and their needs. We are here to help you prepare for hardships, bad economies, and even just plain bad luck. This year we had \$3,093.19 in fraud for the year which is minimal compared to most institutions.

Your Credit Union continued to stay competitive on loans while keeping our delinquency below 1% all year. Your Credit Union remains strong and holds a high capital position of 18.1%. Your Credit Union is examined by the state and also by private auditors annually. Their reports show our Credit Union is not just fundamentally sound, but also in good order. Rest assured that the Credit Union serves our membership in a professional and competent manner.

Respectfully,
Edward Torres
Chairman of the Board

MANAGEMENT & STAFF OF THE CREDIT UNION

Elma B. Schwing
President/CEO

Emily Marroquin
Senior Loan Officer

Feliciana Garza
Loan Officer

Julia Perez
Part-Time Teller

Amanda Perez
Part-Time Teller

Nora Cassanova
Part-Time Teller

BOARD OF DIRECTORS

Edward Torres

Chairman

TERM EXPIRES

2023

Paul Terrazas

Vice Chairman

2023

Roger Reyna

Secretary

2023

Rudy Dominguez

Treasurer

2024

John Garcia

Board Member

2023

Jose R. Garcia

Board Member

2024

Robert Lerma Jr.

Board Member

2024

Matthew Barrett

Board Member

2024

ORDER OF BUSINESS:

1. Determine that a quorum is present
2. Reading and approval of the minutes of the last meeting
3. Report of the Chairman of the Board
4. Report of the President
5. Report on the Annual Audit
6. Unfinished Business
7. New Business other than elections
8. Election of Directors
9. Adjournment

91ST ANNUAL MEETING MINUTES
FEBRUARY 26, 2023

Chairman, Torres welcomed the membership to the 91st Annual Meeting. Chairman, Torres expressed how excited he was to have the meeting in person once again and he was happy to see a good turnout. He thanked them for coming.

Chairman, Torres said it has been his pleasure to serve as chairman this past year. He said the Credit Union has had a banner year and thanked the membership for taking advantage of all we have to offer. He explained that the Credit Union would not exist without the loyalty of our membership. Chairman, Torres said he has served on the board of the Credit Union for several years simply because he believes in what we do for our members. Chairman, Torres said he takes his position seriously and has enjoyed watching the Credit Union evolve and succeed.

Chairman, Torres noted that the required number of members have been met, therefore we have a quorum.

Chairman, Torres called the meeting to order at 4:00 p.m..

Chairman, Torres thanked the membership for helping us celebrate its 91 years of business for our Credit Union and he was grateful to be a part of it.

Chairman Torres referred the members to the Annual Report of the credit union and asked if they had read the Minutes of the 90th Annual Meeting. He asked if there were any questions and there were none. Chairman Torres said he would entertain a motion to approve the minutes as printed. Motion by Mark Rasmussen to approve the minutes as printed. Seconded by Ray Falcon. Motion passed.

Chairman Torres introduced the Board of Directors, Paul Terrazas (Vice Chairman), Roger Reyna (Secretary), Rudy Dominguez (Treasurer), John Garcia, Jose R. Garcia, Robert Lerma Jr., and Matthew Barrett. Chairman Torres told the membership it had been a pleasure serving beside his fellow board members and that he appreciated the confidence they had in him to serve as their chairman this past year. He said he is proud to be a part of a board that is willing to work together as a team and put the Credit Union's best interest first.

Chairman Torres expressed his appreciation for the Credit Union Staff and was proud of the dedication it takes to work together as a team. He said he is honored to have acted as the Chairman of the Board and he thanked the membership for their continued business and loyalty.

Mrs. Schwing thanked the membership for taking time out of their Sunday to join us for the meeting. She again expressed how great it was to see everyone in person and said she could not believe it had been two years since we last had an open meeting. Elma noted that the national pandemic has definitely set a new precedent on everything from higher pricing, higher unemployment numbers, and of course people who now permanently work remotely. Mrs. Schwing said it truly forced us to adapt and adjust our lives in all aspects. She said hopefully the worst of the pandemic is behind us and she was looking forward to a better year.

Mrs. Schwing introduced the Credit Union staff: Emily Marroquin (Sr. Loan Officer) Ana Garza (Loan Officer) Our part-time tellers Nikki Page and Julia Perez. Elma went on to thank the girls for doing a great job and for doing it with a smile. She said a good team is hard to find and she believes she has a dedicated group of employees.

Mrs. Schwing explained that even though the last few years had been unpredictable economically, the Credit Union had a record year in 2022. Elma said it could not have been done without the guidance and dedication of our board. Elma said she could not ask for a better group of men to work beside. She said the board takes great pride in their positions and has done an outstanding job in the decisions we have made for the betterment of our Credit Union. She said not only do you have a board of integrity, but they truly are here to make the Credit Union viable and convenient for our membership. Elma said she respects their opinions in all the decisions they make as a team and she appreciates their loyalty and dedication to the Credit Union and its staff.

Mrs. Schwing referred the membership to the Annual Report and reassured the membership that the Credit Union was doing exceptionally well. She explained the strong capital position of 16.65% and how we have managed to keep the delinquency below 1%. Elma said we had a net charge off of only \$5,462.88 for 2022 and we approved 98% of all loan requests. She expressed that we are constantly trying to stay competitive, which is not the easiest thing to do this market.

Elma discussed the annual examination report and the annual audit report. She said regulations are constantly changing, and through it all our exam/audit went well with no major issues. Our accounting records are well-maintained and accurately reflect the Credit Union's financial position. Any issues that were found were corrected during the exam. Elma touched on the emphasis the exam had regarding cyber security. She noted that we were required to enhance our security, both cyber and informational under the rules and regulations of the department, which is already underway. Elma noted the examiners and auditors are the eyes and ears of Credit Union changes, we thank them for their due diligence, and support.

Mrs. Schwing discussed the Credit Unions net income of \$159,177.18. Elma mentioned for our size our earnings were 65% above peer. Elma said this was a big accomplishment even after expensing improvements for the building, the new member parking lot, and the new drive-thru unit. Elma said we have had a great year and we have our membership to thank for it.

Elma said she believed the best advertisement is word of mouth and we believe in going the extra mile because we know you have a choice. She briefly touched on the website, fraud, and mobile apps. She mentioned starting your young adults with the credit union to learn how to start and maintain credit. She noted that if they create that relationship early, it will last a lifetime.

In closing, Elma said she was amazed that the Credit Union has been around for 91 years and thanked the membership who cared enough to keep it going. Elma said she has enjoyed the privilege of sitting with our members and learning their stories, it's not about a loan, it's about the person. Elma said this is what makes our Credit Union different. Elma encouraged the members to tell a family member, son, daughter, and co-worker to join and become a part of our Credit Union family.

Mrs. Schwing thanked the members for allowing her to serve them in this capacity, and she was truly grateful for the opportunity to continue. Elma also congratulated the Board of Directors and the staff for making 2022 another good year for our credit union and prays that God allows us to continue to prosper. She asked if the membership had any questions. There were none.

Chairman Torres, thanked Elma for her report.

Chairman Torres asked if there was any new business. There was none.

The Chairman went on to explain that the nomination committee consists of those members of the board who are not open for election in 2023. Chairman Torres said the committee met and validated each applicant's qualifications. The four applicants placed into nominations by the committee in January 2023 were:

Matthew Barrett	John Garcia
Rudy Dominguez	Robert R. Lerma Jr.

Since there were no petition candidates the Chairman suggested declaring the nominees elected by acclamation and called for a motion. Motion made by Mark Rasmussen to declare the candidates by acclamation, Seconded by Isidro Flores. Motion passed. All nominees have been informed of their duties and responsibilities as a Board of Directors.

Chairman Torres congratulated the new directors.

Chairman Torres said that concluded the 91st Annual Meeting and thanked the membership for attending. He then asked for a motion to adjourn. Motion by Homer Gonzalez and seconded by Sylvia Torres. Motion passed. The meeting adjourned at 4:41 p.m.

Balance Sheet
Year End 2022 & 2023

ASSETS	2022	2023
Total Loans Outstanding	\$7,659,892.13	\$7,982,530.44
Provision for Loan Loss	(13,736.37)	(81,474.54)
Accounts Receivable	863.57	95.69
Charter bank/Change Fund	278,277.44	515,879.93
S&L Investments	5,712,264.54	5,242,264.54
Provision for Investment Losses	(48,264.54)	(48,264.54)
SCFCU Settlement Account	1,136,600.92	1,135,491.66
SCFCU Membership Shares	6,054.00	6,054.00
N.C.U.A. Share Insurance	133,572.44	132,964.38
Accrued Interest Loans/C.D.'s & Prem.	37,641.37	45,940.91
Prepaid/Deferred Expenses	523,019.00	566,488.00
Land & Building (Net)	48,611.95	48,611.95
Furniture, Fixtures & Equip.	33.00	33.00
Lease - Branch	1.00	1.00
Other Assets	0.00	0.00
Total Assets	\$15,474,830.45	\$15,546,616.42
LIABILITIES		
Accounts Payable	\$94,543.05	\$110,821.11
Share Dividends	0.00	0.00
IRA Dividends	0.00	0.00
CD Dividends Payable	0.00	0.00
Taxes Payable	0.00	0.00
Accrued Expenses	46,167.28	55,330.93
Unapplied Items	227.03	152.26
Shares	9,801,705.60	9,249,839.13
IRA's	345,836.33	410,580.58
Certificates of Deposit	680,031.22	686,727.01
Share Drafts	2,687,561.88	2,916,421.40
Regular Reserve	104,010.00	104,010.00
Undivided Earnings	2,472,644.06	2,688,210.82
Other Comprehensive Income	(757,896.00)	(675,477.00)
Total Liabilities & Equity	\$15,474,830.45	\$15,546,616.42

Income Statement
Year End 2022 & 2023

INCOME	2022	2023
Income from Loans	\$509,151.77	\$562,548.57
Income from Investments	74,434.03	231,287.11
Fees and Charges	255,084.68	190,787.10
Total Income	\$838,670.48	\$984,600.78
EXPENSES		
Compensation	\$249,106.57	\$266,927.79
Employee Benefits	106,108.38	82,980.08
Travel & Conference	00.00	00.00
Association Dues	00.00	00.00
Office Occupancy	28,282.46	22,570.36
Office Operations	43,506.10	45,872.23
Educational & Promotional	8,322.05	12,163.23
Loan Servicing	7,713.13	8,624.66
Prof. & Outside Services	148,815.94	158,283.03
Members Insurance	00.00	00.00
NCUA Stabilization Fund	00.00	00.00
State Examinations	4,320.00	4,229.00
Cash Over and Short	(117.22)	(139.00)
Miscellaneous Operating Expense	62,462.52	41,027.03
Annual Meeting Expense	4,275.00	6,559.00
Share Draft Maintenance Expense	6,484.84	9,516.52
Provision for Loan Loss	(16,017.61)	(00.00)
Provision for Investment Losses	00.00	00.00
Interest Expense-Share Drafts	00.00	00.00
Total Expenses	\$653,262.16	\$658,891.93
Income before Dividends	\$185,408.32	\$325,730.85
Gain/Loss on Investments	12,678.84	00.00
Other Non-Operating Inc/Exp.	00.00	00.00
Less: Dividends	38,909.98	50,043.09
Net Income	\$159,177.18	\$275,687.76

There were NO changes since the last report for:

The credit union's senior management staff, the credit union's By-Laws, or Articles of Incorporation.

The credit union had 1,830 members as of December 31, 2023.

The credit union continues to offer its members:

Share and Share Draft Accounts, IRA savings Accounts, A TM and Visa Debit Cards, Loans, VISA Cards, Credit Life and Disability Insurance on loans, Extended Warranties for vehicle loans and GAP insurance for vehicle loans, online web page, and mobile Apps for Android and iPhones.

Members' access to credit union documents:

Rule 122.107 of the Finance Code (rule 91.315 of the Texas Credit Union Department) requires the credit union to publish the following documents which are available for your review at the credit union main office located at 808 Nueces Bay Blvd, Corpus Christi, Texas 78408 during normal business hours.

Upon request, a member is entitled to review or receive a copy of the most recent version of the following credit union documents:

Annual report to the membership; Balance sheet and Income statement; summary of the most recent annual audit; Written Board policy regarding access to the articles of incorporation, by-laws, rules, guidelines, board policies, and copies thereof; and Internal Revenue Service Form 990.