



COULD IT BE MORE EXCITING!!

Financial Security Credit Union
Annual Meeting
October 2-13, 2023

CHAIRMAN'S REPORT

In 1954, Financial Security Credit Union was chartered with the vision of helping each other solve our financial needs and we continue on this mission today. We are proud of the steps that we have taken to provide exemplary products and services to each of you.

However, 2022-23 has not passed without its challenges. We continue to work within a rising interest rate environment, which is now affecting us all. Please know that whatever the economic future might bring, your financial well-being remains our priority.

Jason Crockett
Chairman of the Board

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee acts as the members' representative in ensuring the safety and soundness of Financial Security Credit Union. We are happy to report that throughout 2022-23, FSCU has maintained a strong net worth ratio, exceeding the regulatory guidelines as set forth by the federal regulators.

As of 2022, the State of New Mexico, Financial Institutions Division, conducted a safety and soundness examination ensuring the integrity of the Credit Union and adherence with all rules and regulations.

We also completed the following required audits:
Bank Secrecy Act
Automated Clearing House
Information Technology,
along with Physical Branch Security.

Your Supervisory Committee is confident that your Credit Union is providing prudent financial services.

Nicole Walker
Supervisory Chair



STATEMENT OF CONDITION

Assets:	2021	2022	8/31/2023
Loans	\$32,452,125.24	\$35,824,698.29	\$38,736,639.00
Cash	15,766,367.51	12,124,140.33	8,798,250.83
Investment Accounts	2,532,896.00	6,282,896.00	5,532,896.00
Accrued Income	203,233.96	229,190.41	251,486.56
Prepd/Deferred Exp	67,483.85	50,327.46	122,172.04
Fixed/Other Assets	4,708,439.23	4,859,800.65	5,321,759.05
Reserve of Loan Loss	-218,052.77	-307,803.38	-315,440.37
NCUSIF	<u>465,988.98</u>	<u>478,891.30</u>	<u>485,006.44</u>
Total Assets:	\$55,978,482.00	\$59,542,141.06	\$58,932,769.55
Liabilities & Capital:			
Accounts Payable	\$127,344.17	128,619.54	\$166,471.52
Accrued Expense	493,644.55	371,610.17	\$411,864.10
Member Share Accounts	48,539,281.90	51,617,230.59	\$50,213,068.25
Regular Reserve	406,968.34	406,968.34	\$406,968.34
Undivided Earnings	<u>6,411,243.04</u>	<u>7,017,712.42</u>	<u>\$7,734,397.34</u>
Total Liabilities/Capital:	\$55,978,482.00	\$59,542,141.06	\$58,932,769.55

STATEMENT OF INCOME

Income:	2021	2022	8/31/2023
Int Earned on Loans	\$1,634,964.99	\$1,683,309.26	\$1,230,421.14
Inc from Investments	47,241.67	264,233.84	408,903.76
Misc Income	<u>1,063,014.84</u>	<u>1,241,455.37</u>	<u>778,104.29</u>
Total Income:	\$2,745,221.50	\$3,188,998.47	\$2,417,429.19
Gain/Loss on Assets/Investments	-156,571.58	122,786.39	-10,388.73
Non-Op Exp Extraordinary Item	0.00	14,942.80	0.00
Total Dividends	118,861.64	86,740.27	88,528.21
Total Expense:	<u>\$2,518,363.59</u>	<u>\$2,582,529.09</u>	<u>\$1,700,148.10</u>
Net Income:	<u>\$226,857.91</u>	<u>\$606,469.38</u>	<u>\$717,281.09</u>

TREASURER'S REPORT

Despite the ongoing challenges within our industry, Financial Security maintains a healthy financial position and continues to grow. Our Net Worth is strong at 13.81%; Return on Assets is above peer; and loan delinquency is down. Details are shown above.

Kay Tigert
Treasurer



PRESIDENT'S REPORT

The question is real: Could it be more exciting?

Around here - we don't think so. Things are moving fast and we have a lot going on!

As we speak, Financial Security is going through a core software conversion. With this new software, we will be able to develop more products and services to help you with your financial needs; products for your personal benefit, like:

- Zelle;
- Remote Deposit Capture, which will now reside in our mobile app;
- Instant transfer of funds between financial institutions;
- Real-time, digital account openings and loans;
- Online instant loan decisioning;
- Electronic Notices.

And for your business:

- Payroll Services;
- Zelle Small Business.

And, I know there is chatter about our upcoming Loving ATM project. At this time, our goal is to have the Loving ATM up and running next year. We are very excited about our prospects within this beautiful community and can wait to be able to help you closer to home.

Also in 2022-23, FSCU has been working hard on loan development. New to our loan products this year is our Credit Builder Loan and our enhanced PayDay Alternative Loan (or PAL, as we call them). My personal favorite is our new VISA Rewards Credit Card. That's right - you will now earn one point for every dollar spent.

As always, we are working hard everyday to provide you the financial services that you need in a manner that you deserve. It remains my honor to be a part of this organization and I thank you again for your trust that you have placed in this credit union - YOUR credit union.

Respectfully,

Judy Carrasco
President/CEO



MINUTES OF THE ANNUAL MEETING
FINANCIAL SECURITY CREDIT UNION
OCTOBER 3 - 14, 2022

Financial Security Credit Union's Annual Meeting was a lobby event, held at both CU locations, beginning on October 3, 2022 through the close of business on October 14, 2022. To participate, members were required to register and were given an Annual Meeting packet. A quorum was ascertained. There were 280 members registered.

Each member that registered for Annual Meeting was put into a drawing for a \$500 VISA gift card. The drawing was held at Membership Appreciation on October 15, 2022. The winner of the VISA gift card was Guadalupe Castillo (member #416800).

The Annual Meeting packet included:

- Minutes of the previous Annual Meeting
- Chair's Report
- Treasurer's Report
 - Statement of Condition
- Supervisory Committee Report
- President/CEO Report
- Nominating Committee Report
- Service Awards
 - Jason Crockett 10 years
 - Kay Tigert 15 years
 - Carol Castillo 3 years
 - Lynn Strickland 3 years

There was no unfinished business.

Riley Neatherlin, Victor Martinez, Carol Castillo, Kay Tigert and Lynn Strickland were the Nominating Committee. The slate of volunteers was presented to the membership and appointed by acclamation for another two-year term.

Board of Directors:

Jason Crockett
Misti Fernandez

Supervisory Committee:

Nicole Walker



The "Refer A Friend" promotion drawing was also held at 12:00pm on October 15, 2022 at close of our Membership Appreciation celebration. Member, Diana France Y Quint (member #1240400), won her choice of a two-night stay at the Isleta Resort in Albuquerque, NM or the value of that trip (\$350) in cash. The member has until September 30, 2023 to claim the prize.

The meeting was adjourned at 5:00pm on October 14, 2022.

Jason Crockett, BOD Chair



NOMINATING COMMITTEE

It shall be the duty of the nominating committee to nominate on or more nominees for each vacancy, including any unexpired term vacancies, for which elections are being held.

All elections shall be determined by plurality vote, except when there is only one nominee for the office.

The slate of volunteers is presented to the membership and appointed by acclamation for another two-year term:

Board of Directors

Riley Neatherlin*
Kay Tigert*
Victor Martinez*

Supervisory Committee

Lynn Strickland*
Randi Rich

*Denotes incumbent

Financial Security Credit Union Nominating Committee

LOCATIONS

1105 West Pierce St
Carlsbad, NM 88220

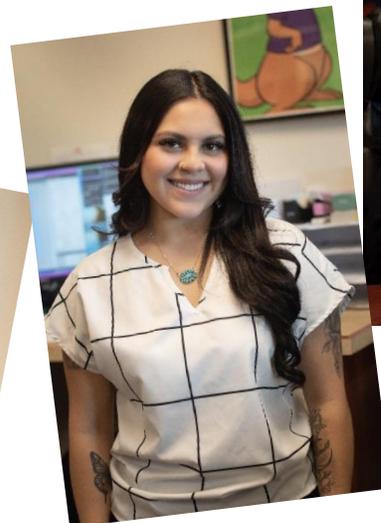
2603 South Canal St
Carlsbad, NM 88220

BES ATM
502 Center Avenue
Carlsbad, NM 88220

COMING IN 2024
ATM in Loving, NM



Riley Neatherlin
6-year Service Award



SAVINGS ACCOUNTS

Membership Accounts
Business Membership Accounts

CHECKING ACCOUNTS

Diamond Shield Club Account
Just For You Checking Account
Young Adult Checking Account
Senior Checking Account
Business Checking Account

CLUB ACCOUNTS

Christmas Club
Baby Kirby Roo Club
Kirby Kangaroo Kids Club
CU Succeed Teen Club

INVESTMENTS

Individual Retirement Accounts
and Certificates
 Traditional
 Roth
Certificate of Deposits

LOANS

Consumer Loans
 New & Used Vehicles
 Unsecured
 Motor Sport
 Recreational Vehicles
 LOTS MORE
PayDay Loans (PAL II)
Commercial Loans
 New & Used Vehicles
 New & Used Equipment
 Line of Credit
Sallie Mae Student Loan
VISA Rewards Credit Card
Overdraft Protection Loan
Credit Builder Loan

ELECTRONIC SERVICES

VISA Debit Card
Mobile App (Mobiliti)
 With Card Management and
 and Remote Deposit Capture
Home Banking
On-line Bill Pay
eStatements
Text Banking
Electronic Cash Management (ECM)
ACH Transactions
Direct Deposit
Wire Transfer

OTHER SERVICES

Guaranteed Asset Protection (GAP)
Mechanical Repair Coverage (MRC)
Debt Protection, including
 Life Coverage
 Disability Coverage
 Involuntary Unemployment
TruStage Insurance
Night Drop
Notary Services

