

SOUTHWEST HERITAGE CREDIT UNION
ANNUAL MEMBERSHIP MEETING MINUTES
APRIL 8, 2025

The Seventy-sixth annual membership meeting was opened by Edgar Baiza Jr., Chairman. Mark Williams gave the invocation.

Chair Baiza determined that a quorum of the membership was present in person and via Zoom.

Chair Baiza asked for a motion to approve the minutes as presented. A motion was made and seconded. There being no discussion, a vote was called and unanimously carried.

Chair Baiza introduced the members of the Board of Directors and Advisory Board members. Chair Baiza expressed appreciation for President/CEO Ronny Haynes, the credit union staff, and the Board of Directors for their hard work resulting in an excellent year for the credit union. The meeting was then turned over to President/CEO Ronny Haynes.

President Haynes thanked everyone for attending the annual meeting. President Haynes reminded everyone about the annual member appreciation day held in December and encourage everyone to come by the branches during that day. President Haynes reported that the credit union had a great 2024, is financially strong, and continues to operate conservatively. Total assets have grown to nearly \$240M and net income for 2024 was \$2,956,752. The credit union has 5 branches with 71 employees to serve the needs of the membership. The employees continue to work hard for the members and the board of directors ensure that the credit union operates in a safe and sound manner. The credit union offers deposit accounts to meet the members' needs as well as all loan types, including business loans. Southwest Heritage CU also has a strong online presence to ensure convenience for all members. President Haynes stated that services are in place to protect member data, and it is important for all members to keep their information safe. President Haynes thanked the board members for their stewardship and commitment to our core values. President Haynes thanked the employees for embracing the credit union's goals and philosophy. President Haynes thanked the members for their continued loyalty and support contributing to the credit union's continued success.

Committee Chair Edgar Baiza Jr. gave the credit committee report stating that \$67M in new loans originated in 2024, resulting in a net increase of \$1.3M. We also processed nearly 600 extensions as part of our annual skip a payment program. Total charge offs for 2024 were \$528k and total recoveries were \$220k, resulting in a net loss of \$308k. We reserved \$331,190 provision expense for possible losses. All loan reports are reviewed monthly by the credit committee.

Treasurer Charles Coon gave the audit report. It was reported that Nearman, Maynard, Vallez, CPAs completed an annual audit of the 2023 financials in 2024. It was the opinion of the independent auditor that the financial statements of the credit union fairly present the financial position as of 12/31/2023. The Texas Credit Union Department completed the regulatory examination effective December 2024. The accounting, lending and compliance areas were found to be in satisfactory condition with no safety and soundness concerns noted.

Chair Baiza asked if there was any old business. None reported.

Chair Baiza asked if there was any new business. None reported.

Nominating Committee Chair Cathy George presented the nominations for the board. The nominations were: Edgar Baiza, Jr., Cathy George, Neil Dobmeier. Chair Baiza asked for the directors to be accepted by acclamation. A vote was taken by members in person and online, all voting in the affirmative.

There being no further business before the membership, Chair Baiza declared the meeting adjourned.