

71st

**Annual
Meeting**

71st Annual Meeting ACU of Texas

AGENDA

1. Welcome
2. Assertion of a Quorum
3. Approval of Minutes from 2019 Annual Meeting
4. Report of the Board of Directors & President
5. Audit Report
6. Financial Condition
7. Unfinished Business
8. New Business
9. Nominating Committee Report & Election of Directors
10. Adjournment

70th Annual Meeting Minutes

February 14, 2019

Vice-Chairman Mark Kline called the 70th Annual Membership Meeting of Associated Credit Union of Texas to order at 6:03 PM on Thursday, February 14, 2019. Vice-Chairman Kline welcomed the members and thanked them for their attendance.

Vice-Chairman Kline then asked Secretary Mark Rodriguez if a quorum was present and Secretary Rodriguez confirmed that there was a quorum present.

Next item of business was the minutes of last year's annual meeting. Vice-Chairman Kline reported that members were furnished with a copy of last year's Annual Meeting minutes as they came in. Vice-Chairman Kline asked for any comments or questions concerning last year's minutes as printed. There were none. The minutes were approved as printed with a motion made by Board Member Bruce Terry and seconded by Board Member John Blair. A vote was then taken and none were opposed. The minutes were approved as presented.

Vice-Chairman Kline then advised the membership that the Report of the Board of Directors and President as well as the Audit Committee Report were published in the program. Vice-Chairman Kline requested that all attendees review the reports.

Vice-Chairman Kline called for any unfinished business. There was no unfinished business.

Vice-Chairman Kline called for any new business. There was no new business.

Moving on to the Election of Officers, Vice-Chairman Kline called upon Nominations Committee Chair Joel Mueller to give his report who reported that there were two positions on the board to be filled. The nominees were

given as follows: Mark Kline (3-year term) and Mark Rodriguez (3-year term). Nominating Committee Chairman, Mueller concluded his report. Vice-Chairman Kline accepted the motion made by Board Member Terry and seconded by Board Member Blair that all three candidates are to be elected by acclamation. Motion carried.

Vice-Chairman Kline thanked everyone for attending and the meeting was adjourned at 6:06 pm.

Report of the Board of Directors and President

Since 1949, ACU of Texas has provided excellent member service and has added products and services that enhanced the lives of our membership and surrounding communities.

In 2019, loans grew to \$316,359,361, and our assets finished the year at \$418,813,341. With our 15 branch locations and our online account opening process in our Member Access Center, we service more than 40,000 Members and 30,000 households. Our field of membership has expanded to include anyone who lives, works or worships in Austin, Brazoria, Burleson, Fayette, Galveston, Harris, Lee, Waller, or Washington Counties or within a 10-mile radius of one of our branch locations.

We are proud to continue offering products and services specifically designed for our Veterans and First Responders. We finalized the relocation of our Pearland Kroger branch to a freestanding location near the Pearland-Friendswood border during the first week of 2019. Our branded Mascot Cards, which provides dollars to our local High School Education Foundations, is now used in 15 different schools with more scheduled in 2020. Finally, we completely overhauled our mobile banking and online banking to a completely digital experience that will launch in early 2020 and provide an incredible user experience. This new digital experience is one more step we are taking to use technology to help make banking more convenient for our Membership.

Our Marketing and Business development teams were hard at work promoting ACU of Texas in the community with over 60 events hosted including lunches for our local Veterans groups, first responders and non-profits. In May, 2019, in conjunction with a local promoter, we are now hosting our very own Farmers Market the last Saturday of every month. The market showcases and promotes over 30 local vendors for our community.

Through our CUSO, CU Financial Group, LLC, our insurance program, now stands at over \$31 million in our book of business. CUFG Keystone Realty Group, had over 75 real estate closings in 2019. Through our non-profit division of CUFG, Keystone Community Development Corporation, we provided Homebuyer Education classes to 42 attendees, provided numerous grants to modify Veteran's homes and continue to provide access to numerous local veteran service organizations through our

SERVE network which has been helping local Veterans and their families since August of 2015.

As we continue to grow, we ask for continued active participation, and in return, you can be sure you will see progressive, quality financial services and an unwavering dedication to you, our member owners.

Audit Report

The standard examination of ACU of Texas was completed by the Texas Credit Union Department as of September 30, 2018. All aspects of the credit union's operations, including the safety and soundness, were covered in the examination. The examination report indicated that ACU of Texas continues to operate in a safe and sound manner.

Additionally, we retained the independent CPA firm of CliftonLarsonAllen LLP to perform an annual audit to ensure compliance in all areas of the

Financial Condition (as of 12-31-2019)

Assets	
Loans	\$316,359,361
Allowance for Loan Loss	\$(4,294,584)
Cash/Investments	\$78,754,832
Accrued Income	\$1,162,019
Other Assets	\$26,831,713
Total	\$418,813,341

Liabilities & Equity

Accounts Payable	\$6,782,627
Members Shares	\$371,314,449
Regular Reserves	\$4,473,410
Unrealized Gain on investments	\$286,545
Undivided Earnings	\$35,956,310
Total	\$418,813,341

Income

Interest on Loans	\$19,234,811
Income from Investments	\$1,327,650
Other Income	\$10,676,975
Total	\$31,239,436

Expenses

Total Expenses	\$26,678,310
Total Dividends	\$2,833,994
Total	\$29,512,304
Net Income	\$1,727,132

credit union. This annual audit took place on the week starting March 18, 2019 and covered the agreed upon procedures for the time period of January 1, 2018 to December 31, 2018.

Election of Directors

On November 21, 2019, The Nominating Committee, after reviewing the applications and qualifications of Bill Carraway and John Blair, submitted Bill Carraway and John Blair as nominees for re-election as Board of Directors. All board members have completed the Director Application and Agreement to Serve and have indicated a willingness to continue serving on the Board of Directors.

Board of Directors & Term Expirations

Board of Directors	
Name, Position	Term Ends*
Mark Kline, Chairman	2022
John Blair, Vice Chairman	2020
Mark Rodriguez, Treasurer	2022
Joel Mueller, Secretary	2021
Bruce Terry, Jr., Board Member	2021
Bill Carraway, Board Member	2020
Kyle Dickson, Board Member	2021

**Terms expire on the annual meeting of the year given*

Officers

Name	Position
Jack Click	President, CEO
Clay Franks	Chief Financial Officer
Charis Pollard	Chief Human Resource Officer
David DeAnda	Chief Legal Officer
Jay Coppock	Chief Operating Officer
David Borden	Controller
Corey Lecoq	Sr. VP Operations
Cindy Soto	VP Accounting
Derrick Brown	VP Business Development
Brian Zornes	VP Collections
Russ Gillaspia	VP Facilities
Jennifer Frederick	VP Information Technology
Keith Tillinger	VP Lending
Tony Sims	VP Marketing
April Thomson	VP Member Access
Kevin Anderson	VP Mortgage
Debbie Keith	VP Operations
Teri Hayes	VP Operations
Eilene Markus	VP Support Services