

Stand Alone Branches

League City Corporate 1095 W. League City Pkwy	Deer Park 309 West X St
League City 351 S FM 270	Santa Fe 11934 FM 1764
La Marque 920 First St	Pearland 6306 Broadway

In-Store Branches

League City - Kroger 200 Gulf Freeway S	Houston - Randalls 18322 Clay Rd
Pearland - Randalls 10228 Broadway	Pearland - Kroger 3245 Broadway
Texas City - Kroger 3541 Palmer Hwy	Alvin - Kroger 3100 Hwy 35 S
Clear Lake - Kroger 16400 El Camino Real	Pasadena - Kroger 3550 Spencer Hwy
Katy - Kroger 1550 W Grand Pkwy S	Pasadena - H-E-B 6210 Fairmont Pkwy
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65th

**Annual
Meeting**

65th Annual Meeting ACU of Texas

AGENDA

1. Welcome
2. Assertion of a Quorum
3. Approval of Minutes from 2013 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

64th Annual Meeting Minutes

February 7, 2013

Chairman Phil Johnson called the 64th Annual Membership Meeting of ACU of Texas to order at 6:02 PM on Thursday, February 7, 2013. Chairman Johnson welcomed the members.

Chairman Johnson asked if a quorum was present and Treasurer Royce Hively confirmed that there was a quorum present.

Chairman Johnson introduced the ACUTX Board Members: Vice-Chairman of the Board – Ed Sebesta, Treasurer of the Board – Royce Hively, Secretary of the Board – Kyle Dickson, Board Director – Bill Carraway, Board Director – Bruce Terry, Jr., Board Director – Terry Mathis (not present), Board Director – Tim Harper, Associate Board Member – Mark Kline, Associate Board Member – Mark Rodriguez, and Associate Board Member – Charles Gooden.

Next item of business was the minutes of last year's annual meeting. Chairman Johnson called upon Secretary Kyle Dickson. He reported that members were furnished with a copy of last year's Annual Meeting minutes as they came in. Chairman Johnson asked for any comments or questions concerning last year's minutes as printed. There were none. The minutes were approved as printed on with a motion made by Bill Carraway, seconded by Don Whitley. A vote was then taken and none were opposed. The minutes were approved as presented.

Chairman Johnson 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. Chairman Johnson requested that all attendees review the documents.

Chairman Johnson called for any unfinished business. There was no unfinished business.

Chairman Johnson called for any new business. There was no new business.

Moving on to the Election of Officers, Chairman Johnson reported that there were three positions on the board to be filled. He called upon Board Director Tim Harper, Chairman of the Nominating Committee, to give his report. The nominees were given as follows: Phil Johnson (3 year term), Terry Mathis (3 year term), and Ed Sebesta (3 year term). Nominating Committee Chairman, Tim Harper concluded his report. Chairman Johnson accepted the motion made by Don Whitley, seconded by Bill Carraway that all three candidates are to be elected by acclamation. Motion carried.

Chairman Johnson thanked everyone for attending and the meeting was adjourned on a motion by Tim Harper, and a second by Ed Sebesta.

Report of the Board of Directors and President

For 65 years, ACU of Texas has existed to provide progressive, quality financial services responsive to our member owners with dedication to providing these services in a caring, professional manner. A lot has happened since 1949 and 2013 benchmarked another year where we continued to be pioneers of the credit union industry with new, valuable offerings to our members with continued growth.

In 2013, loans grew 4.91% from \$196,346,563 to \$206,481,245, and our assets grew nearly 7% to \$296,221,834. Deposits increased nearly 5%. In addition to our growth, we are proud to celebrate the rebrand of ACU Insurance Services and newest real estate offerings. CUFG Keystone Realty Group opened doors for business on June 1, 2013 to offer members realty services and homebuyer education. Through our homebuyer education class members are now eligible to apply for housing grants. To grow our financial services and convenience we underwent a credit card conversion and identified needs for new products improving members' lives encouraging financial success in addition to the remodel of the Pasadena Kroger location.

To further our promise to you, we have a number of exciting things happening in 2014. Later this spring we will be opening a free standing branch in Cypress and announce the Keystone Community Development Corporation, a corporation designed to improve the neighborhoods of our communities. We also look forward to new upcoming services – remote deposit capture, pre-paid debit cards and much more. 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 and the National Credit Union Administration. 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 have retained the independent CPA firm of CliftonLarsonAllen to perform agreed-upon procedures to ensure compliance in all areas of the credit union. These agreed-upon procedures took place for one week commencing on April 26, 2013 and covered the agreed upon procedures for the time period of January 1, 2012 to December 31, 2012.

Financial Condition (as of 12-31-2013)

Assets	
Loans	\$206,481,245
Allowance for Loan Loss	\$(4,540,748)
Cash/Investments	\$57,838,261
Accrued Income	\$561,894
Other Assets	\$35,881,182
Total	\$296,221,834

Liabilities & Equity	
Accounts Payable	\$ 12,424,648
Members Shares	\$255,499,028
Regular Reserves	\$4,473,410
Unrealized Loss	\$(748,431)
Undivided Earnings	\$24,573,179
Total	\$296,221,834

Income	
Interest on Loans	\$14,060,815
Income from Investments	\$552,740
Other Income	\$7,228,633
Total	\$21,842,188

Expenses	
Total Expenses	\$17,727,953
Disposition of Assets	\$565,761
Total Dividends	\$1,024,066
Total	\$19,317,780

Election of Directors

On October 28, 2013, the Nominating Committee submitted Bill Carraway and Royce Hively as nominations 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.

The Nominating Committee, after reviewing the applications and qualifications of Mr. Bill Carraway, and Mr. Royce Hively, hereby nominate each to succeed themselves for an additional three -year term.

Board of Directors & Term Expirations

Board of Directors	
Name, Position	Term Ends*
Ed Sebesta, Chairman	2016
Bill Carraway, Vice Chairman	2014
Kyle Dickson, Secretary	2015
Royce Hively, Treasurer	2014
Phil Johnson, Board Member	2016
Bruce Terry, Jr., Board Member	2015
Tim Harper, Board Member	2015
Mark Kline, Associate Board Member	
Mark Rodriguez, Associate Board Member	
Charles Gooden, Associate Board Member	

*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
Jay Coppock	Chief Operating Officer
David DeAnda	Chief Legal Officer
Corey Lecoq	Sr. VP Operations
Cindy Soto	VP Accounting
Brian Zornes	VP Collections
Jennifer Frederick	VP Information Technology
Keith Tillinger	VP Lending
Megan Black	VP Operations
Derrick Brown	VP Operations
April Howe	VP Operations
Debbie Keith	VP Operations
April Thomson	VP Operations
Eilene Mayer	VP Support Services