

70th

**Annual
Meeting**

70th Annual Meeting ACU of Texas

AGENDA

1. Welcome
2. Assertion of a Quorum
3. Approval of Minutes from 2018 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

69th Annual Meeting Minutes

February 8, 2018

Chairman Bill Carraway called the 69th Annual Membership Meeting of Associated Credit Union of Texas to order at 6:01 PM on Thursday, February 8, 2018. Chairman Carraway welcomed the members and thanked them for their attendance.

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

Next item of business was the minutes of last year's annual meeting. Chairman Carraway reported that members were furnished with a copy of last year's Annual Meeting minutes as they came in. Chairman Carraway 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.

Chairman Carraway 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 Carraway requested that all attendees review the reports.

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

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

Moving on to the Election of Officers, Chairman Carraway called upon Nominations Committee Chair John Blair to give his report who reported that there were three positions on the board to be filled. The nominees

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

Chairman Carraway 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 continued to provide excellent member service and continually added products and services that enhanced the lives of our membership and surrounding communities.

In 2018, loans grew to \$284,741,276, and our assets finished the year at \$398,567,137. With our 15 branch locations and our online account opening process in our Member Access Center, we surpassed 40,000 Members and now service over 30,000 households.

Our commitment to providing convenient access to our Membership continued with the relocation of our Texas City Kroger location to a freestanding branch directly across from Texas City High School in May and an agreement to move the Pearland Kroger location to a freestanding location near the Pearland-Friendswood border the first week of 2019. Our branded Mascot Cards which provides dollars to our local High School Education Foundations is now used in 10 different schools with 6 more scheduled in early 2019.

We re-introduced business accounts to our Membership on May 1, 2018, and continued to pay a 3% interest rate on our Premier Checking and Student Savings accounts when certain qualifications are met. Our full-service mortgage department continued to provide access to mortgage products and closed in excess of \$42 million in mortgage loans for our Members. Our marketing and business development teams were hard at-work with over 50 community events hosted, we provided over 50 lunches through our "Tailgate" team to our local law enforcement agencies, Veterans Groups, and local businesses and non-profits and, ACU of Texas, in conjunction with the League City Volunteer Fire Department and Clear Creek ISD set a Guinness Book of World Record for the largest Stop, Drop, and Roll ever in October 2018.

In November, 2018, for the fourth year in a row, we were recognized as one of Houston Chronicle's Top Workplaces as voted on by its employees. We 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.

Through our CUSO, CUFG, our insurance program, ACU Insurance Services, now stands at over \$25 million. CUFG Keystone Realty Group, which opened doors for business on June 1, 2013, had over 70 real estate closings in 2018. Our non-profit division of CUFG is

Keystone Community Development Corporation. In 2018, we offered 6 Homebuyer Education classes and provided multiple grant opportunities for homebuyers as well as veterans in our communities. Keystone CDC also extended their educational endeavors to our youth. The Dollars and Sense financial literacy class was offered multiple times last summer and they were able to provide elementary, middle and high school students with best practices for money management.

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

Financial Condition (as of 12-31-2018)

Assets	
Loans	\$284,741,276
Allowance for Loan Loss	\$(4,100,116)
Cash/Investments	\$90,100,194
Accrued Income	\$1,155,059
Other Assets	\$26,670,724
Total	\$398,567,137

Liabilities & Equity

Accounts Payable	\$6,732,546
Members Shares	\$352,734,474
Regular Reserves	\$4,473,410
Unrealized Gain on investments	\$(498,997)
Undivided Earnings	\$35,125,704
Total	\$398,567,137

Income

Interest on Loans	\$17,454,826
Income from Investments	\$2,024,894
Other Income	\$10,027,375
Total	\$29,507,095

Expenses

Total Expenses	\$25,997,955
Disposition of Assets	\$65,123
Total Dividends	\$2,154,689
Total	\$28,217,767

of Texas continues to operate in a safe and sound manner.

Additionally, we retained the independent CPA firm of Clifton Larson Allen LLP to perform an annual audit to ensure compliance in all areas of the credit union. This annual audit took place on the week starting April 2, 2018 and covered the agreed upon procedures for the time period of January 1, 2017 to December 31, 2017.

Election of Directors

On October 21, 2018, the Nominating Committee submitted Mark Kline and Mark Rodriguez 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 Mark Kline and Mark Rodriguez.

Board of Directors & Term Expirations

Board of Directors	
Name, Position	Term Ends*
Bill Carraway, Chairman	2020
Mark Kline, Vice Chairman	2019
Mark Rodriguez, Secretary	2019
John Blair, Treasurer	2020
Bruce Terry, Jr., Board Member	2021
Joel Mueller, Board Member	2021
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