



TxDOT CREDIT UNION

**Annual Report
For
The Year Ending 12-31-2019**

TxDOT Credit Union

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Mission Statement

“TxDOT Credit Union is committed to providing a broad range of financial services to our members while maintaining a strong asset base. Services shall be provided on a personal level utilizing experience and all available resources.”

Order of Business

1. Voting Ballots equaled quorum
2. Prior Year Meeting Minutes
3. Introductions
4. Credit Committee Report
5. Treasurer's Report
6. Audit Committee Report
7. Membership Report
8. Income/Expense
9. Biographies
10. Chairman's Report

TxDOT CREDIT UNION

ANNUAL MEETING

March 22, 2019

The annual member meeting was called to order by Chairman of the Board, Russell Chapman, at approximately 6:45 pm. Mr. Chapman introduced himself to the attendees and asked if a quorum was present. Margie Wheeler, board secretary, verified a quorum of the membership was present. There were approximately 90 members and guests in attendance at the Ben E. Keith Facility in Abilene. Mr. Chapman announced that the business meeting would be held first and then the meal would be served.

Those present were asked to review the minutes of the March 2018 annual meeting. He asked if there were any additions or corrections to the minutes. Jeremiah Gallagher made a motion to accept the minutes as presented. Greg Brenner seconded the motion. Motion carried.

Russell Chapman then introduced the current board members: Russell Chapman, Chairman, Jason Collett Vice Chairman, Linda Peavy Treasurer, Margie Wheeler Secretary, Kenneth Williams Director/Membership officer, David Flash Director and Cecil McCormick Director. The credit committee is comprised of Jack Wallace, Amy Hart and Richard Garza. The audit committee is David Hall and Kenneth Williams. The credit union staff was introduced: Toni Nelson– President/Manager and Marcy Daniel– MSR/Loan Officer and Shawna Stotler– PT teller.

Kenneth Williams gave the Audit Committee Report. 3 exam/audits were performed and reviewed by the Board of Directors and Audit Committee. Both were good.

Kenneth Williams gave the Membership report. For the year ending 2018 the credit union opened 83 new accounts and closed 86. Overall the credit union lost 3 accounts. 11 of those closures were related to charge off accounts.

Russell gave the Chairman's Report. The office added a second drive-thru lane to accommodate large SUV's and big trucks! The credit union also added real-time access to accounts through the home banking system. Audits were good and loans are steady. The board always discusses new services and what they can add to the credit union. He thanked everyone for their continued support of the board and staff.

The Credit Committee Report was given by Jack Wallace. The credit union granted 430 loans in 2018 for a total of 5,199,486.22. 16 loan requests were denied. The credit committee approved 25% of the loans, with the remaining 74% approved by the loan officers and 1% by the board.

Linda Peavy gave the Treasurer's Report. Total expenses for 2018 were \$372,120.68 and revenue was \$492,648.47. Of the revenue received for the year, 61.11% went to office and operating expenses, 24.47% went to capital and 14.42% went to dividend expense.

Russell asked if there was any old or tabled business that needed to be discussed. No old or tabled business was presented. He then asked if there was any new business other than the election that needed to be discussed. Nothing was presented.

Mr. Chapman then asked if every voting member had a ballot to vote in the election. Nominees on this year's ballot were: Margie Wheeler, Cecil McCormick, Calvin White and Stuart Jeffrey. Russell asked if there were any nominations from the floor. No nominations were made. Linda Peavy made a motion for nominations to cease. Danny Leonhard seconded. Motion carried. Russell recognized the board members with expiring terms: Cecil McCormick and Margie Wheeler. Eligible members voted and ballots were collected for counting.

Jack Wallace gave the invocation. Russell announced that dinner was served. Everyone enjoyed a fried chicken with the trimmings. Election results were announced. Margie and Cecil have been elected to serve again!

Before door prizes were drawn, Shawna announced that some members were sitting on \$10 cash! Some attendees looked under their chairs to find a cash prize. Good surprise Shawna!

Door prize drawings were conducted. Toni Nelson drew the first ticket. The prize winner came forward, selected his/her envelope, announced the prize won and then drew the next ticket. Each winner draws the next ticket.

The prizes and winners were:

| | |
|-------------------------------|------------------|
| Sharon Allen Gift Certificate | Paula Higgins |
| Back Pack | David Flash |
| \$30 Cheddar's Gift Card | Samantha Stotler |
| Tablet | Jill Christie |
| TxDOT Tumbler & 2 chairs | Shawna Stotler |
| Picnic bag, pillow & chairs | Babe Black |

| | |
|-----------------------------|------------------|
| Fire pit & Candy | Samantha Stotler |
| Firehouse bowls | Cynthia Garza |
| Lunch Bag | Adam Brown |
| Tool Set | Rick Meyer |
| Bag & Markers art set | Jill Christie |
| Pictures | Paula Higgins |
| \$20 cash | Adam Brown |
| Out the door garden basket | Wanda Collette |
| Ice Cream Freezer | Gary Roemisch |
| Food Storage Basket | Johnny Gallagher |
| Home Furnishing Basket | Jacque Stotler |
| Sunflower Wall Hanging | Sean Gallagher |
| \$50 cash | Joe Higgins |
| Overnight Bag/Bilbrey Tours | Ryan Stotler |
| \$30 Hobby Lobby Gift Card | Maxine Stevens |
| Mug Set | Jacque Stotler |

Grand Prize Winner

| | |
|-----------|------------|
| Patio Set | Lisa Flash |
|-----------|------------|

Toni Nelson gave a brief update on the merger with THD-6 Credit Union in Odessa. It is still in the works. Lots of documentation and procedures to follow to make sure it is all done correctly according to the State of Texas Credit Union Department and the NCUA.

Russell Chapman thanked all of the people who helped set up and served the meal. He also thanked those individuals who donated door prizes. Russell asked if there was any further business to discuss. With no further business, Reginald Titus made a motion to adjourn the meeting. Clinton Wheeler seconded. Motion passed. Mr. Chapman thanked everyone for coming and the meeting was adjourned at 8:00 pm.

X _____

Russell Chapman, Chairman

X _____

Margie Wheeler, Secretary

THD-6 Credit Union

Annual Meeting

February 23, 2019

The 64th annual meeting was held at the Odessa District located on Highway 80 in Odessa. Kristy Collins called the meeting to order at 12:15 pm because the board chairman was unable to attend. Two board members were present: Kristy Collins and Elaine Munoz. Kristy confirmed that there were 62 members present which constituted a quorum to conduct a legal meeting.

Kristy introduced herself and Elaine.

Kristy asked if all members had a copy of the 2018 Annual Meeting minutes. A motion was made by Jack Lambert and seconded by Fred Nelle to accept the minutes as presented. Motion carried.

Kristy gave the Chairman's Report. Elaine gave the Treasurer's Report.

Members received copies of the Loan Committee Report and the Supervisory Audit & State Examination Report.

Kristy asked if there was any unfinished business or new business to discuss. Nothing was presented. There were no nominees for a board due to the upcoming merger with TxDOT Credit Union in Abilene. Jack Lambert made a formal motion to merger with TxDOT Credit Union in Abilene. Sergio Miranda seconded. Motion passed unanimously. Toni Nelson from TxDOT Credit Union was there to answer any questions about the new credit union.

Motion was made by Hector Aguirre Luna to adjourn the meeting. Grady Craven seconded. Motion carried. The meeting was adjourned at 12:44 pm. Food was served.

Kristy and Elaine conducted the drawing for door prizes. Assisting with the drawing were: Zeke Gomez, Aden Flores, Joel Salazar and Alaman Castelano.

| | |
|-------|--|
| \$200 | Thomas Beckham |
| \$100 | Jessica Flores, Chris Sinclair James Buckhorn, Jacob Gomez |
| \$75 | Jose Diaz, Mr. Salgado Janice Craven, Richard Baum |
| \$50 | Jose Portillo, Michael Gomez Andrea Hernandez, Aaron Gomez Elaine Munoz, Jack Lambert Martha Arredondo, Jacob Sinclair Barbara Hernandez, Margie Diaz Margie Duran, Laura Flores Carol Nelle |

Board of Directors

| | <u>Term Expires</u> |
|--------------------------------|---------------------|
| Russell Chapman, Chairman | (March 2020) |
| Jason Collett, Vice Chairman | (March 2021) |
| Linda Peavy, Treasurer | (March 2020) |
| Margie Wheeler, Secretary | (March 2022) |
| Kenneth Williams, Mbr. Officer | (March 2020) |
| David Flash, Director | (March 2021) |
| Cecil McCormick, Director | (March 2022) |

Audit Committee

Kenneth Williams, Chairman
David Hall

Credit Committee

Jack Wallace, Chairman
Amy Hart
Richard Garza

Credit Union Staff

Toni Nelson, President
Marcy Daniel, MSR/Loan Officer
Melanie Herrera, MSR/Loan Officer
Shawna Stotler, PT Teller

CREDIT COMMITTEE REPORT
For the Year Ending December 31, 2019

| <u>Month</u> | <u>New</u> | <u>Denial</u> | <u>Total \$</u> |
|---------------|------------|---------------|-----------------------|
| January | 39 | 4 | \$448,384.96 |
| February | 19 | 3 | \$215,617.10 |
| March | 73 | 4 | \$1,550,385.73 |
| April | 56 | 3 | \$670,012.53 |
| May | 35 | 1 | \$358,628.03 |
| June | 44 | 4 | \$373,360.94 |
| July | 39 | 6 | \$445,312.29 |
| August | 34 | 2 | \$318,720.82 |
| September | 71 | 6 | \$1,397,257.63 |
| October | 50 | 3 | 668,703.62 |
| November | 46 | 5 | \$466,570.49 |
| December | 40 | 4 | \$339,396.88 |
| Totals | 546 | 45 | \$7,252,351.02 |

TxDOT Credit Union allows any member in good standing to apply for loans. The loan decisions are based on the current lending guidelines established by the Board of Directors. Approval for loans may be granted from three different sources: Loan Officers, the Credit Committee or the Board of Directors. The Credit Committee and Board of Directors have the authority to deny any loan request. Any member who wishes to appeal an adverse loan decision must address the Board of Directors in writing.

Jack Wallace, Credit Committee Chairman

TREASURER'S REPORT

Financial Statement for the Year Ending 12-31-19

Assets:

| | |
|---------------------------------|---------------------|
| Loans | \$12,944,899 |
| Allowance for Loan Loss | (\$40,618) |
| Cash | \$31,350 |
| Other Financial Deposits | \$465,731 |
| Corporate Credit Union Deposits | \$384,793 |
| Investments | \$796,000 |
| NCUA Share Insurance Fund | \$131,880 |
| Prepaid Expenses | \$0 |
| Land | \$13,946 |
| Building | \$322,746 |
| Furniture & Equipment | \$56,907 |
| Accrued Interest on Loans | \$47,193 |
| Other Assets | \$17,906 |
| Total Assets | <u>\$15,172,733</u> |

Liabilities:

| | |
|---------------------------|---------------------|
| Accounts Payable | \$76,140 |
| Regular Shares | \$6,382,594 |
| IRA Shares | \$1,059,224 |
| Christmas Club Accounts | \$2,162 |
| Sharedraft Accounts | \$216,542 |
| Term Share Certificates | \$5,277,533 |
| Regular Reserves | \$210,357 |
| Reserve Contingencies | \$55,000 |
| Undivided Earnings | \$1,498,910 |
| Equity Acquired in Merger | \$394,271 |
| Total Liabilities | <u>\$15,172,733</u> |

Linda Peavy
Treasurer

AUDIT COMMITTEE REPORT

For the Year Ending December 31, 2019

For the year 2019, TxDOT Credit Union underwent 3 reviews. The State of Texas Credit Union Department reviewed both offices (TxDOT CU & THD-6 CU) and the firm of Green & Fillingim, PC reviewed the policy & procedures and accounting entries for 2019 for Abilene and Credit Union Resources for Odessa. The results of both were reviewed by the Board of Directors and Audit Committee. As always, the credit union is here to serve the members and the Audit Committee will continue to serve in any way that we can.

Kenneth Williams, Audit Committee Chairman

MEMBERSHIP REPORT

For the Year Ending December 31, 2019

As of December 31, 2019, after the merger with THD-6 Credit Union, the total of members for TxDOT Credit Union was 1874! TxDOT Credit Union had 1296 members and THD-6 Credit Union had 578.

If you would like to help your credit union grow, please share the news of your credit union with your families and TXDOT co-workers!

Kenneth Williams, Membership Officer

Income/Expense
For the Year Ending 12-31-19

| | |
|--|------------------|
| Interest on Loans | \$578,818 |
| Income from Investments | \$28,124 |
| Fees and Charges | \$21,616 |
| Gain from Merger | \$9,859 |
| Miscellaneous Income | \$11,074 |
| TOTAL INCOME | \$649,491 |
| Dividends Paid on Shares | \$93,765 |
| Employee Compensation/Benefits | \$226,826 |
| Travel/Conference/Education Promotional | \$5,477 |
| Office Occupancy | \$61,778 |
| Office Operations | \$92,136 |
| Loan & Professional Outside Services | \$16,706 |
| Operating & Miscellaneous | \$20,975 |
| Allowance for Loan Loss | \$59,021 |
| TOTAL EXPENSES | \$576,684 |

BIOGRAPHIES

Russell Chapman has served on the board of directors as Board Chairman for the last 4 years. He is currently employed with TxDOT in the Construction Department at the Abilene area office. Along with his wife, Brandie, they make their home Abilene. Russell also serves on the Clyde Independent School District board. His spare time is spent farming and enjoying his family.

Linda Peavy is currently serving as Board Treasurer. She has served on the board for several years. She and her husband, Tommy, make their home in Abilene. She has been a member of the credit union since 1999 and is a retired TxDOT employee from the Abilene District office in the accounting department. She is an avid reader and loves pets.

Kenneth Williams retired from TxDOT after working 20 years. He has served on the board over the years on various positions including board chairman. He was implemental in the building of the current credit union building. He and his wife, Cynthia, live in Hamlin. Kenneth stays busy by being involved in many civic activities and his part time business ventures.

Stuart Jeffrey is currently employed with TXDOT. He and his wife, Emily, live in Anson. Stuart is wanting to learn more about credit union operations and help grow the credit union for all TXDOT employees and their families. He has been a member of the credit union for 17 years. In his spare time, he owns and operates a pesticide company in Anson.

Calvin White is a TXDOT retiree. He and his wife, Virginia, reside in Hamlin. Mr. White joined the credit union in 1971 and has been active in the credit union ever since. He has an extensive family in the Hamlin area and delights his family with his life stories.

Thomas Jowers has been a member of TxDOT Credit Union for 19 years. He would like to opportunity to serve on the board to learn more about how the credit union serves its members and operates on a day to day basis. His great grandfather was a TxDOT employee. He currently works 3 jobs and enjoys volunteering in his community.

CHAIRMAN'S REPORT

For the year ending December 31, 2019

2019 brought TxDOT Credit Union a new branch office and a new employee in Odessa, TX! The NCUA and State of Texas Credit Union Department approved the long awaited merger on December 10, 2019. Both offices received new updated computer systems and data software in 2019.

Overall, our financial performance in 2019 was good and we look forward to the potential of 2020. The board and staff try very hard to make sure the needs of the membership are met on a daily basis. Your credit union is still able to pay a comparative dividend on your deposits and offer low interest rates on loans.

On behalf of the board of directors, committee members and staff, thank you for your continued support of TxDOT Credit Union.

Russell Chapman, Chairman

Notes

We offer the following services:

Share/Savings Accounts

Sharedraft/Checking Accounts

ATM/Debit Cards

Term Share Certificates (6 month/24 month)

IRA Accounts

Real-time on-line Account Access

Automatic Draft

We offer a variety of loan products:

New and Used Vehicles

New and Used Recreational Vehicles

Farm Equipment

Term Share and Share Secured

Personal/Signature

Thank You for Attending the Annual Member Meeting!

Hope you had a good time!

If you have any comments or suggestions for next year's meeting, please call the credit union office at (325) 676-8925 or (800) 657-9092 or (432) 363-8650.