

66th

**Annual
Meeting**

66th Annual Meeting ACU of Texas

AGENDA

1. Welcome
2. Assertion of a Quorum
3. Approval of Minutes from 2014 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

65th Annual Meeting Minutes February 13, 2014

Chairman Ed Sebesta called the 65th Annual Membership Meeting of Associated Credit Union of Texas to order at 6:02 PM on Thursday, February 13, 2014. Chairman Sebesta welcomed the members. Chairman Sebesta asked if a quorum was present and Treasurer Royce Hively confirmed that there was a quorum present.

Chairman Sebesta introduced the ACUTX Board Members: Vice-Chairman of the Board – Bill Carraway, Treasurer of the Board – Royce Hively, Secretary of the Board – Kyle Dickson, Board Director – Phil Johnson, Board Director – Bruce Terry, Jr. (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 Sebesta 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 Sebesta 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 Tim Harper, seconded by Scott Jeffrey. A vote was then taken and none were opposed. The minutes were approved as presented.

Chairman Sebesta 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 Sebesta requested that all attendees review the documents.

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

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

Moving on to the Election of Officers, Chairman Sebesta 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: Bill Carraway (Three-year term) and Royce Hively (Three-year term). Nominating Committee Chairman, Tim Harper concluded his report. Chairman Sebesta accepted the motion made by Kyle Dickson, seconded by Scott Jeffrey that all three candidates are to be elected by acclamation. Motion carried.

Chairman Sebesta thanked everyone for attending and the meeting was adjourned on a motion by Kyle Dickson, and a second by Scott Jeffrey.

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 2014, loans grew 2.15% from \$206,481,245 to \$210,921,219, and our assets grew nearly 5% to \$310,702,915. Deposits increased nearly 4%. In addition to our growth, we opened a free standing branch in Cypress, remodeled our Alvin Kroger branch and opened a new Kroger branch location in Friendswood. Our CUFG Insurance program, including our rebranded ACUIS Insurance Services, provided record policies to Members and now stands at nearly \$15 million in our book of business. CUFG Keystone Realty Group, which opened doors for business on June 1, 2013, had over 200 real estate closings in 2014 along with 135 real estate listings. We announced late last year the creation of our Keystone Community Development Corporation and are proud to have this as another service for our Membership. In 2014, we offered 21 Homebuyer Education classes, provided down payment assistance grants for multiple members, and in December 2014, ACU of Texas was designated as a CDFI, Community Development Financial Institution, by the US Treasury. This certification allows us to better serve low to moderate-income consumers and promote financial inclusion in the communities we serve.

We continued our tradition of new product offerings for our Membership and in 2014 we launched remote deposit capture and pre-paid debit cards. In November, to celebrate our brave men and women in uniform and all the first responders who keep our lives and communities safe, we created a Hero's Reward Checking that provides free identity theft, discounts on home and auto loans, and access to additional benefits designed especially for these fine men and women.

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 from May 27, 2014 to June 5, 2014. 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 an annual audit to ensure compliance in all areas of the credit union. This annual audit took place for one week commencing on March 31, 2014 and covered the agreed upon procedures for the time period of January 1, 2013 to December 31, 2013.

Financial Condition (as of 12-31-2014)

Assets	
Loans	\$210,921,219
Allowance for Loan Loss	\$(4,037,281)
Cash/Investments	\$71,988,187
Accrued Income	\$402,433
Other Assets	\$31,428,357
Total	\$310,702,915

Liabilities & Equity	
Accounts Payable	\$13,138,224
Members Shares	\$264,802,912
Regular Reserves	\$4,473,410
Unrealized Gain	\$(65,328)
Undivided Earnings	\$28,223,041
Total	\$310,702,915

Income	
Interest on Loans	\$14,387,921
Income from Investments	\$587,911
Other Income	\$8,128,644
Total	\$23,104,476

Expenses	
Total Expenses	\$18,551,119
Disposition of Assets	\$(133,872)
Total Dividends	\$1,037,365
Total	\$19,722,356

Election of Directors

On October 27, 2014, the Nominating Committee submitted Kyle Dickson, Tim Harper, Bruce Terry and Mark Kline 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. Kyle Dickson, Mr. Tim Harper, and Mr. Bruce Terry, hereby nominate each to succeed themselves for an additional three-year term and Mr. Mark Kline to succeed himself for an additional one-year term.

Board of Directors & Term Expirations

Board of Directors	
Name, Position	Term Ends*
Ed Sebesta, Chairman	2016
Bill Carraway, Vice Chairman	2017
Kyle Dickson, Secretary	2018
Tim Harper, Treasurer	2018
Phil Johnson, Board Member	2016
Bruce Terry, Jr., Board Member	2018
Royce Hively, Board Member	2017
Mark Kline, Associate Board Member	2018
Mark Rodriguez, Associate Board Member	
Charles Gooden, Associate Board Member	

*Terms expire on the annual meeting of the year listed above.

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
Kevin Anderson	VP Mortgage
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