



TTCU
66th

Annual Business Meeting

Members Rewarded Here

Main Office - Lobby
February 28, 2019
5:15 pm

66th

Annual Business Meeting

5:15 PM

CALL TO ORDER:
Pam Toler, President/CEO

DETERMINATION OF QUORUM:
Pam Toler, Brittani Wright, Operations Manager

APPOINTMENT OF RECORDING SECRETARY:
Pam Toler, Brittani Wright

READING OF LAST YEAR'S MINUTES:
Walter Ashwood, Board Secretary

DIRECTOR'S REPORT:
Michael W. Robbins, Board Chairman

PRESIDENT'S REPORT:
Pam Toler

ANNUAL AUDIT REPORT:
Walter Ashwood, Audit Committee Chairman

UNFINISHED BUSINESS:
Michael W. Robbins

NEW BUSINESS:
Michael W. Robbins

ACCLIMATION OF DIRECTORS:
Jim Williams, Board Vice Chairman

ADMINISTRATION OF OATH FOR NEW DIRECTORS:
Jim Williams

DOOR PRIZE DRAWING:
Jim Williams

ADJOURNMENT:
Martin Daniel, Treasurer

AGENDA

TTCU

DIRECTOR'S REPORT

Welcome to the 66th annual meeting of Texas Telcom Credit Union. We are all stakeholders here, each of us invested in the health and wellbeing of this great financial institution. So, I want to thank you for being here, and I applaud you for being truly connected member-owners.

I want to first recognize my fellow board members for their leadership, dedication, and passion for this credit union. The strength of their commitment is key to our long-term sustainability and prosperity. And to our members, I'm greatly humbled by the trust you've placed in us. As a united body of leadership, we are responsible for ensuring that we have a competent, qualified, and trustworthy management team, and I can say unequivocally that we do.

As a financial cooperative, we understand that we can most effectively serve you and strengthen that movement by engaging in the vast network of organizations and service groups available. For instance, participation in our local chapter of credit unions allows us to benefit from the training, tools, and resources available through our trade association, the Cornerstone Credit Union League, whose purpose is to support our endeavors and, by extension, you.

As many of you know, our previous President/CEO, Steve Gibson, is no longer with us. Steve served the credit union well for 22 years, and we wish him well. But we are delighted to welcome a new President/CEO, Pam Toler, who has been serving the credit union for over 14 years, and we have every confidence in her abilities to lead us into the future.

In closing, I'd like to express my deepest confidence in the wisdom and guidance of our esteemed board of directors, the commitment of our dedicated staff, and the support and loyalty of our member-owners. We look optimistically into the future because TTCU is well positioned to face any challenge and seize any opportunity that presents itself in 2019.

Thank you, ladies and gentlemen. I wish you and your families the very best in 2019.

Thank you.

Michael Robbins

Chairman of the Board

PRESIDENT'S REPORT

Good afternoon and welcome to the 2019 Annual Meeting of Texas Telcom Credit Union. I'm delighted to be here with you at our 66th annual meeting.

I am pleased to report that the financial condition of TTCU remains strong. In fact, credit unions across the country are doing extremely well. Texas, alone, has 461 credit unions with more than 8.8 million members and total current assets of \$79 billion. These figures reflect a robust and healthy credit union system, of which TTCU is a part. As of December 31, 2018, total assets were \$56,161,061, total outstanding loan balances were \$29,748,935, and total reserves and undivided earnings were \$8,494,743. During 2018, our strong net worth ratio increased to 15.12% indicating that TTCU is a well-capitalized credit union. Also, during 2018, approximately \$518,000 in earnings were paid back to members in the form of dividends or interest.

In the past ten years, our assets have grown from \$23 million to \$56 million. We are very proud of how far we've come and I know our many accomplishments would not have been possible without the ongoing energy, optimism, commitment, and wholehearted belief that our staff, past and present, and our loyal members have in our principles and philosophies as a cooperative, not-for-profit entity.

I'd like to recognize our committed directors for their responsible stewardship of our principles, philosophy, and mission and our dedicated employees for embracing our values and goals and for delivering best-in-class service; and our loyal members who appreciate the many ways their credit union is a partner in their financial wealth. Because of the work we've all done together, this credit union is thriving.

With the continued success of TTCU, we're able to offer an array of financial products and services that enhance your life and improve our delivery channels. In 2018, we introduced the MobiMoney app, so you can receive debit card transaction alerts on your smartphone, and even turn your card off and on. And with a conversion of our card processor, we implemented top-of-the-line fraud protection on your debit cards to keep your money safe. For 2019, we have restructured our CD rates, so that higher rates are available to all levels of investors, with a minimum of \$1,000. And to enhance the CD program even more, we are now providing Excess Share Insurance coverage – so your accounts are now insured up to \$500,000. This is the \$250,000 provided by the NCUA, PLUS an additional \$250,000 coverage provided by the credit union.

As we move into 2019, my commitment to you today is that Texas Telcom Credit Union will continue to grow responsibly while listening and responding to your needs. We will explore innovative product and service solutions to enhance your financial life, and we'll develop our staff so they can confidently and wisely serve your interests.

Our member-owners are integral to our credit union family, and we are sincerely grateful that you've chosen TTCU as your financial partner. We look forward enthusiastically to a great 2019.

Thank you.

Pam Toler

President/CEO

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AUDIT REPORT

The audit department of Credit Union Resources, a division of Cornerstone Credit Union League, audited the complete records of Texas Telcom Credit Union under the supervision of the credit union's Audit Committee as of March 31, 2018. The records were found to be in order and no material exceptions were noted. The audit report included a few financial and operational recommendations which were adopted by the credit union. The required ACH, or Automated Clearing House, compliance audit was performed by Harold Antao and Company LLC. And the required Bank Secrecy Act (BSA), Office of Foreign Assets Control (OFAC) and Customer Identification Program (CIP) compliance review was performed by Dr. Don Mullins of The Mullins Group. In general, these processes were determined to be in compliance with existing regulatory guidelines, and any recommended policy or procedural updates were implemented. Harold Antao and Company LLC has been engaged to perform a comprehensive audit as of March 31, 2019. Serving on the Audit Committee this year were Mr. Ashwood, Mr. Williams and Ms. Toler.

TTCU

NOMINATING COMMITTEE

The Nominating Committee unanimously approved by the Board of Directors to coordinate the Election of Directors process that culminates at this 66th Annual Business Meeting was Mr. Richard Liptak, Chairman, Ms. Ellen Flanery, and Mr. Ed Downy. The Nominating Committee unanimously nominated incumbents Mrs. Joyce Liptak. Mr. Larry Starrett and Mr. Ed Long to three-year terms.

BOARD OF DIRECTORS

- Michael W. Robbins – Chairman* (2021)
- Jim Williams – Vice Chairman * (2020)
- Martin Daniel – Treasurer* (2020)
- W. L. Ashwood – Secretary* (2021)
- Ed Long Jr. (2022)
- Larry Starrett (2022)
- Bob Edmondson (2020)
- Joyce Liptak (2022)

*2018 Executive Committee Members
Year – When Board Term Expires

EMPLOYEES

- Pam Toler – President/CEO*
- Jay Mounce – VP Lending/CLO*
- Brittani Wright – Operations Manager
- Anna Perrin – Lending Manager
- Faith Hernandez – HR Manager
- Carmen Ramirez – Accountant/Marketing Director
- Karen Torres – Sr. Member Service Representative
- Sharyn Bell – Loan Processor
- Jennifer Paleczka – Loan Service Representative
- Angeline Torres – Member Service Representative
- Nicole Coleman – Member Service Representative

*denotes Senior Management.



CHANGES TO ARTICLES OF INCORPORATION

There have been no changes to the Articles of Incorporation since the 65th Annual Business Meeting.



TEXAS TELCOM CREDIT UNION

Statement of Financial Condition

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ASSETS	31-Dec-18	31-Dec-17	Change \$	%
Loans - Personal	22,265,688.20	23,367,179.50	(1,101,491.30)	-4.71%
Loans - MasterCard	889,540.51	832,874.08	56,666.43	6.80%
Loans - Mortgage	6,593,705.86	6,275,931.47	317,774.39	5.06%
Allowance for Loan Losses	(314,552.27)	(297,838.33)	(16,713.94)	5.61%
Accounts Receivable	58,461.40	47,948.80	10,512.60	21.92%
Catalyst Corporate - Cash Mgmt Fund	1,106,348.57	1,590,416.03	(484,067.46)	-30.44%
Catalyst Corporate - Performance Account	2,500,000.00	5,500,000.00	(3,000,000.00)	-54.55%
Catalyst Corporate - PCC Account	38,668.00	38,668.00	0.00	0.00%
Mastercard Cash Advance	7,647.86	8,718.70	(1,070.84)	-12.28%
Checks in Process/Uncollected Funds	209,806.20	31,598.18	178,208.02	563.98%
Vault Cash	188,456.26	216,264.57	(27,808.31)	-12.86%
TNNB Mastercard	(221.48)	9,089.92	(9,311.40)	-102.44%
TNNB Reserve Account	47,000.00	47,000.00	0.00	0.00%
Investments	20,093,259.15	16,334,569.08	3,758,690.07	23.01%
Edward Jones MMA-Santa Fe	110,463.69	60,248.89	50,214.80	83.35%
CO-OP Investment	32,520.69	30,955.26	1,565.43	5.06%
N.C.U.A. Investment	476,209.90	470,265.42	5,944.48	1.26%
Accrued Interest-Investments & Loans	142,841.24	147,169.66	(4,328.42)	-2.94%
Prepaid Expenses	84,284.88	102,060.45	(17,775.57)	-17.42%
Prepaid Pension	758,557.04	986,967.04	(228,410.00)	-23.14%
Land, Building & Improvements (Net)	872,295.62	890,295.62	(18,000.00)	-2.02%
Furniture & Equipment (Net)	80.00	80.00	0.00	0.00%
TOTAL ASSETS	56,161,061.32	56,690,462.34	(529,401.02)	-0.93%

LIABILITIES & EQUITY	31-Dec-18	31-Dec-17	Change \$	%
Accounts Payable	17,749.20	34,445.81	(16,696.61)	-48.47%
NCUSIF-Contingent Liability	0.00	0.00	0.00	0.00%
GAP/MBI/ToysforTots/CPI Payable	5,759.00	8,918.00	(3,159.00)	-35.42%
Unpresented Checks	25,771.60	11,149.18	14,622.42	131.15%
Member Credit Life & Disability Insurance	16,396.30	18,409.08	(2,012.78)	-10.93%
Money Order/ Gift Card Settlements	2,170.00	1,835.00	335.00	18.26%
Mastercard Settlements	0.00	50.00	(50.00)	
ACH Clearing	6,432.62	(18,913.95)	25,346.57	-134.01%
Checking Liability	66,997.52	13,897.30	53,100.22	382.09%
Withholding Taxes	27.80	6,317.08	(6,289.28)	-99.56%
Accrued Expenses	205,970.26	196,483.87	9,486.39	4.83%
Checking Suspense	(1,675.58)	(170.56)	(1,505.02)	882.40%
ACH Suspense	(5,287.53)	(34.00)	(5,253.53)	15451.56%
Debit/ATM Settlements	134,945.42	144,320.79	(9,375.37)	-6.50%
General Suspense	0.00	0.00	0.00	0.00%
Savings Accounts	23,350,262.10	23,913,400.56	(563,138.46)	-2.35%
Checking Accounts	4,103,075.65	3,523,916.88	579,158.77	16.44%
Certificate of Deposit Accounts	14,917,732.04	14,631,187.03	286,545.01	1.96%
Christmas Club Accounts	301,437.08	385,180.67	(83,743.59)	-21.74%
Kids Club Accounts	388,803.69	271,140.07	117,663.62	43.40%
IRA Accounts	3,936,075.25	4,694,436.02	(758,360.77)	-16.15%
IRA Certificates	1,347,311.67	1,281,249.84	66,061.83	5.16%
Regular Reserves	2,642,684.71	2,642,684.71	0.00	0.00%
Undivided Earnings	5,852,058.22	5,806,092.56	45,965.66	0.79%
Other Comprehensive Income-Pension Plan	(955,707.92)	(763,640.92)	(192,067.00)	25.15%
Unrealized Gains (Losses) on Securities	(197,927.78)	(111,892.68)	(86,035.10)	76.89%
Net Income (Loss) QTD	0.00	0.00	0.00	0.00%
Estimated Dividends/Interest Payable	0.00	0.00	0.00	0.00%
TOTAL LIABILITIES & EQUITY	56,161,061.32	56,690,462.34	(529,401.02)	-0.93%

I certify to the best of my knowledge and belief this statement is true and correct and presents fairly the financial position and the results of operations for the periods covered.

President
Pam Toler

TEXAS TELCOM CREDIT UNION INCOME STATEMENT AND FINANCIAL SUMMARY



Dec - 2018

ASSETS:

	Amount
Cash & Equivalents	4,161,853
TOTAL INVESTMENTS	20,131,927
Loans Held for Sale	0
Real Estate Loans	6,593,706
Unsecured Loans	2,174,820
Other Loans	20,700,328
TOTAL LOANS	29,468,854
(Allowance for Loan & Lease Losses)	(314,552)
Land And Building	872,296
Other Fixed Assets	80
NCUSIF Deposit	476,210
All Other Assets	1,364,393
TOTAL ASSETS	56,161,061

LIABILITIES & CAPITAL:

Dividends Payable	0
Notes & Interest Payable	0
Accounts Payable & Other Liabilities	475,257
Uninsured Secondary Capital and Subordinated Debt Included in Net Worth	0
TOTAL LIABILITIES	475,257
Share Drafts	4,103,076
Regular shares	23,350,262
All Other Shares & Deposits	20,891,359
TOTAL SHARES & DEPOSITS	48,344,697
Regular Reserve	2,642,685
Other Reserves	-1,153,636
Undivided Earnings	5,852,058
TOTAL EQUITY	7,341,107
TOTAL LIABILITIES, SHARES, & EQUITY	56,161,061

INCOME & EXPENSE

Loan Income	1,636,815
Investment Income	520,882
Other Income	446,530
Total Employee Compensation & Benefits	787,074
Temporary Corporate CU Stabilization Expense & NCUSIF Premiums	0
Total Other Operating Expenses	790,666
Non-operating Income & (Expense)	0
NCUSIF Stabilization Income	N/A
Provision for Loan/Lease Losses	462,306
Cost of Funds	518,215
NET INCOME (LOSS) EXCLUDING STABILIZATION EXPENSE & NCUSIF PREMIUM	45,966
Net Income (Loss)	45,966

MEMBERSHIP:

	Dec - 2018
Number Current Members	3,732
Number Potential Members	1,000,000
% Current Members to Potential Members	0.37
* % Membership Growth	-4.65
Total Num Savings Accts	5,669

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