



69th Annual Business Meeting

Members Rewarded Here

TTCU Lobby, February 24, 2022, 5:15 pm

69th

Annual Business
Meeting

AGENDA

CALL TO ORDER: 5:15PM

Pam Toler, President/CEO

DETERMINATION OF QUORUM:

Pam Toler/ Sharyn Bell, Executive Assistant

APPOINTMENT OF RECORDING SECRETARY:

Pam Toler, Sharyn Bell

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:

Walter Ashwood

ADMINISTRATION OF OATH FOR NEW DIRECTORS:

Walter Ashwood

DOOR PRIZE DRAWINGS:

Jim Williams, Vice Chairman

ADJOURNMENT:

Martin Daniel, Board Treasurer

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AUDIT REPORT

Harold Antao and Company LLC was engaged to audit the complete records of Texas Telcom Credit Union under the supervision of the credit union's Audit Committee as of March 31, 2021. The records were found to be in order, and no material exceptions were noted. The audit report offered a few operational recommendations which were adopted by the credit union. The required ACH, or Automated Clearing House, compliance audit as well as the required Bank Secrecy Act (BSA), Office of Foreign Assets Control (OFAC), and Customer Identification Program (CIP) compliance review and the Website Compliance review were performed by AffirmX Risk Intelligence, which is a part of Cornerstone Credit Union League. 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, 2022. Serving on the Audit Committee this year were Mr. Ashwood, Mr. Williams, and Ms. Toler.

DIRECTOR'S REPORT

Welcome to the 69th annual meeting of Texas Telcom Credit Union, and thank you for joining us this evening.

As Chairman of the Board of Directors, I'm greatly humbled by the trust you've placed in us during these unpredictable times. I would like to recognize my fellow board members for their leadership and dedication to this credit union. Their commitment is key to our long-term sustainability and prosperity. As a united body of leadership, we are responsible for ensuring your credit union has a capable, qualified, and transparent management team, and I can say without hesitation that we do.

I'm very pleased to announce that again this year Texas Telcom is a well-capitalized financial institution, with a strong net worth ratio of 13.66 percent. In the credit union industry, a net worth position above 7 percent is considered well-capitalized by our regulators.

Though the credit union needs to make a profit to keep the doors open, our sole interests are our members' interests, and whenever we can, in keeping with our credit union mission, we will distribute profits back to you. For 2021, we generated \$620,195 in net income, of which \$450,918 was paid back to the members in the form of dividends or interest on deposits.

At this time, I would like to take a moment to remember our past President/CEO Steve Gibson, who led this credit union from 1996 to 2018 and passed away in December after a long illness. He was one of a kind, and will be missed by many.

In closing, I'd like to express my deepest confidence in the wisdom and guidance of our dedicated Board of Directors, the commitment of our management team and staff, and the support and loyalty of our member-owners. We look optimistically into the future as Texas Telcom remains well-positioned to face the challenges and opportunities that this new year may bring.

Thank you, ladies and gentlemen. I wish you and your families the very best in 2022.

PRESIDENT'S REPORT

Good afternoon. I'm Pam Toler, the President and CEO of Texas Telcom Credit Union, and I'd like to welcome you to our 69th annual meeting. Thank you for joining us and for your active interest in your credit union.

Every person in America and every financial institution has had to face the challenges of the COVID-19 pandemic for the past two years. Your health and safety, and the health and safety of our staff, are important to us, so we enacted certain protocols to minimize everyone's exposure while ensuring you have access to your money and our full array of services whenever you need them.

We have equipped our entire staff to operate through a secure VPN from anywhere that has an internet connection. Therefore, we were able to continue to answer phone calls and serve member needs while on COVID quarantine, during the inclement weather and power failures of February 2021, and the recent ice and snow a few weeks ago. As your financial first responder, we take pride in the technical advancements we've made and hope that you feel confident about not only the security of your money, but also your ease of access to it.

Our assets as of December 31, 2021, reached \$65.8 million, which is nearly 10% more than December of 2020. Total loan balances at year-end were over \$27.3 million, while member deposits reached \$57.3 million, and total reserves and undivided earnings reached \$9 million. This makes for a net worth ratio of 13.66%, which is considered well-capitalized. And while interest rates remained very low throughout 2021, we returned \$450,918 back to our membership in the form of dividends or interest on deposits.

We continued our involvement in the community in 2021 by sponsoring events at the Dallas Arboretum, donating and collecting toys, coats, blankets, and other wish-list items for Dallas Children's Advocacy Center, and providing Community Shred Day for our members as well as our neighbors. In addition, we continue to sponsor financial education for six area schools and for the community as a whole through the Banzai platform. In 2022, we will be on the lookout for more ways to be involved in and to serve our community.

As we navigate the challenges and opportunities of 2022, we promise that TTCU will continue to grow responsibly while anticipating and responding to your needs. As our member-owners, you are integral to our credit union family, and we are sincerely grateful that you've chosen Texas Telcom Credit Union as your financial partner. We wish you a healthy and prosperous 2022.

Thank you.

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CHANGES TO ARTICLES OF INCORPORATION

The credit union's bylaws were amended in 2021 to change the number of Board members from eight to seven.

No other changes were made.

NOMINATING COMMITTEE

The Nominating Committee unanimously approved by the Board of Directors to coordinate the Election of Directors process that culminates at this 69th Annual Business Meeting was **Mr. Richard Liptak**, Chairman, **Ms. Ellen Flanery**, and **Mr. Ed Downy**. The Nominating Committee unanimously nominated incumbents Mr. Ed Long Jr. and Mr. Larry Starrett to three-year terms.

BOARD OF DIRECTORS

Michael W. Robbins – Chairman* (2024)

Jim Williams – Vice Chairman* (2023)

Martin Daniel – Treasurer* (2023)

W. L. Ashwood – Secretary* (2024)

Ed Long Jr. (2025)

Larry Starrett (2025)

Bob Edmondson (2023)

*2022 Executive Committee Members

Year – When Board Term Expires

EMPLOYEES

Pam Toler – President/CEO*

Jay Mounce – VP Lending/CLO*

Anna Perrin – Lending Manager

Sharyn Bell – Executive Assistant

Karen Torres – Member Services Manager

Nicole Coleman – Loan Services Rep/Marketing Director

Jennifer Paleczka – Loan Processor

Angeline Torres – Senior Member Service Rep.

Jazmine Sanchez – Member Service Rep.

*denotes Senior Management.

TEXAS TELCOM CREDIT UNION

STATEMENT OF FINANCIAL CONDITION



| ASSETS: | Dec 2021 Amount | Dec 2020 Amount | Change | % |
|---|----------------------------|----------------------------|--------------------|---------------|
| Cash & Equivalents | 4,502,857 | 3,643,833 | (859,024) | -23.6% |
| TOTAL INVESTMENTS | 30,601,937 | 25,473,568 | (5,128,369) | -20.1% |
| Loans Held for Sale | 0 | 0 | | |
| Real Estate Loans | 6,655,007 | 6,406,391 | (248,616) | -3.9% |
| Unsecured Loans | 2,888,542 | 3,364,053 | 475,511 | 14.1% |
| Other Loans | 17,839,020 | 18,485,104 | 646,084 | 3.5% |
| TOTAL LOANS | 27,382,569 | 28,255,548 | 872,979 | 3.1% |
| (Allowance for Loan & Lease Losses) | (92,596) | (147,110) | (54,514) | 37.1% |
| Land And Building | 918,827 | 949,007 | 30,180 | 3.2% |
| Other Fixed Assets | 5,091 | 12,230 | 7,139 | 58.4% |
| NCUSIF Deposit | 492,647 | 462,867 | (29,780) | -6.4% |
| All Other Assets | 2,082,005 | 1,423,835 | (658,170) | -46.2% |
| TOTAL ASSETS | 65,893,337 | 60,073,778 | (5,819,559) | -9.7% |
| LIABILITIES & CAPITAL: | | | | |
| Dividends Payable | 0 | 0 | 0 | - |
| Notes & Interest Payable | 0 | 0 | 0 | - |
| Accounts Payable & Other Liabilities | 231,548 | 219,781 | (11,767) | -5.4% |
| Uninsured Secondary Capital and Subordinated Debt Included in Net Worth | 0 | 0 | 0 | - |
| TOTAL LIABILITIES | 231,548 | 219,781 | (11,767) | -5.4% |
| Share Drafts | 6,785,802 | 4,915,724 | (1,870,078) | -38.0% |
| Regular shares | 28,739,609 | 25,028,790 | (3,710,819) | -14.8% |
| All Other Shares & Deposits | 21,805,548 | 21,721,265 | (84,283) | -0.4% |
| TOTAL SHARES & DEPOSITS | 57,330,959 | 51,665,779 | (5,665,180) | -11.0% |
| Regular Reserve | 2,642,685 | 2,642,685 | 0 | 0.0% |
| Other Reserves | (671,327) | (644,575) | 26,752 | -4.2% |
| Undivided Earnings | 6,359,472 | 6,190,108 | (169,364) | -2.7% |
| TOTAL EQUITY | 8,330,830 | 8,188,218 | (142,612) | -1.7% |
| TOTAL LIABILITIES, SHARES, & EQUITY | 65,893,337 | 60,073,778 | (5,819,559) | -9.7% |

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TEXAS TELCOM CREDIT UNION STATEMENT OF FINANCIAL CONDITION



INCOME & EXPENSE:

| | | | | |
|--|----------------|----------------|-----------------|--------------|
| Loan Income | 1,480,905 | 1,511,468 | 30,563 | 2.0% |
| Investment Income | 325,447 | 460,587 | 135,140 | 29.3% |
| Other Income | 597,752 | 534,304 | (63,448) | -11.9% |
| TOTAL EMPLOYEE COMPENSATION & BENEFITS | 791,660 | 748,982 | (42,678) | -5.7% |
| Temporary Corporate CU Stabilization Expense & NCUSIF Premiums | 0 | 0 | 0 | - |
| TOTAL OTHER OPERATING EXPENSES | 958,186 | 922,914 | (35,272) | -3.8% |
| Non-operating Income & (Expense) | (7,868) | (4,471) | 3,397 | -76.0% |
| NCUSIF Stabilization Income | N/A | N/A | - | - |
| Provision for Loan/Lease Losses | 26,195 | -60,564 | (86,759) | 143.3% |
| Cost of Funds | 450,918 | 558,856 | 107,938 | 19.3% |
| Net Income (Loss) Excluding Stabilization Expense & NCUSIF Premium | N/A | N/A | - | - |
| Net Income (Loss) | 169,277 | 331,700 | 162,423 | 49.0% |

MEMBERSHIP:

Dec 2021

| | |
|--|--------------|
| Number Current Members | 3,275 |
| Number Potential Members | 1,000,000 |
| % Current Members to Potential Members | 0.33 |
| *% Membership Growth | (2.91) |
| Total Num Savings Accts | 5,165 |





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