

LCRA CREDIT UNION

ANNUAL MEETING

April 24, 2018

MINUTES

Pledge of Allegiance:

*I pledge allegiance to the Flag of the United States of America,
and to the Republic for which it stands: one Nation under God, indivisible,
With Liberty and Justice for all.*

I. Call to Order by Presiding Officer

The 2018 Annual Meeting of the LCRA Credit Union membership was called to order at 8:22 am on April 24, 2018 in Room A504 of the LCRA's Dalchau Service Center by Board Vice-Chair Dowell Garrison. Mr. Garrison asked Mary Renda if a quorum was present. Ms. Renda informed the membership that 30 members were registered. Mr. Garrison declared that a quorum was present.

II. Chairman's Report and Introduction of Officials and Staff

Mr. Garrison addressed the membership, and during his address introduced the members of the Board of Directors and credit union employees. The names of officials and credit union employees are published in the 2018 Annual Report.

III. Reading and Approval of the Minutes for the April 25, 2017 Meeting

Mr. Garrison stated that the minutes for the April 25, 2017 Annual Meeting were published in the 2018 Annual Report. A motion was made by Susan Forsyth and seconded by Aaron Kimball to dispense with the reading of the minutes and to approve them as published since no corrections were necessary.

Motion carried.

IV. Reports of Officials

Mr. Garrison stated that the reports were published in the Annual Report. A motion was made by Susan Forsyth and seconded by Aaron Kimball to dispense with the reading of the Reports from Officials as they are published in the 2018 Annual Report. Motion carried.

V. Service Award – Kent Dawson 2016 – 2018

Mr. Garrison informed the membership that Board member Kent Dawson is retiring from the Board. Mr. Dawson was honored with an award for his volunteer service.

VI. Nominating Committee Report

Mr. Garrison submitted the names of the nominees chosen by the Nominating Committee for 4 positions on the Board of Directors:

Charles Chapin (2-year term)

Mark Johnson (2-year term)

Rita Summy (2-year term)

Ken Taylor (2-year term)

Mr. Garrison then asked for nominations from the floor. As there were no nominations from the floor, a motion was made by Rita Tobler and seconded by Diego Dominguez to cease nominations from the floor and accept these names by acclamation. Motion carried.

VII. Questions from the Membership - None

VIII. Old Business - None

IX. New Business - None

X. Adjournment

Door prizes will be awarded after the meeting is adjourned. A motion was made by Susan Forsyth and seconded by Diego Dominguez to adjourn at 8:35 am. Motion carried.

XI. Door Prizes

Members drew piggy banks stuffed with cash from a basket.

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AGENDA

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- 1. Call to Order by Presiding Officer**
- 2. Chairman's Report and Introduction of Officials and Staff**
- 3. Reading and Approval of the Minutes for the April 25, 2017 Meeting**
- 4. Reports of Officials**
- 5. Service Award – Kent Dawson 2016-2018**
- 6. Nominating Committee Report**
- 7. Questions from the Membership**
- 8. Old Business**
- 9. New Business**
- 10. Adjournment**
- 11. Door Prizes**

A Message from Our Vice-Chairman, Dowell Garrison

Welcome to the 2018 annual meeting of LCRA Credit Union. It's wonderful to see so many people in attendance. I can see you care not only about your financial future, but the future of your credit union as well. I applaud you.

I'm delighted to speak to you today and humbled by the trust you've placed in me and my fellow board members whose leadership, dedication, and passion for credit unions are integral to our success.

As a credit union member, you can take comfort in knowing that, unlike for-profit financial institutions such as banks, your board of directors serves on a volunteer basis and doesn't profit from that service. The Board of Directors and credit union employees don't work for shareholders demanding to collect high profits. Our sole interests are in your interests. We are the stakeholders in this credit union, and we all share in its future.

I'm proud to say that your credit union is not just one financial institution, but one of thousands in a credit union movement that spans the globe. We each serve as a supporting pillar in this movement, and that means that the success of one credit union is a success for the entire movement.

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. Some of these trade associations are the, Credit Union National Association (CUNA), Catalyst Corporate Credit Union and the shared branching network.

In addition to establishing policies and ensuring that the credit union adheres to pertinent laws, regulations, and sound business practices, we are also charged with making sure new products and services are developed as needed. With the continued success of LCRA Credit Union, we can offer beneficial savings and wealth-building tools and other financial products and services that enhance your life, improve our delivery channels, and expand our community outreach.

Our highest and best purpose in serving you includes some of the following objectives:

- We want to offer more and better resources that ensure our members are using the safest, most secure, and most convenient technology available.
- We want to grow our community impact through basic interest payouts, financial capability programs, payment deferral during community emergencies, and working with members that face challenges in whatever life phase they might be in; and
- We want to help you finance life activities, such as education, small businesses, and transportation in a responsible way.

In closing, I'd like to express my 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 members. Thank you, ladies and gentlemen. I wish you and your families the very best i

LCRA CREDIT UNION

ANNUAL MEETING

April 25, 2017

MINUTES

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Call to Order by Presiding Officer

The 2017 Annual Meeting of the LCRA Credit Union membership was called to order at 8:32 am on April 25, 2017 in Room A502 of the LCRA's Dalchau Service Center by Board Vice-Chair Dowell Garrison. Mr. Garrison asked Sue Simpson if a quorum was present. Ms. Simpson informed the membership that 34 members were registered. Mr. Garrison declared that a quorum was present.

Chairman's Report and Introduction of Officials and Staff

Mr. Garrison addressed the membership, and during his address introduced the members of the Board of Directors and credit union employees. The names of officials and credit union employees are published in the 2017 Annual Report.

Reading and Approval of the Minutes for the April 26, 2016 Meeting

Mr. Garrison stated that the minutes for the April 26, 2016 Annual Meeting were published in the 2017 Annual Report.

A motion was made by Melinda Curley and seconded by Susan Forsyth to dispense with the reading of the minutes and to approve them as published since no corrections were necessary. Motion carried.

Reports of Officials

Mr. Garrison stated that the reports were published in the Annual Report. A motion was made by Susan Forsyth and seconded by Chase Smith to dispense with the reading of the Reports from Officials as they are published in the 2017 Annual Report. Motion carried.

Nominating Committee Report

Mr. Garrison submitted the names of the nominees chosen by the Nominating Committee for 3 positions on the Board of Directors:

Kendall Berggren (2 year term) , Dowell Garrison (2 year term), David Smith (2 year term)

Mr. Garrison then asked for nominations from the floor. As there were no nominations from the floor, a motion was made by Diego Dominguez and seconded by Lisa Rodriguez to cease nominations from the floor and accept these names by acclamation. Motion carried.

Questions from the Membership-None

Old Business - None

New Business - None

Adjournment

Door prizes will be awarded after the meeting is adjourned. A motion was made by Susan Forsyth and seconded by Diego Dominguez to adjourn at 8:35 am. Motion carried.

Door Prizes

Door prizes were awarded to the members holding the winning tickets.

Balance Sheet 12/31/2017

LOANS & CASH		
Unsecured Credit Card Loans	1,176,868.29	
All Other Unsecured Loans	296,955.17	
New Vehicle Loans	1,130,364.54	
Used Vehicle Loans	1,744,255.62	
Real Estate Loans	1,382,604.80	
Share Secured Loans	202,263.78	
All Other Loans	941,609.89	
Courtesy Pay Advance	1,678.36	
Indirect Loans-New Vehicle	2,565,467.92	
Indirect Loans-Used Vehicle	1,139,362.46	
Total Loans		10,581,430.83
Allowance for Loan and Lease Loss	(46,674.92)	
Net Loans Outstanding		10,534,755.91
Accounts Receivable		3,510.53
Non-Interest Earning Cash		126,397.01
SWCFCU CMF&Cash Ltr&Performance Tier		110,448.88
Total Cash & Cash Equivalents		236,845.89
INVESTMENTS		
Deposit In Commercial Banks, S&L's, Savi	10,416,000.00	
Membership Captial At SWCFCU	21,404.00	
Total Investments		10,437,404.00
Net Investments		10,437,404.00
OTHER ASSETS		
Prepaid & Deferred Expenses		13,155.00
Furniture, Fixtures & Equipment	131,263.94	
Accumulated F.F. & E. Depreciation	(122,363.55)	
Furniture, Fixtures & Equip (Net)		8,900.39
Accrued Income		33,872.00
NCUSIF		191,224.65
TOTAL ASSETS		21,459,668.37
LIABILITIES AND EQUITY		
Accounts Payable	92,062.27	
Unapplied Data Processing Exceptions	552.91	
All Other Liabilities	15,056.02	
Membership/Regular Shares	12,627,292.93	
Checking	4,087,136.76	
Term Certificates	1,470,096.13	
IRA Shares	161,946.87	
IRA Term Certificates	290,402.41	
Christmas Club Accounts	29,654.57	
Courtesy Pay Advance	1,678.36	
TOTAL SHARES		18,668,208.03
TOTAL LIABILITIES	18,775,879.23	
Regular Reserve		629,377.29
Undivided Earnings		2,054,411.85
TOTAL EQUITY		2,683,789.14
TOTAL LIABILITIES AND EQUITY		21,459,668.37

Income Statement 12/31/2017

INTEREST INCOME	
Income from Unsecured Credit Card L	104,482.72
Income from All Other Unsecured Loa	31,641.77
Income from New Vehicle Loans	43,155.46
Income from Used Vehicle Loans	66,375.33
Income from Real Estate Loans	46,731.14
Income from Share Secured Loans	6,664.61
Income from All Other Loans	50,430.50
Income from Indirect Loans-New Vehi	92,784.04
Income from Indirect Loans-Used Veh	44,174.36
Total Loan Income	486,439.93
Net Loan Income	486,439.93
Income from SWFCU CMF&Cash Ltr&Per	847.15
Income from Deposit In Commercial B	151,922.90
Income from Membership Capiatl At S	307.10
Total Investment Income	153,077.15
Total Interest Income	639,517.08
INTEREST EXPENSE	
Dividends - Membership/Regular Shar	6,343.81
Dividends - Checking	1,088.24
Dividends - Term Certificates	8,688.93
Dividends - IRA Shares	459.76
Dividends - IRA Term Certificates	2,209.89
Dividends - Christmas Club Accounts	98.56
Interest On Borrowed Money	481.00
Total Interest Expense	19,370.19
Net Interest Income	620,146.89
Provision For Loan Loss Expense	23,825.73
Net Interest Income after Provision	596,321.16
OPERATING EXPENSES	
Salaries	296,514.10
Pension	11,861.67
Employee Benefits	46,587.08
Travel & Conference	112.84
Association Dues	11,768.80
Office Occupancy	29,407.89
Office Operations	257,550.29
Educational	1,956.20
Advertising & Marketing	15,431.07
Loan Servicing	10,954.56
Outside/Professional Services	36,389.76
Examination Fees	4,552.00
Cash Over/Short	(4.88)
Annual Meeting	500.00
MasterCard Exp.	9,414.40
ATM, Shared Ser. Ctr., PowerOnLine,	28,177.80
Misc. Operating Exp.	2,602.45
Depreciation Expense-Furniture, Fix	6,968.12
Total Operating Expenses	770,744.15
OTHER OPERATING INCOME	
Fees & Charges	105,227.90
Other Income	13,893.95
Total Other Operating Income	119,121.85
Net Income	(55,301.14)

The Nominating Committee of the LCRA Credit Union submits the following members as nominees to serve on the Credit Union's Board of Directors:

Ken W. Taylor (Two Year Term)

Ken Taylor retired from LCRA after 33 years of service on March 31, 2011. His years of service were with Generation Services, at the Fayette Power Project, and last two years as Generation Manager over Power Generation fleet.

Ken continues to be active in his community in various civic organizations. Presently he is a City Council member in La Grange, and Volunteer Construction Project Manager on the new addition for Sacred Heart Catholic Church. Ken is the President of American Cancer Society Fayette County "Road To Recovery" group.

Ken has been a member of LCRA Credit Union since 1979, and served on the Credit Union Board from 2001-2003

Charles Chapin (Two Year Term)

Charles Chapin began his career at LCRA in 1992 after attending Bowie High School. Born and raised in Austin, Texas he quickly realized that LCRA was a perfect fit. After over 25 years of employment, Charlie has held several positions including, Electrician, Project Manager, and is currently the Manager of a Preventative Maintenance team managing LCRA assets company wide.

In his free time Charlie loves to golf, travel, and spend time with his wife Mychele and his two sons Bryce and Bailey. He most recently has begun to build homes in his community that were destroyed by the Bastrop Wildfires.

Charlie stays active with his community by donating his time to Bastrop Homecoming Committee, an organization that his grandfather helped create in the early 1950's.

Mark Johnson (Two Year Term)

Mark joined Bluebonnet Electric Cooperative in March of 1994 and is currently a Community and Development Services representative for the cooperative. He served as the Project Manager for the Facilities Improvement Five Year Plan prior to moving into his current position. This included construction of the Headquarters facility located in Bastrop in March of 2008. Mark received his Bachelor's Degree from Texas A&M University in May of 1978 and was a member of the Corps of Cadets during his tenure at A&M. He has served on the LCRA Credit Union Board since August of 1999.

Rita Summy (Two Year Term)

Rita Summy is currently the Payroll Manager for Pedernales Electric Cooperative, Inc. (PEC). She started her employment with PEC on October 1, 1983 doing the general ledger in the Accounting department. A year later she started doing the payroll for 289 employees. In 2002, she was promoted to Payroll Manager and currently supervises two employees, is responsible for preparing and filing reports to federal and state tax authorities, assists all levels of employees throughout the coop on questions or issues related to time entry and payroll, and ensures all 703 PEC employees are paid accurately and timely on paydays.

Prior to working at PEC, Rita lived in Austin and worked for an accounting firm for 7 years. After moving back to her hometown of Johnson City, she briefly worked for an architect company in Horseshoe Bay until she was hired by PEC where she knew she originally wanted to be.

Rita keeps active in her community by doing volunteer work in various organizations and holds current officer positions. Rita has been a member of LCRA Credit Union since 1994.

Respectfully submitted,

2018 Nominating Committee

Treasurer's Report

The LCRA Credit Union ended 2017 with 2,954 loyal members. We maintained our financial strength and ended the year with a net worth to total assets ratio of 12.51%, which exceeds the national peer group of same asset size. Assets decreased by \$1,538,729.38 to \$21,459,668.37, while loan demand decreased by \$2,426,335.26 to \$10,581,430.83 but still exceeds the loan to share ratio for the national peer group of same asset size.

The Board of Directors represents and serves the members of the LCRA Credit Union by ensuring that account integrity is maintained, confirming that loan policies and procedures are followed in accordance with State and Federal regulations, and serving as Grievance Committee should a problem arise between the credit union and a member.

In addition to performing periodic reviews of accounts and procedures, the Board oversees the annual audit and reviews of the credit union's books and records by an independent auditor, and may make recommendations based on any finding of these reviews. For the period ending June 30, 2017, the Board of Directors contracted for the services of Harold Antao and Company, LLC to conduct the annual audit, which once again revealed no major discrepancies or irregularities in the accounts or practices of our credit union. Any recommendations made by the internal auditor have been reviewed and staff has made appropriate changes.

Your credit union Board of Directors will endeavor to meet the challenges of maintaining a strong financial institution for you, our members, while providing the personal service you deserve.

Respectfully Submitted, LCRA Credit Union Management



BOARD OF DIRECTORS

TERM EXPIRES

David Smith, Chair	4/2019
Kent Dawson	4/2018
Rita Summy	4/2018
Mark Johnson	4/2018
Dowell Garrison	4/2019
Kendall Berggren	4/2019
Kenneth Taylor	4/2018

STAFF

Betty Mueller, President

Tim Lane, Executive Vice President

Sue Simpson, Loan Officer II

Bonnie Gray, Sr. Financial Services Representative

Mary Renda, Member Services Representative

**This credit union is federally insured by the
National Credit Union Administration**