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# Welcome to ours

## 2020 ANNUAL MEETING REPORT

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# 65th ANNUAL MEETING BRAZOS VALLEY SCHOOLS CREDIT UNION

## AGENDA

1. ASCERTAIN QUORUM IS PRESENT
2. REPORT FROM THE BOARD OF DIRECTORS AND PRESIDENT
3. REPORT OF LENDING ACTIVITY
4. AUDIT REPORT
5. FINANCIAL CONDITION
6. NEW BUSINESS
7. REPORT OF NOMINATING COMMITTEE AND ELECTION OF DIRECTORS
8. DOOR PRIZE DRAWING
9. ADJOURNMENT

## MINUTES OF THE 64th ANNUAL MEETING APRIL 11, 2019

Mr. Mike Griffin, Chairman, called the meeting to order at 7:00 p.m. There were 366 attendees registered. It was declared a quorum was present. Mr. Griffin then asked for the minutes of the 63rd Annual Meeting to be approved. The minutes were approved as written.

Mr. Griffin expressed appreciation to Katy ISD and the Merrell Center staff for the food preparation and service provided. He then recognized BVSCU staff in attendance and thanked them for their dedication and service to the organization. Mr. Griffin introduced the board members and members of the Nominating Committee.

Mr. Griffin introduced Yvonne Kershner, President. She expressed her appreciation of the board members for their service and dedication to the credit union.

Mrs. Kershner talked about the events of 2018; those changes and events included the core conversion which included all of the digital banking products. She gave some post-conversion statistics for these products:

Product	January 2018	December 2018
On-line Banking	22,000 users	28,000 users
Mobile App	11,000 users	22,000 users
Remote Deposit Capture	2,400 checks per month	3,500 checks per month
e-Statements	18,000 users	20,000 users

Mrs. Kershner mentioned the new products are very user friendly and more robust than the previous products. The upgraded mobile app has been adopted by 71% of the members who are between the ages of 25 to 55. Users who are 55 and older have a 20% adoption rate and users under the age of 25 an 8% adoption rate.

During 2018, BVSCU re-applied with the Texas Credit Union Department to expand the field of membership to include the Sealy, Bellville, Royal, Waller and Hempstead school districts. The State approved the request and Mrs. Kershner stated branch offices will open this summer in Sealy and Waller.

Mrs. Kershner reviewed the financial reports in the brochure and noted loan growth of 11% in 2018. She mentioned a sizable increase in real estate loans for 2018; there were 240 loans closed in 2018 as compared to 163 in 2017. She stated that even with the significant loan growth in 2018, delinquency remained relatively low at .53%. The credit union experienced an increase in the net worth ratio to 9.52% which was up from 8.75% in 2017.

Some of the new products and services which were introduced include the P2P (person to person) payment option and a Member Support Center to more efficiently serve members who conduct business by phone. A Reality Fair was created and introduced to teachers and students in several schools. Mrs. Kershner stated the teachers are very excited about this interactive event. She also spoke about member educational seminars that have been expanded to more locations within the field of membership. Topics covered in these seminars include: home buyer, credit literacy, drive smart and estate planning. These seminars are well-attended by members and non-members.

Mrs. Kershner concluded her review and stated, "We continue to go in the right direction. With the support of the board of directors it becomes even easier."

There was no unfinished business reflected from the previous meeting.

## New Business

The nominating committee consisting of Mr. Vernon Madden, Chairman, Mr. Robert Haley, Mr. Karl Kruse, Mrs. Shirley Myers and Mrs. Jamie Wolman presented their recommendations. The committee recommended Mike Griffin and Melvin Nash to succeed themselves for an additional three-year term. Having no nominations by petition, all nominees were elected by general consent.

Everyone enjoyed a drawing for door prizes and the meeting adjourned at 7:40 p.m.



**Kathy Kubelka**  
Vice - Chairman



**Vicki Delgado**  
Secretary

# Report From The Board Of Directors And President

(For the Year Ending December 31, 2019)

At BVSCU we are focused on you - the owners of the credit union. Our focus remains on serving you and helping you reach your individual financial goals. We have been striving for this goal since 1954 and will continue to do so.

Over the past year we have opened 4,732 new memberships which means those members now have access to the extraordinary benefits the credit union offers. Each team member welcomes them to BVSCU and treats them as family. As our membership continues to grow, the credit union has had to increase staff positions as well. To accommodate the growth, we welcomed 22 additional employees to our team. Our growing real estate department has helped members reach their dreams in the amount of \$14.7 million in real estate loans during the year. Although the real estate department is located in Katy, the staff can travel to other branches to assist you if needed. Applications can now be completed online as well as we are expanding the ability for you to be assisted at your local branch locations.

With member and deposit growth throughout the year, assets increased an amazing 10% to \$788 million from \$715 million in 2018. Certificate rates increased during 2019 which allowed you the opportunity to earn additional funds on your hard earned money. The rate increases also brought opportunity to nonmembers as they compared BVSCU to other financial institutions and realized the benefit of being a part of the BVSCU family. The end result was additional growth to your credit union.

All staff has worked diligently to enhance the member experience through all delivery channels: branches, online, mobile and even the telephone. For additional delivery options we implemented the Member Support Center and opened branches in Sealy and Waller.



Our Member Support Center is fully staffed along with staff in branches that assist when call volume is high. Since the support center began taking calls in March, the challenge of having the right number of staff compared to the number of calls has been addressed. The support center received over 161,000 calls in 2019. Calls are transferred to the branch if it is requested but the team is very capable of answering the majority of your questions quickly.

The Sealy and Waller offices have a different employee model. As these branches serve a number of small towns and school district employees, growth potential is unlimited. Each office has three amazing staff members to meet your financial needs. The ATMs at both locations accept deposits, offering members another option for banking after hours. Each office has additional space as we opened with the full expectation to add staff as we continue to grow. The response from the communities and schools to these new offices has been overwhelming and the staff is so honored to help so many meet their financial goals.

Usage of our electronic products continues to grow. This year alone, members deposited over 35,000 checks through the remote deposit product on the mobile app. These products are convenient and secure and allow you to do transactions from the comfort of your own home, on the road and on vacation.

I encourage you to stay engaged by sharing your comments and ideas so we can better understand your needs. The entire team at BVSCU and I are committed to partnering with you to reach your goals and to grow your credit union. Our top priority is to ensure every experience with us is efficient and pleasant. Thank you for your support this past year. We look forward to another successful year ahead.

*Yvonne Kershner*

**Yvonne Kershner**  
President/CEO



## Financial Condition (December 31, 2019)

ASSETS	
CASH	\$7,848,760
INVESTMENTS	\$445,259,680
LOANS	
Personal Loans	\$197,301,221
Real Estate Loans	\$94,637,914
Credit Card Loans	\$13,308,237
Less: Loan Loss Allowance	-\$1,116,965
FIXED ASSETS	\$19,480,780
OTHER ASSETS	\$11,096,482
<b>TOTAL ASSETS</b>	<b>\$787,816,109</b>
LIABILITIES	
	-\$1,311,573
EQUITY	
DEPOSITS	
Shares	\$286,110,312
Share Drafts	\$128,178,743
Money Market Accounts	\$78,566,097
IRA Deposits	\$37,205,587
Term Share Certificates	\$182,479,328
Escrow Deposits	\$847,829
RESERVES	
Regular Reserves	\$7,522,957
Contingency Reserves	\$48,088,034
Market Adjustment	\$2,994,381
UNDIVIDED EARNINGS	\$17,134,414
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$787,816,109</b>

## Board of Directors and Term Expirations

Board of Directors		
Name		Term Expiration*
Michael L. Griffin	Chairman	2022
Kathy Kubelka	Vice-Chairman	2021
Roosevelt Alexander	Treasurer	2021
Vicki Delgado	Secretary	2020
Melvin Nash	Director	2022
Tom Golson	Director	2020
Joseph E. Simmons	Director	2021

\*Please note that the terms expire on the Annual Meeting of that year given.

## Report of the Nominating Committee

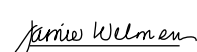
On October 16, 2019 the Nominating Committee met to provide nominations to the general membership for election to the board of directors. The board members whose terms expire in 2020 are Vicki Delgado and Tom Golson.

These two board members have indicated a willingness to continue serving, and each has submitted a Director Application and Agreement to Serve.

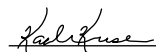
Having reviewed the qualifications of Mrs. Delgado and Mr. Golson, the Nominating Committee hereby nominates Vicki Delgado and Tom Golson to succeed themselves for an additional three-year term.

  
Vernon Madden, Chairman

  
Robert W. Haley

  
Jamie Wolman

  
Shirley Myers

  
Karl Kruse

## Report of Lending Activity

Personal Loans Funded During 2019	
30,745	\$117,118,585.57
Real Estate Loans Funded During 2019	
246	\$16,382,359.96

Through the end of 2019, the credit union has granted 541,672 loans totaling \$2,328,320,154. Of this amount, only 0.66% of these loans have been declared uncollectible, and the credit union's net delinquency ratio of outstanding loans over two months delinquent is less than .69% of total loans.

## Operating Results

	12/31/2018	12/31/2019
Total Members	53,633	55,188
Total Loans	\$274,971,875	\$305,247,372
Total Deposits	\$648,933,838	\$713,387,895
Total Assets	\$715,637,342	\$787,816,109
Total Income	\$31,216,527	\$33,784,461
Total Expenses	\$23,307,409	\$24,469,758
Dividends Paid to Members	\$2,453,843	\$4,678,078

## Audit Report

The CPA firm, Weaver, has concluded its audit of the credit union's financial condition ending December 31, 2019. The report was presented to the board of directors in March and is available for review in the Katy office.

The audit prepared by this firm is an opinion audit and is conducted in accordance with generally accepted auditing standards. The firm's responsibility is to obtain reasonable assurance that the financial reports are free from material misstatement. The audit includes a review of accounting policies, investment practices, fixed assets, members' loans and deposits, member statement processing, delinquency control, litigation risk, and management evaluation.

The conclusion of the most recent audit is that the financial statements fairly represent the true financial picture of the credit union and that all aspects of operations conform to generally accepted accounting principles.

## Officers

Name	Position
Yvonne E. Kershner	President/CEO
Christina K. Frith	Senior VP - Member Services
Courtney B. Poole	Senior VP - Finance
James A. Fletcher, Jr.	Senior VP - Information Technology
Chelsea B. Wooten	VP - Lending
Diane O. Davis	VP - Branch Operations
Shellye D. Carpenter	VP - Marketing
Andrea M. Maestretti	VP - Human Resources





# 2018-2019 YEAR IN REVIEW

## BVSCU BY THE NUMBERS



Financial  
Literacy  
Presentations  
**29 Schools**  
**3209 Students**

**1583**  
Volunteer  
Hours

**6** Shred  
Days

**479**  
Trees saved by  
shred day recycling

**12** Events  
**555** Attendees

**5,286**  
Books donated to  
Texas Children's Hospital

We are proud to be a part of your BVSCU family.

**154 FULL-TIME EMPLOYEES | 6 PART-TIME EMPLOYEES**

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# BVSCU SUPER SAVERS!



**Sign up for our youth accounts!**  
Open a savings account for just \$5.

For more information about our super saver kid's club visit:  
[www.bvscu.org/youth-clubs/super-savers-club](http://www.bvscu.org/youth-clubs/super-savers-club)

## 2020 Shred Days

### Sealy Shred Day

Date: September 12, 2020  
Time: 8:30am-12:30pm  
2344 HWY 36 S.  
Sealy, Texas 77474

### Katy Shred Day

Date: October 17, 2020  
Time: 8:30am-12:30pm  
25525 Katy Mills Parkway  
Katy, Texas 77494

### Rosenberg Shred Day

Date: September 19, 2020  
Time: 8:30am-12:30pm  
BF TERRY PARKING LOT  
5500 Avenue N  
Rosenberg, Texas 77471

### Waller Shred Day

Date: November 7, 2020  
Time: 8:30am-12:30pm  
2038 Mills Street  
Waller, Texas 77484

### Rocky Creek Shred Day

Date: November 14, 2020  
Time: 8:30am-12:30pm  
3261 Rocky Creek Dr.  
Missouri City, Texas 77459

## SHRED DAY POLICY

Bring loose-leaf paper items in a box.

**LIMIT (5) BOXES OR BAGS PER VEHICLE.**

### ☺ What CAN be shredded:

- Paper clips
- Folders
- Staples
- Envelopes

### 🚫 What NOT to shred:

Please ensure NONE of these items are included with your documents.

- Batteries
- Cardboard Tubes
- Large Metal Objects
- Ink Cartridges and Toners
- Syringes
- Pressurized Containers
- Sharp Objects
- Electrical Items
- Food
- Binder Clips
- Glass, cans, etc.

