

MISSION

The mission of Austin Federal Credit Union is to provide superior cost effective financial services responsive to the evolving needs of the membership.

VISION

Austin Federal Credit Union is the Austin community's premier financial institution enabling its members to build better financial lives for themselves and their families.



AUSTIN FCU ANNUAL MEETING

STATEMENT OF FINANCIAL CONDITION

Assets	2017	2018
Loans to members	12,766,653	17,936,497
Loan Participations	6,121,833	4,184,275
Allowance for loan loss	(47,507)	(53,086)
Cash	380,752	516,058
Investments	9,624,586	7,984,714
Land	500,000	500,000
Building	1,186,176	1,159,100
Furniture and Fixtures	145,157	153,571
NCUSIF	305,072	284,668
Other assets	261,472	281,977
Total Assets	31,244,195	32,947,773
Liabilities, Savings, Equity		
Member Shares & deposits	28,757,353	30,450,373
Accounts payable	157,375	154,383
Taxes payable	50,195	51,297
Dividends payable	4	841
Other liabilities	(12,322)	(209)
Regular reserves	821,990	821,990
Undivided earnings	1,469,599	1,469,098
Total Loans & Equity	31,244,195	32,947,773
Classification of Loans Outstanding		
Current and < 2 months	12,672,506.91	17,846,727.30
2 to less than 6 months	75,475	8,994
6 to less than 12 months	15,998	9,624
12 months and over	2,674	71,151
Total Loans	12,766,653	17,936,497

BOARD OF DIRECTORS

Ed Shick, *Chairperson*
 Ron Jones, *Vice Chairperson*
 Lorraine Benhamou, *Secretary*
 Byron Warren, *Treasurer*
 Rick Beyer, *Director*
 Charles Chahda, *Director*
 Marvin Krabbenhoft, *Director*
 David W. Peterson, *Director*
 Amy Acuña, *Director*

SUPERVISORY COMMITTEE

Joe Nolan, *Chairperson*
 Amy Acuña, *Member*

TEAM

Mindy Bayer, *President*
 Sonia Ortiz, *Vice President*
 Rebeca Ventura, *VP of Lending*
 Matt Horsley, *Loan Officer*
 Nelda Ortuno, *Accounting Asst*
 Pat Richardson, *Senior MSR*
 Rudy Reyes, *MSR*
 Cecilia Ybarra, *Teller*
 Joe Martinez, *Teller*
 Jesus Carrillo, *Teller*

5:15 Doors Open/Registration
5:30 Business Meeting

Ascertain a quorum is present
 Reading and approval of the minutes of the last meeting
 Message from the President & Chairperson
 Report of the Treasurer
 Report of the Supervisory Committee
 Special Guest Speaker
 Elections
 Unfinished Business
 New Business
 Adjourn

DOOR PRIZES WILL BE DRAWN AT ADJOURNMENT OF MEETING



Austin FCU | 1900 Woodward Street
 Austin, TX 78741 | www.austinfcu.com



★ 2018 Annual Meeting Minutes ★

April 24, 2018

Directors Present:

Ed Shick, Chairman
Ron Jones, Vice Chairman
Charles Chahda
Marvin Krabbenhoft
David W. Peterson

Directors Not Present:

Lorraine Benhamou, Secretary
Byron Warren, Treasurer
Rick Beyer
Kerry Laake

Staff Present:

Mindy Bayer, President
Sonia Ortiz, Vice President
Rebeca Ventura, Lending Manager
Pat Richardson, Senior MSR
Matt Horsley, Loan Officer
Nelda Ortuno, Accounting Assistant

Rudy Reyes, Teller
David Juarez, Jr, Teller
Pablo Juarez, Teller
Idalis Ramirez-Soto, Teller
Cecilia Ybarra, Teller

Ed Shick called the meeting to order at 6:00 pm in the Main Branch Lobby at 1900 Woodward Street. He determined that a quorum was present.

A motion was made by Ron DeFord and seconded by Benny Arellano to approve the minutes of the 2017 Annual Meeting. The motion carried unanimously.

Ed Shick gave his Thanks to the Staff of Austin FCU and introduced, Mindy Bayer. Mindy Bayer presented the information in the Annual Meeting Report.

Mindy presented the three nominees for board re-election: Ed Shick, Marvin Krabbenhoft and Kerry Laake. Ron DeFord made a motion to elect the slate of candidates by acclamation. Morris Thompson seconded the motion. The motion carried unanimously. Ed Shick declared the slate elected by acclamation.

Ed Shick asked if there was any unfinished business. Ron DeFord inquired regarding the popularity of the Bill Pay service and whether the possibility existed to remove the fee for the service. Mindy explained that with the current vendor we simply do not have the number of enrollees necessary to make the service free.

Ron Jones called for Mindy Bayer to begin the drawings for door prizes. With the assistance of children in attendance, the drawings were held for the prizes ranging from \$50 to \$100.

The meeting adjourned at 6:20pm.

Message from the President & Chairman

In 2018 Austin FCU celebrated the 15 year anniversary of what has become our only branch, at 1900 Woodward Street. As most of you know, our fine city has changed a great deal since 2003 but Austin FCU has worked hard to continue to serve our evolving community's financial needs.

Austin FCU made, and laid the groundwork for, several big changes in 2018:

- Our loan origination system went fully live this year, allowing our loan officers to work towards fully digitizing our loan files. This change will provide more efficient and accurate service for our members seeking to borrow funds in the coming years.
- We launched our Indirect Lending platform with the help of Credit Union Direct Lending, putting access to Austin FCU loans into every dealership on the motor mile in South Austin. We granted over \$4 million in indirect loans in 2018, and look forward to granting at least that many in 2019. Austin FCU members seeking an auto loan can now complete all of their paperwork with the dealership if purchasing from one of our approved dealers!
- We signed an agreement in December of 2018 with Co-Op Financial Services to convert our debit and credit card portfolios. The debit card conversion will be complete in the 4th quarter of 2019, and credit cards in the 1st quarter of 2020. This change will bring “the chip” (EMV) to our debit cards, as well as save the credit union 23% for debit and 67% for credit on our monthly processing bills. This change will also expand our network of free ATMs nationwide!
- Kasasa Loans, a unique loan product developed by our partners at Kasasa, launched end of year 2018. This is the only loan of its kind, allowing borrowers to “take-back” extra payments made to the loan. This helps our members minimize interest costs, and allows them to take more control of their finances.

A theme of previous Annual Meetings has been asset growth. This year we are proud to announce that while assets grew \$1.7 million between end of year 2017 and 2018, loans grew \$5.1 million. This 40% increase in loans helped ensure that Austin FCU maintained a 7.0%+ capital ratio, and positioned us for a fantastic 2019. Savings grew \$1.6 million as well, as we took on additional deposits to fund indirect loans. We anticipate maintaining this level of assets and savings through 2019.

We appreciate all of the support that the Austin FCU membership has given us over the years, through attendance at meetings such as this one, participation in donation drives and feedback passed along through our website, member surveys and social media profiles. As we implement the changes outlined above, we are committed to remaining YOUR Neighborhood Credit Union and look forward to providing the same high-quality service with a smile you're used to. Onward and upward!

MINDY BAYER, President

ED SHICK, Chairman

Report of the Supervisory Committee

The Supervisory Committee works to protect the interests of the credit union members by ensuring that there is appropriate oversight, required audits are conducted, and any audit findings are addressed and corrected.

The Supervisory Committee arranges for the primary financial audits to be conducted through contract with Credit Union Resources, Inc. Our contract was renewed for a three-year period beginning with 2017's Audit. Only minor record-keeping items were listed as findings for the 2017 audit, and those have been corrected.

Other routine oversight activities conducted by the Supervisory Committee include monthly issuance of confirmation letters on all closed accounts to ensure that account closures are legitimate, review of bank reconciliations, and surprise cash counts. In addition to routine oversight, the Supervisory Committee performs some compliance reviews to reduce the audit costs to the credit union.

2018 Supervisory Committee members included Joe Nolan and Amy Acuña; we are currently seeking a third member to join our team. The committee has a post office box that can be used to contact us if there are any questions or concerns. It is P.O. Box 40177, Austin, TX 78704.

The Supervisory Committee looks forward to another year of working with the Staff, Management, and Board of Directors in safeguarding member assets.

The Austin FCU Supervisory Committee

Report of the Treasurer

As the Treasurer for your Board of Directors, I meet monthly with the Board as well as the Asset/Liability Committee (ALCO).

2018 was a busy year for the Board, Staff and ALCO. Our loan department granted a RECORD \$10,252,831 in loans for 2018, largely thanks to the launch of an indirect loan program that resulted in \$4,434,184 in new/used auto loans and brought in an additional \$31,655 in income. Home Equity Lending kept going strong with a total of \$1,035,820 in home equity loans being granted.

The increase in lending required additional funds, so in addition to raising \$1.2 million in member deposits through our certificate specials, we also took on \$500,000 in non-member deposits for 90 days at the end of 2018.

With lending increasing, the ALCO and Board look forward to being able to offer a dividend on regular savings again in 2019. Members enjoyed \$4,303 in Kasasa Account dividends, rewards and ATM refunds in 2018, and \$1,485 in certificate dividends.

Net income for 2018 was low, at \$6,995, however this included the addition of an additional \$51,668.13 into our allowance account for loan losses because of the addition of indirect lending.

The Board and ALCO expect 2019 to be a successful year, and look forward to working with the staff for many years to come.


BYRON WARREN, Treasurer



The Austin FCU
Scholarship


UP TO \$500 TO HELP YOU ACHIEVE YOUR EDUCATIONAL GOAL!

SPRING ROUND NOW OPEN! VISIT AUSTINFCU.COM TO APPLY!



GET THE ONLY LOAN WITH TAKE-BACKS™.

Kasasa Loans™ now available.



austinfcu.com

KASASA LOANS™ | TAKE BACK BANKING™

Loan Description: A Kasasa Loan is a fixed rate, fixed term loan that provides consumers with an opportunity to lower their overall interest expense or create an open-end, revolving line of credit, by making payments that are in excess of the loan's scheduled monthly payments. Unlike traditional personal loans, consumers who have met each of their required schedule payments, can borrow against these excess funds - at the same interest rate as their initial Kasasa Loan - to address unexpected needs (i.e. car repairs, health issues) or take advantage of opportunities (i.e. college acceptance) that may arise. The loan's current available credit limit will be specified in each periodic statement issued. Loan Rates & Term: Kasasa Loans are subject to credit approval by our institution. Many factors affect credit approval and the interest rate you may receive. Upon approval, your loan's Annual Percentage Rate (APR) will not change throughout the life of your loan. Should your application be approved, your Kasasa Loan will begin on the day you sign our loan agreements and will continue until the maturity date or until you have a zero balance in your account. Loan Interest Charges & Fees: Interest will begin to accrue, with no grace period, on the date advances are posted to your loan. We use the daily balance method to calculate the interest on your account. Your daily balance is determined by adding any new advances, charges or unpaid accrued interest to the day's beginning balance and then subtracting any payments or credits that are made. We determine your interest charges by applying a daily periodic rate (i.e. APR / 365) to each daily balance within a billing cycle. In addition to interest, you will also be charged a fee of 5% of your payment amount for each time you are late on a scheduled payment and a fee of \$20 for every payment that is returned to you for insufficient funds. Application of Loan Payments: All payments are applied first to any accrued interest, then to the loan's principal, then to any outstanding fees and finally to any remaining principal. Additional Information: To qualify, a borrower must be at least 18 years old, a U.S. citizen or a permanent resident and must meet our institution's underwriting requirements. Not all borrowers receive the lowest rate. To qualify for the lowest rate, you must have a responsible financial history and meet other funding criteria. If approved, your actual rate will be within the range of rates listed above and will depend on a variety of factors including the term of the loan, your financial history, years of experience, income and other factors. Rates and terms are subject to change at any time without notice and are subject to state restrictions. Contact one of our credit union loan representatives for additional information, details and loan application.

Kasasa and Kasasa Loans are trademarks of Kasasa, Ltd., registered in the U.S.A. "Take back banking" is a trademark of Kasasa Ltd., registered in the U.S.A.

Federally Insured by **NCUA**