

# WHERE WE'VE BEEN & WHERE WE'RE GOING

Greater Texas Credit Union  
2020  
Annual Report

## WHO WE ARE

Greater Texas | Aggieland Credit Union strives to enhance the financial well-being of members while preserving the unique benefits of cooperative ownership.

And to be the greatest banking experience. Ever.

## CONTENTS

1	CONTENTS
2	MEET US
4	2020 REVIEW
6	GIVING BACK
8	FINANCIAL CONDITION
12	REPORTS
16	LOOKING BACK
18	LOOKING FORWARD

# MEET US

## Board of Directors

CHAIRMAN	Penny V Rychetsky
1 <sup>ST</sup> VICE CHAIRMAN	Wesley Yeager
2 <sup>ND</sup> VICE CHAIRMAN	Veronda L Durden
TREASURER	Charlotte Schneemann
SECRETARY	Marilyn Eaton
MEMBER	Flora Fearon
MEMBER	Linda Lothringer

## Supervisory Committee

CHAIRMAN	Chris Langan
SECRETARY	Paula Castillo Reed
MEMBER	Stephen A Mason
MEMBER	Michael (Mike) Trachta
MEMBER	Laura Wolbrueck

## Executive Management

PRESIDENT - CEO	Howard N Baker
SVP - CHIEF OPERATING OFFICER	Jason Goodman
SVP - CHIEF INFORMATION OFFICER	Kayvee Kondapalli
SVP - CHIEF LENDING OFFICER	Benjamin Teske
VP - HUMAN RESOURCES	Tammy L Carter
VP - REAL ESTATE & DEVELOPMENT	Mike Trapnell
VP - FINANCE	Kevin Lockingen
VP - FINANCIAL SOLUTIONS	Joe James
VP - BUSINESS LENDING	Jesse Holguin
VP - CONSUMER LENDING	Lisa Bateman
VP - COLLECTIONS	Sid Burkins

# 2020 REVIEW

## PANDEMIC RESPONSE

The credit union offered various loan options to help members meet their financial obligations, keep their cars, stay in their homes, improve cash flow in their businesses, and maintain their credit scores. We offered loan deferrals, modifications, skip a pays, and other forbearance for borrowers experiencing financial difficulty during COVID. Emergency loans and Paycheck Protection Program loans were made available. Borrowers credit scores actually improved during 2020, past due account balances returned to pre-pandemic levels in January 2021, member savings accounts grew at a very healthy rate, and the number of negative balance share accounts reached a 5-year low; all an indication that members' household financial standing weathered the effects of the pandemic well.

## COMPETITIVE RATES

Members continued to take advantage of some of the most competitive rates in our markets. The credit union experienced a record year on consumer loans. In 2020, the credit union loaned out more than \$320 million to new and existing members. We helped members directly with over \$88 million in consumer type loans that include new and used auto, recreational merchandise such as RV's and travel trailers, and credit cards and personal loans. We loaned out more than \$114 million in our rapidly growing point of sale auto loan portfolio, where members closed at the convenience of a dealership or other 3<sup>rd</sup> party online partners. Together we helped many home owners purchase, cash out equity, or get into a lower rate, by disbursing over \$99 million in real estate loans. Finally, we assisted local commerce across our footprint by lending out more than \$20 million to small businesses that invest in our communities.

## CORPORATE HEADQUARTERS

We began construction on our new corporate headquarters. This new building will provide a modern, functional, comfortable, and safe location for our administrative staff and enhance the credit union's public and brand image; continuing to improve our status as a top workplace, as named by the Austin American Statesman. We plan to begin occupying our new headquarters in the late summer or early fall.

## CORE BANKING SYSTEM TRANSFORMATION

We commenced a three-year project to improve our core banking processing system. This system is the "heart beat" of the credit union. With a new core processing system we will be able to support higher levels of information security, cybersecurity, efficiency, functionality, and service to members commensurate with top-tier financial service providers and industry best practices.

## CONTACT CENTER ENHANCEMENTS

To continue our efforts to attain a top-tier contact center, additional enhancements were made to provide the best member experience. Last year we worked to add a call back feature. This feature allows a caller to maintain their place in line while not remaining on hold. The caller receives a call from the system when it's their turn in the call queue. We will continue to make improvements to our contact center over the next several years.

## ONLINE ACCOUNT ORIGATION

We completed a project to introduce new online loan and new account systems. These systems allow us to attain account origination functionality, fulfillment, and service levels that are commensurate with top-tier online providers across all industries, including traditional and non-traditional financial service providers, especially those online providers that influence and establish expectations of younger consumers. While we certainly have some service-level improvements to address, member feedback regarding online account origination has been overwhelmingly positive.

## IMPROVED DEBIT CARD EXPERIENCE

In addition to all of this, we have improved our debit and credit card support through 24/7 phone support. We also expanded our surcharge free ATM options through an agreement with Stripes gas stations. With this agreement, participating 7-Eleven locations, the Austin Alliance ATM network and the credit union's ATMs we are able to bring you over 7,000 Free ATMs nationwide.

## GIVING BACK

Many local non-profits experienced loss during 2020 while at the same time, increased demand for their services and support from their constituencies. Compassion being one of our core values, we made a commitment to maintain our charitable and civic donations.

In 2020, we donated over \$150,000 to almost 100 different organizations.



### AUSTIN HABITAT FOR HUMANITY

Greater Good Volunteers helped build a home for a family in the Austin community.

### BRAZOS VALLEY FOOD BANK

Staff in the Brazos Valley gave back by sorting, sanitizing and storing food donations.



### BACK TO SCHOOL BASH

Bastrop staff members helped pass out backpacks and supplies to children in need.

### TWIN CITY MISSION

Aggieland employees greeted and served food to those experiencing homelessness.



# FINANCIAL CONDITION

ASSETS	2018	2019	2020
Loans to Members	472,682,412	458,727,302	572,955,080
Allowance for Loan Losses	(2,263,652)	(1,544,591)	(1,434,538)
Cash & Investments	127,070,021	181,597,530	183,851,179
Furniture & Equipment	1,447,314	1,824,936	2,496,132
Land & Building	19,122,120	23,562,414	23,507,049
Other Assets	17,179,021	23,963,032	44,520,705
<b>TOTAL ASSETS</b>	<b>\$635,237,236</b>	<b>\$688,130,623</b>	<b>\$825,895,606</b>

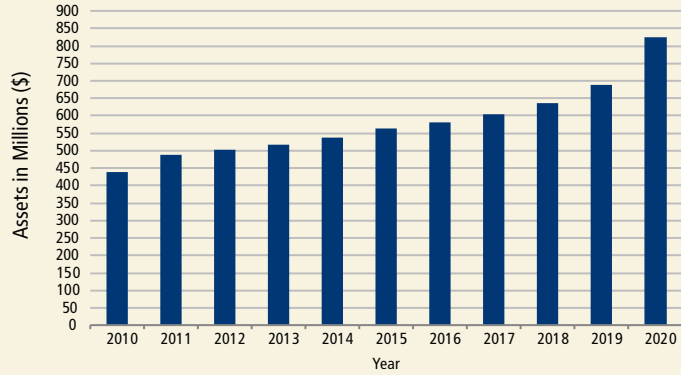
## LIABILITIES, SHARES & EQUITY

Accounts Payable and Other Payables	7,001,039	4,955,612	8,688,449
Drafts Payable	1,283,548	1,447,365	1,199,036
<b>TOTAL LIABILITIES</b>	<b>\$8,284,587</b>	<b>\$6,402,977</b>	<b>\$9,887,485</b>
Regular Share Accounts	222,729,563	232,690,255	285,195,828
Share Draft Accounts	167,289,263	190,466,546	244,717,770
IRA Accounts	20,128,450	25,019,033	25,229,812
Money Market Security Accounts	99,445,767	97,697,985	113,976,627
Share Certificates	63,779,179	77,568,613	85,152,261
Other Shares	1,000,302	1,085,984	1,261,784
<b>TOTAL SHARES</b>	<b>\$574,372,524</b>	<b>\$624,528,416</b>	<b>\$755,534,082</b>
Regular Reserve	4,570,907	4,570,907	4,570,907
Undivided Earnings	49,930,763	53,298,263	55,668,382
Other Reserves	(1,921,545)	(669,939)	234,750
<b>TOTAL EQUITY</b>	<b>\$52,580,125</b>	<b>\$57,199,230</b>	<b>\$60,474,038</b>
<b>TOTAL LIABILITIES, SHARES, EQUITY</b>	<b>\$635,237,236</b>	<b>\$688,130,623</b>	<b>\$825,895,606</b>

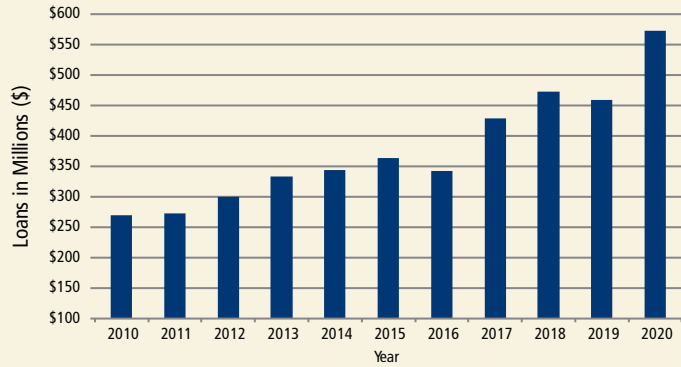
DISTRIBUTION OF INCOME	2018	2019	2020
Total Operating & Non-Operating Expenses	21,611,901	24,710,525	27,234,572
	75.97%	82.17%	90.56%
Dividends & Interest on Borrowed Money	1,057,171	1,984,023	2,235,490
	3.72%	6.60%	7.43%
Loan Loss Provision Expense	1,600,000	10,000	380,000
	5.62%	0.03%	1.26%
Net Income	4,177,781	3,367,500	2,370,119
	14.69%	11.20%	7.88%
<b>GROSS INCOME</b>	<b>\$28,446,853</b>	<b>\$30,072,047</b>	<b>\$32,220,181</b>
	100.00%	100.00%	100.00%

# FINANCIAL CONDITION

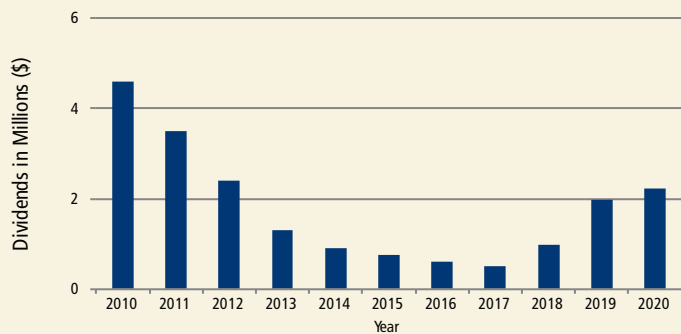
TOTAL ASSETS \$825,895,606



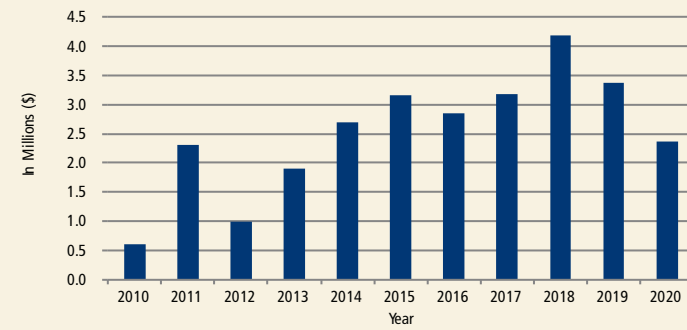
TOTAL LOANS OUTSTANDING \$572,955,080



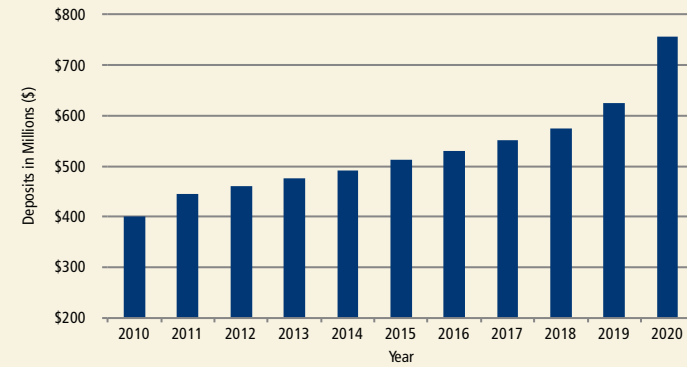
TOTAL DIVIDENDS \$2,235,387



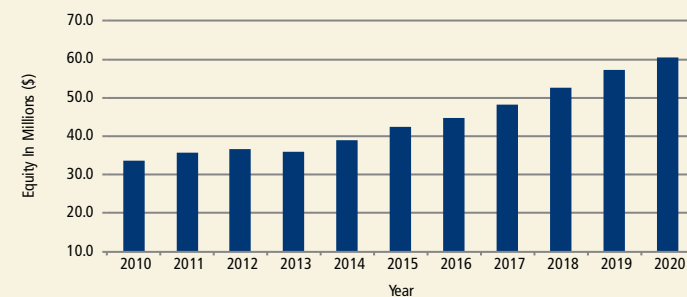
NET INCOME \$2,370,119



TOTAL DEPOSITS \$755,534,082



TOTAL EQUITY \$60,474,038



# REPORTS

## From The Chairman

2020 was a year unlike any other, and while more difficult than a normal year, we can look back with pride at how far we've come in the midst of the COVID-19 pandemic and the challenges it posed worldwide. These are uncertain times, but after more than 68 years providing for the financial well-being of our members, Greater Texas | Aggieland Credit Union remained steadfast in our commitment to assure uninterrupted access to financial services – all while taking proactive steps to protect the health and safety of our membership, employees, and their families.

As we navigated through rapidly-changing and evolving pandemic conditions, what did not change was our vision to be the best banking experience ever. In 2020, we implemented a variety of member-focused efforts to attain top-tier financial institution status. We introduced an online loan and new account origination system which significantly increased the speed of loan approvals and opening of new accounts. We also continued to make improvements to our telecommunication systems, our banking technology, and member and employee experiences in facilities and in technology.

I am also pleased to announce that construction of the new corporate office is well underway. The facility is scheduled to be completed this year with administrative staff occupying the building in early fall this year. The new corporate campus will enable all administrative staff to be housed in the same location and allow for future growth.

I offer my congratulations and sincere appreciation to all of those who help make Greater Texas | Aggieland Credit Union a success. As my final year on the Board comes to an end, I would like to thank my fellow Board members, Supervisory Committee members, and all management and staff for their continuous support, professionalism and friendship. For the members who trust Greater Texas | Aggieland Credit Union with your financial well-being, you are in great hands. Management and staff's dedication to the credit union and the

service provided to our members, each and every day, is a driver of our success. It is important to also recognize the many hours of volunteer service our Board and Committee members provide. Volunteer governance is a critical component of credit unions and is what differentiates us from other financial institutions.

It has been an honor to serve you on the Supervisory Committee and Board of Directors over the past 20 years, including the past 6 years as Board Chairman. Volunteering with Greater Texas | Aggieland Credit Union has been such a rewarding experience for which I am truly grateful.

Penny V. Rychetsky  
Chairman, Board of Directors



# REPORTS

## From The Supervisory Committee

The Supervisory Committee (Committee) is composed of five members who are appointed by the Board of Directors. During 2020, the Committee was responsible for several tasks. One task was to satisfy National Credit Union Administration (NCUA) requirements that an annual audit be conducted. NCUA regulations require a credit union with assets of \$500 million or more to have an opinion audit by a public accounting firm. To facilitate the opinion audit, a fiscal year-ending date of June 30 was selected by the Board of Directors. The certified public accounting firm of CliftonLarsonAllen, LLP was used by the Committee to perform an audit of Greater Texas Credit Union's statement of financial condition as of June 30<sup>th</sup>, 2020. The firm expressed an unqualified opinion of the credit union's financial reports and statements, indicating that the financial statements fairly and accurately represent the financial condition of the credit union, in accordance with Generally Accepted Accounting Principles. Copies of the complete statement of financial condition and related footnotes are available upon request.

On a periodic basis, closed account verification samples are drawn to confirm the closing of accounts by members and to determine the reasons for closure. The Committee also contracts with CliftonLarsonAllen for loan verifications on a quarterly basis. In addition, the Committee along with the Board of Directors, continued an internal audit program through our contracted audit firm, CliftonLarsonAllen, LLP. This firm audits organizational activities including reviews of member and staff loans, operating processes, information technology, and accounting records. The Committee reviews the internal audit work schedule annually, and redirects the focus of work, if necessary.

Throughout the calendar year, the Committee analyzed key financial trends and ratios. The following represents ratios on December 31<sup>st</sup>, 2019 and December 31<sup>st</sup>, 2020, with a comparison to peers across the nation.

	12-31-19	12-31-20	PEER 09-30-20
Loans/Shares	73.45%	75.83%	<b>77.86%</b>
Loans/Assets	66.66%	69.37%	<b>66.70%</b>
Delinquency Ratio	0.17%	0.43%	<b>0.50%</b>
Return on Average Assets	0.51%	0.31%	<b>0.64%</b>
Net Worth /Assets	8.40%	7.29%	<b>10.34%</b>

As the members' representatives, it is our goal to protect and safeguard member assets and to ensure that records are accurately maintained. We welcome your questions and comments at any time concerning the overall operation of the credit union or your individual account.

Thank you to all of our Committee members for the many hours of work in conducting their duties this past year!

Chris Langan  
Chairman, Supervisory Committee

# LOOKING BACK

## The 68<sup>th</sup> Annual Meeting, 2020

The 68th Annual Meeting of Greater Texas Credit Union was held June 18, 2020 at the Phillips Event Center located at 8140 Exchange Dr., Austin, TX 78754.

The meeting was called to order at 6:31 p.m. by Penny V. Rychetsky, Chairman of the Board of Directors. Verification that a quorum was present was affirmed by Marilyn Eaton, Secretary.

Chairman Rychetsky lead the Pledge of Allegiance and the Invocation was given by Howard N. Baker, II. Alesha Willis was designated as Parliamentarian.

A motion was made by Joan Huntley and seconded by Dorcas Moore to waive the reading of the previous annual meeting minutes. Copies were printed in the 2019 Annual Report. The motion carried.

Chairman Rychetsky introduced the following Board members and Supervisory Committee Chairman: Wesley Yeager, First Vice Chairman; Veronda Durden, Second Vice Chairman; Charlotte Schneemann, Treasurer; Marilyn Eaton, Secretary and Chris Langan, Supervisory Committee Chairman. Board members Flora Fearon and Linda Lothringer were also recognized, but were unable to attend.

Chairman Rychetsky recognized former Board of Directors Chairman, Kenneth L. Owens Owens, a former volunteer who was present.

The Treasurer's report was accepted as presented by Charlotte Schneemann on a motion by Kenneth L. Owens, seconded by Dorcas Moore.

Chris Langan, Supervisory Committee Chairman, presented the Supervisory Committee report. He recognized his committee who were unable to attend: Mike Trachta, Secretary; Paula Reed and Stephen A. Mason, Members. The Supervisory report was accepted as presented on a motion by Dorcas Moore, seconded by Alicia Herrera.

Chairman Rychetsky, presented the Chairman's Report. She asked members to refer to her written report in the annual report.

There was no unfinished business.

The Nominating Committee report was presented by Chairman Rychetsky on behalf of Nominating Committee Chairman Ben Moreno, who was unable to attend. The following nominations were submitted:

Three Candidates for Three-Year Terms

1. Marilyn Eaton
2. Veronda Durden
3. Charlotte Schneemann

Chairman Rychetsky called for nominations from the floor; hearing none, a motion to elect the nominees by acclamation was made by Frankie Fowler, seconded by Kenneth L. Owens. The motion carried with no opposition.

To conclude, Chairman Rychetsky introduced President & CEO, Howard N. Baker, to present his report.

There being no further business to discuss, a motion to adjourn the meeting was made by Frankie Fowler, seconded by Kenneth L. Owens. The meeting adjourned at 7:30 PM.

Penny V. Rychetsky  
Chairman

Marilyn Eaton  
Secretary

# LOOKING FORWARD

## TECHNOLOGY ENHANCEMENTS

Each new year comes with new technological enhancements and 2021 will be no different. Taking member suggestions and feedback, we will continue to enhance both online and mobile banking, as well as our contact center operations. We will continue to leverage our new loan and new account origination software technology and continue to improve service levels and member experiences.

## BRANCH UPDATES

To provide a better banking experience for our San Marcos members, we will be relocating our current branch to a new and modern branch location.

## INFORMATION SECURITY

As always, an important topic for our membership is security. We will advance the maturity of and maintain a cybersecurity management program that protects member information.

**GREATER TEXAS** | **AGGIELAND**  
CREDIT UNION | CREDIT UNION

Greater Texas Credit Union  
2020  
Annual Report



Federally Insured by NCUA