

75th Annual Membership Meeting

“ ★★★★★ ”
BAUER FINANCIAL
RATING

texell

Meeting Agenda

75th Annual Membership Meeting February 14, 2024

- I. Welcome and Invocation
- II. Assertion of a Quorum
- III. Approval of Minutes
- IV. Chairman's Report
- V. Treasurer's Report
- VI. Auditor's Report
- VII. Unfinished Business
- VIII. New Business
- IX. Election of Directors
- X. Adjournment

Report of the Chairman and Chief Executive Officer

In 2023, we celebrated our 75th anniversary and we've come a long way since 1948. But, one thing has not changed, Texell Credit Union remains financially safe, secure, and stable despite some of the economic challenges and bank failures last year. Bauer Financial again recognized our financial strength with their highest 5-star rating. Texell has made Bauer's recommended credit union list for over 33 years, with Q4 2023 being the 134th consecutive quarter.

We kept our focus on helping our members succeed financially. We welcomed over 8,500 new members, bringing our total membership to more than 51,000. In 2023, we had over 15,000 members secure over \$225.6 million in new loans. We helped 321 members with a mortgage loan and funded 26 small business loans, allowing them to either start or expand their businesses. Serving our members includes offering the technical options they want. So, we introduced a new Digital Banking system to allow our members easier access and more money management options.

In addition to helping our members succeed, we help Texell employees and the communities where our members live, work, and play succeed. For a third time, American Banker recognized Texell as one of the Best Credit Unions to Work For in the nation. This achievement is based on surveys that examine overall employee satisfaction and the benefits at Texell. Texell Serves, our philanthropic efforts, had a banner year as well. An astounding 95% of our employees took part in at least one community service event last year and volunteered 1,149 hours. Both numbers are records for Texell.

Thank you for choosing Texell Credit Union. We are proud to lead an organization that helps you succeed financially, and we look forward to serving you for many years to come.

Sincerely,



Ken Gaby
Chair



Tony Hale
President and Chief Executive Officer

Board of Directors

Ken Gaby – Chair

Term Expires 2025

Dan Bowen– Vice Chairman

Term Expires 2025

Dan Maresh- Treasurer

Term Expires 2025

Dr. Bill Cornelius

Term Expires 2026

Dr. Lynn Eaton

Term Expires 2025

Sue McMillin

Term Expires 2024

Joe Palmer

Term Expires 2024

Kevin Bell

Advisory Director

Mike Pilkington

Advisory Director

Executive Management

Tony Hale

President/Chief Executive Officer

David Borden

Chief Financial Officer

Amy Merriman

Chief Operating Officer

Anthony Rodgers

General Counsel

Chantel Brooks

Vice President, Lending

Galen Burke

Vice President, Commercial Services

Mary Ann Nickolai

Vice President, Marketing

Richard Silvers

Vice President, Technology Innovation

Amber Speer

Vice President, Mortgage Support

Compensation 2023:

Chair: January-October \$180 per meeting

November-December \$200 per meeting

Total not to exceed \$2,600

Board Member: January-October \$150 per meeting

November-December \$175 per meeting

Total not to exceed \$2,275

Compensation schedule to be paid 2024:

Chair: \$200 per meeting

Total not to exceed \$2,600

Board Member: \$175 per meeting

Total not to exceed \$2,275



Products and Services

At Texell, we make your life simple with savings, investment, checking, loan, insurance and convenience products that meet your financial needs. Take a look!

Loans

- New and Pre-Owned Auto Loans
- Car Buying Service, powered by True Car
- Conventional Mortgage Loans
- FHA Mortgage Loans
- VA Mortgage Loans
- Home Equity Loans
- RV Loans
- Boat Loans
- Motorcycle Loans
- Personal Loans
- Express Loans
- Credit Cards
- Commercial and Small Business Loans

Checking

- Choice Checking Accounts
- Choice Plus Checking Accounts
- Choice Advantage Checking Accounts
- Fresh Start Checking Accounts
- thr!ve Teen Checking Accounts
- Business Checking Accounts
- Health Savings Accounts

Savings + Investments

- Savings Accounts
- Money Market Accounts
- Term Share Certificates (CD)
- Individual Retirement Accounts
- Dollar Squad Kids' Club

Convenience

- Digital Banking
- Bill Payment
- e-Statements
- VISA® BONUS Debit Cards
- Texell World ATMs
- ANDI - automated phone system

Additional Services

- Payment Processing
- Notary Services
- Wire Transfers

Insurance¹

- Home
- Auto
- Renter's
- Life
- Long-term care
- Travel
- Pet
- Umbrella
- Wedding

Treasurer's Report

12/31/23

Assets

Total Loans	\$ 596,706,815
Allowance for Loan Loss	(10,646,222)
Cash/Investments	52,537,307
Fixed Assets	29,805,638
Other Assets	21,825,410
TOTAL ASSETS	\$ 690,228,948

Liabilities and Equity

Accounts Payable	\$ 7,458,167
Total Deposits	609,864,723
Other Liabilities	7,119,113
Regular Reserves	1,400,922
Undivided Earnings	64,412,393
Unrealized Investment Gains	(26,370)
TOTAL LIABILITIES AND EQUITY	\$ 690,228,948

Income Statement

Interest on Loans	\$ 31,861,668
Income from Investments	1,983,525
Other Income	17,514,908
TOTAL INCOME	51,360,101
Operating Expenses	36,453,633
Total Dividends	10,378,573
TOTAL EXPENSES	46,832,206
Extraordinary Gains	(34,857)
NET EARNINGS	\$ 4,493,038

Loans and Dividends

Total Loans made in 2023 - 15,483	\$279.8 million
Dividends paid to members since 1948	\$73.47 million
Loans made to members since 1948	\$2.60 billion

¹ Insurance products sold through Texell Financial, LLC doing business as Texell Insurance.

Total members 2023 = 51,151
3,056 increase from previous year

2024.605



INDEPENDENT AUDITOR'S REPORT

To the Board of Directors of
Texell Credit Union

Report on the Audits of the Consolidated Financial Statements

Opinion

We have audited the consolidated financial statements of Texell Credit Union and its subsidiary, which comprise the consolidated statements of financial condition as of June 30, 2023 and 2022, and the related consolidated statements of income, comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of Texell Credit Union as of June 30, 2023 and 2022, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of Texell Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Texell Credit Union's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

Report on the Audits of the Consolidated Financial Statements (Continued)

Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Texell Credit Union's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Texell Credit Union's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Troy, Michigan
November 8, 2023