

2024 ANNUAL REPORT



Public Employees
Credit Union

Austin

2025 Annual Meeting Agenda

- I. Call Meeting to order
- II. Ascertain that a quorum is present
- III. Appoint Recording Secretary and establish rules and procedures for Meeting
- IV. Minutes of the 2024 Annual Meeting
- V. Board of Directors Report
- VI. State of the Credit Union Report
- VII. Unfinished Business, if any
- VIII. New Business
- IX. Report of Nominating Committee
- X. Elections
- XI. Door Prizes
- XII. Adjourn

2024 Annual Meeting Minutes

Chair McGuinness presented the minutes from the 2023 Annual Meeting. The minutes were provided to all members via the Annual Report. Chair McGuinness asked if there were any corrections to the minutes as presented. Hearing none, the minutes were approved by acclamation.

Board of Directors Report

Chair McGuinness referred to the Board of Directors report as contained in the Annual Report. She thanked the member-owners for their involvement in the credit union, as demonstrated by them being in attendance. During 2023, PECU was committed to providing the best value and experience for the members by developing more online banking tools, expanding account options, simplifying processes, reducing and eliminating fees and maintaining robust cybersecurity measures. Chair McGuinness gave an overview of the overall credit union landscape in Texas. She talked about Zogo, the credit union's online financial literacy program where more than 1.1 million lessons have been completed, plus thousands of prizes have been earned. In closing, Chair McGuinness thanked the Board for their confidence and leadership. She also thanked the staff for its support and loyalty to its member-owners. In conclusion, she wished everyone the very best for 2024.

President's Report

PECU President, Gary Whitcomb, presented the President's Report. He began by welcoming everyone to PECU's 71st Annual Meeting and proceeded to discuss credit unions and their benefits and differences from banks. PECU is a non-profit financial cooperative that exists solely and

equally for its members. Credit unions put people over profits. They are able to offer a higher level of personalized service while offering lower borrowing rates, higher deposit rates and fewer/ lower fees. President Whitcomb thanked the volunteer Board of Directors for sharing their time, knowledge and expertise in guiding the credit union. He discussed some of the past challenges including COVID 19 and the current economic environment. President Whitcomb was proud to report that the credit union performed well in 2023. PECU grew financially stronger and was able to manage the risks in the loan portfolio. It will continue to serve its members with professionalism, loyalty, and sound economic principles. He then discussed the Audit Report. President Whitcomb was pleased to announce that the credit union continues to operate in a financially safe and sound manner with the appropriate risk management controls in place. Next, Mr. Whitcomb thanked the employees that come to work every day and do a great job of meeting and exceeding the needs of the credit union members. He reiterated PECU's commitment to credit union philosophy. In closing, he wished for a successful 2024 for everyone and thanked the members for their loyal support and attendance.

Unfinished Business

There were no items of unfinished business.

New Business

There were no items of new business.

Report of the Nominating Committee

Chair McGuinness called upon Jennifer Soldano, Board Nominating Committee Chair, to give the report of the Nominating Committee. Mrs. Soldano reported that there were two (2) vacancies on the PECU Board. She stated that Lanny Wadle and Jeffery Smoot had been nominated for 3-year terms. As there were no objections, the motion of the Nominating Committee was approved.

Door Prizes

Chair McGuinness called upon Scott Murphy, VP of Marketing, to assist in the random drawing of door prizes. Twenty (20) door prizes of \$25 each were awarded to attendees whose tickets were drawn.

Meeting Adjourned

The Annual Meeting was adjourned at 7:34 p.m.

Board of Directors Report

Welcome to the 72nd Annual Meeting of Public Employees Credit Union. Thank you for taking time out of your busy schedule to be here and take an active role in your local credit union. Being aware of the current state of PECU so that you can make informed choices benefits us all.

PECU continues to perform well. Your credit union remains financially sound and fiscally secure. We are here to help you navigate the shifting financial landscape. While the pandemic is a distant image in our rearview mirrors, its impact continues, not only as a health concern but because it forced us to find new solutions for everything we do as a credit union. Because of these challenges, members have come to value and appreciate how their credit union has helped them through these past several years with fewer disruptions.

More recently, our culture and economy have encountered uncertainty from the wars in Ukraine and the Middle East, supply chain disruptions, rising energy costs, and rising prices in general. We at PECU are doing our part to help you get through these challenges by offering competitive rates and products, adapting to the shifts in the industry and global economy, and developing forward-thinking and streamlined processes so that we can provide the best value and experience for you.

Overall, the business landscape for credit unions in Texas is encouraging. According to the Credit Union National Association's 2024 mid-year report, Texas currently has 402 credit unions headquartered in the state, with a growing total membership of 10,538,328. Our average loan rates are significantly lower than banks. This offers substantial savings to our members, often by a percentage point or more.

As your credit union, we pride ourselves on being involved in our community. We offer extensive financial literacy resources and tools through our sponsorship of the top-rated Zogo app. This PECU community financial literacy initiative offers Zogo free for all of the members of the communities we serve, even if they are not PECU members. PECU Zogo users have now earned more than 20 million financial literacy points.

We're also proud to announce that we're partnering with PlayVS to help AISD high school and middle school Esport programs grow and thrive. This new partnership enables

players and schools of AISD to compete at no cost using the PlayVS gaming platform. By working in tandem, PECU and PlayVS aim to not only open more doors to competitive gaming, but also generate opportunities for social skills development and career pathways through engagement.

Your PECU volunteer Board of Directors is composed of professionals that represent you, the member-owners of PECU. The Board is appreciative of the management and employees of PECU. The Board wishes to thank the employees for their dedication to providing professional and courteous service to the members of PECU.

We are sincerely grateful that you've chosen PECU as your financial partner. We wish you a healthy and prosperous 2025.

Board Members

Claire McGuinness, Chair
Patrick Marotta, Vice Chairman
Tommy Gregg, Secretary
Jennifer Soldano, Treasurer
Lanny Wadle, Assistant Treasurer
Jeffery Smoot, Assistant Secretary
Catherine DeStacio, Board Member

Audit Report

An annual financial audit is conducted by Nearman, Maynard, and Vallez, a certified public accounting firm. Nearman, Maynard, and Vallez also conducts internal audits throughout the year. Periodic examinations are conducted by the Texas Credit Union Department, the regulatory agency for all state-chartered credit unions, and the National Credit Union Administration (NCUA). Board and Management is pleased to report that PECU continues to operate in a financially sound manner and has appropriate risk management controls in place.



Apple QR Code

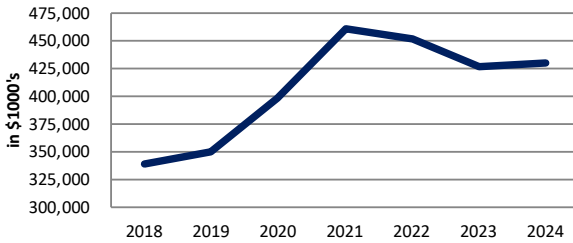


Google Play QR Code

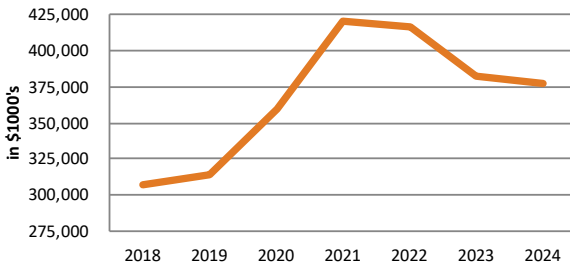
Scan the Apple or Android code with your camera phone to download the PECU mobile app.

AT-A-GLANCE

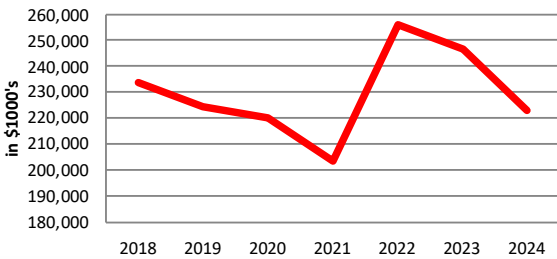
TOTAL ASSETS



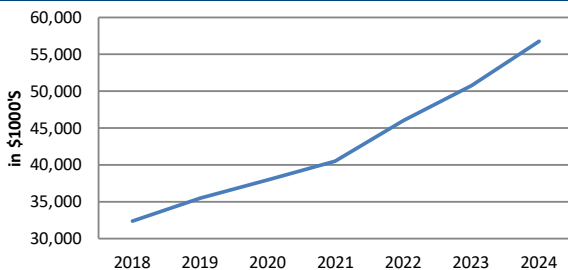
TOTAL MEMBER DEPOSITS



TOTAL LOANS



NET WORTH CAPITAL



BALANCE SHEET

(as of December 31, 2024)

ASSETS

2024

Loans

Personal Loans	104,872,770
Real Estate Loans	118,536,874
Allowance for Loan Loss	(989,035)
Net Loans	222,420,609
Cash, on hand	1,422,185

Investments

Marketable Securities	113,809,726
Catalyst Corporate Credit Union	76,917,004
Nat'l Credit Union Share Insurance Fund	3,327,233
Other Investments	3,912,517
Total Investments	197,966,480

Other Assets

Land and Building	4,647,274
Other Fixed Assets	925,498
Accrued Interest	1,107,156
Deferred Assets	549,234
Other Assets	811,102

TOTAL ASSETS

\$429,849,537

LIABILITIES

Accrued Interest and Dividends	158,437
Accrued Expenses	363,601
Accounts Payable and Other Liabilities	430,532
Dormant Accounts	44,122

SHARES AND DEPOSITS

376,803,777

EQUITY

Reserves & Undivided Earnings	52,049,068
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TOTAL LIABILITIES AND EQUITY

\$429,849,537

INCOME STATEMENT

(as of December 31, 2024)

INCOME

2024

Interest on Loans	11,119,992
Income from Investments	5,249,388
Fee and Other Income	1,534,642
Non-Operating Income	0
TOTAL INCOME	17,904,022

EXPENSES

Employee Compensation and Benefits	5,005,812
Travel and Conference Expense	18,500
Office Occupancy Expense	806,864
Office Operations Expense	1,543,219
Educational and Promotional Expense	230,133
Loan Servicing Expense	223,917
Professional & Outside Services	512,616
Provision for Loan Losses	573,652
Supervision & Examination	40,831
Miscellaneous Expenses	68,070
Non-Operating Expenses	55

TOTAL EXPENSE

9,023,670

INCOME BEFORE DIVIDENDS

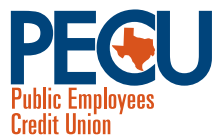
8,880,352

Dividends & Interest Expense

3,270,984

NET INCOME

\$5,609,369



WEB ADDRESS

www.pecutx.org

MAILING ADDRESS

P.O. Box 2205
Austin, TX 78768-2205

CENTRAL TEXAS PHONE NUMBER

512.474.1955

PECU LOCATIONS

Main Office

306 E. 10th St.
P.O. Box 2205
Austin, TX 78768-2205

Central Branch

1200 W. 42nd St.
Austin, TX

Walnut Creek Branch

8013 Centre Park Dr.
Austin, TX

Oak Hill Branch

5838 Hwy. 290 West
Austin, TX
Drive Thru Branch

Round Rock Branch

15800 RM 620 North
Austin, TX

Beaumont Branch

4215 Eastex Freeway
P.O. Box 7430
Beaumont, TX
77726-7430
Tel: 409.892.3171

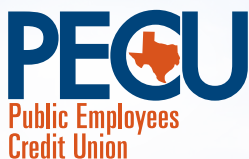


Cynthia Hilt won an iPad at our latest Member Appreciation event.



Deon Collins and Carmen Cullers were two of our many cash winners at PECU's Birthday Party.





Terms of PECU Board of Directors

Chair, Claire McGuinness, Term expires in 2028

Vice Chairman, Patrick Marotta, Term expires in 2026

Secretary, Tommy Gregg, Term expires in 2026

Treasurer, Jennifer Soldano, Term expires in 2028

Assistant Treasurer, Lanny Wadle, Term expires in 2027

Assistant Secretary, Jeffrey Smoot, Term expires in 2027

Board Member, Catherine DeStasio, Term expires in 2028

Changes in Senior Management

Promoted: Audrey Lynch, VP of Lending

Retired: Juan Facundo, VP of Lending

Changes In Bylaws, 2024

None

Changes in Articles of Incorporation, 2024

None

Membership Size: 22,369