

FINANCIAL CONDITION

ASSETS	2020	2019
Consumer.....	\$792,135,397	\$693,187,237
Credit Cards.....	18,247,895	20,592,044
Real Estate.....	237,528,893	199,257,199
Subtotal.....	1,047,912,185	913,036,480
Allowance For Loan Loss.....	(5,763,449)	(4,565,182)
Total Loans.....	1,042,148,736	908,471,298
Accounts Receivable.....	110,291	78,889
Cash & Investments.....	167,039,148	82,649,272
Fixed Assets.....	50,542,286	48,138,172
Accrued Income.....	2,617,165	2,519,924
Prepaid and Deferred Expenses.....	2,036,881	2,649,659
TOTAL ASSETS	1,264,494,507	1,044,507,214

LIABILITIES AND EQUITY	2020	2019
Share Accounts.....	514,589,892	414,167,753
Checking Accounts.....	227,140,950	176,962,070
Certificates of Deposit.....	147,563,829	122,661,327
IRAs.....	48,755,664	46,996,328
Money Market Accounts.....	66,811,129	51,290,233
Other Member Deposit Accounts.....	70,727,593	58,719,769
Member Deposit Total.....	1,075,589,057	870,797,480
Accounts Payable.....	2,725,579	3,075,522
Other Liabilities.....	2,070,223	1,043,096
Accrued Expenses.....	3,703,330	3,414,167
Dividends Payable.....	474,000	2,222,559
Reserve Fund and Retained Earnings.....	179,932,319	163,954,390
Notes Payable.....	0	0
TOTAL LIABILITIES AND EQUITY	1,264,494,507	1,044,507,214

INCOME	2020	2019
Loans.....	43,637,734	40,320,390
Investments.....	678,664	2,017,601
Other Income.....	13,040,166	13,400,227
TOTAL INCOME	57,356,564	55,738,218

EXPENSES	2020	2019
Total Operating Expenses.....	32,163,122	30,340,151
Share Dividends.....	839,029	2,924,799
Certificates of Deposit (CDs).....	2,889,830	2,601,819
Individual Retirement Account (IRAs).....	29,379	42,645
Checking Account Interest.....	111,409	90,749
Money Market Accounts.....	213,601	272,765
Total Dividends and Interest Expenses.....	4,083,247	5,944,696
TOTAL EXPENSES	36,246,369	36,284,847
Provision for Loan Losses.....	5,132,266	5,741,379
NET SURPLUS/(DEFICIT)	15,977,929	13,711,992

DATCU LOCATIONS

Aubrey
919 Highway 377 South
Aubrey, TX 76227

Corinth
3005 FM 2181
Corinth, TX 76210

Decatur
600 West Ford Street
Decatur, TX 76234

East Denton
3620 Duchess Drive
Denton, TX 76209

Flower Mound
2935 Long Prairie Road
Flower Mound, TX 75022

Highland Village
1900 Briarhill Boulevard
Highland Village, TX 75077

Lewisville
1001 South Edmonds Lane
Lewisville, TX 75067

North Denton
906 West University Drive
Denton, TX 76201

Sanger
618 North 10th Street
Sanger, TX 76266

South Denton
3210 Teasley Lane
Denton, TX 76210

The Colony
4190 Main Street
The Colony, TX 75056

West Denton
2216 Emery Street
Denton, TX 76201

HOURS

Lobby Hours
Monday - Friday 9 a.m. - 5 p.m.
Saturday 9 a.m. - 1 p.m.

Drive-Thru Hours
Monday - Friday 8 a.m. - 6 p.m.
Saturday 9 a.m. - 1 p.m.

CONTACT

940.387.8585
datcu.org

Virtual Branch
940.387.8585
Monday - Friday 8 a.m. - 5 p.m.
Saturday 9 a.m. - 1 p.m.

MAILING

(All Branches)
DATCU Credit Union
P.O. Box 827
Denton, TX 76202-0827

SENIOR MANAGEMENT STAFF

Glen P. McKenzie – President/Chief Executive Officer
Melanie Vest – Executive Vice President, Chief Financial Officer
Jon Madsen – Executive Vice President, Chief Operations Officer
James Henderson – Executive Vice President, Chief Information Officer
Janice Sheppard – Senior Vice President of Real Estate
David Frazier - Vice President Contoller
Robert Hall – Vice President of Information Systems
Craig Neu – Vice President of Lending
Susan Passariello – Vice President of Marketing
Dee Dee Peterson - Vice President of Branch Operations
Pat Sherman – Vice President of Community Relations
Sonya Thompson - Vice President of Product Development



Federally Insured by NCUA

MARCH 25, 2021

ANNUAL REPORT

A YEAR OF ACCOMPLISHMENTS

2020

DATCU.ORG | 940.387.8585

85th ANNUAL MEETING

March 25, 2021 5:00 P.M.

Virtual

- I. Welcome
- II. Invocation
- III. Verification of Quorum
- IV. Reading of the 83rd Annual Meeting Minutes
- V. Chairman's Report
- VI. CEO's Speech
- VII. Unfinished Business
- VIII. New Business
- IX. Election of Directors
- X. Plaque Presentation-Outgoing Board of Directors
- XI. Adjournment

DATCU 2020-2021 BOARD OF DIRECTORS

TERMS EXPIRE AT ANNUAL MEETING 2021

Ms. Valerie Foster
 Mr. Lee Howell
 Mr. Robert Ramirez
 Mr. James Wells

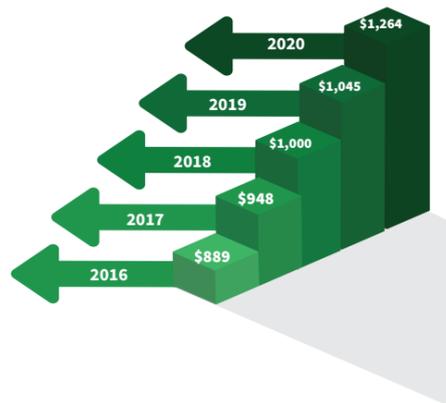
TERMS EXPIRE AT ANNUAL MEETING 2022

Dr. Ron Aldridge
 Mr. Gary Goldsmith

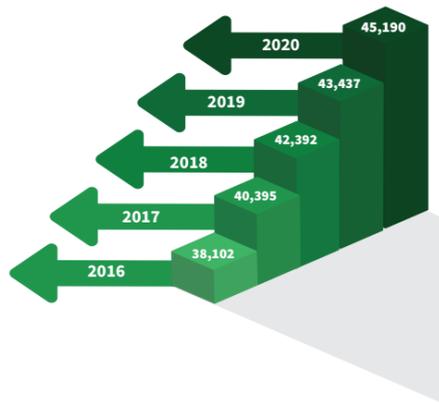
TERMS EXPIRE AT ANNUAL MEETING 2023

Dr. Gayle Stinson

Asset Size
(in millions)



Loan Growth
(in units)



CHAIRMAN AND CEO'S REPORT

In August of 2020, we celebrated our 84th Anniversary serving members across North Texas. We are delighted to report that DATCU remains a stable, safe, and secure financial institution with an A+ health rating by DepositAccounts.com. We ended 2020 with total assets of \$1,264,494,507, a 21% increase over the prior year. Another significant milestone for the credit union was the achievement of over 1 billion dollars in our loan portfolio. Meeting lending needs through home loans, auto loans, and personal loans resulted in a 14.7% increase in overall loan growth. Growth in the real estate portfolio saw a 19.3% increase year over year.

We are now positioned in the top 6% of credit unions in the nation ranking as the 315th largest credit union in the U.S. and the 20th largest in Texas.

In response to a global pandemic, drive-thru lanes remained open to serve members with all available services. While the Coronavirus / COVID-19 pandemic led to high unemployment and a significant economic downturn for many businesses, we implemented technologies and policies including a "Telecommuting Policy" where employees were able to work from home. With a commitment to help our members weather the storm of challenging times, we extended the loans of over 5,800 members with 24% of them getting more than one extension on their loan(s). We implemented real estate forbearance programs, and for thousands of our members experiencing financial hardship, we enacted skip payment programs.

Our team's commitment to our members remains at the forefront of every decision we make at DATCU. In the first quarter of 2020, we implemented changes to enhance the financial well-being of our members including free ATM transactions and the addition of interest on our free checking for active members. We enriched our credit card rewards from 1.0% to 1.5% on every purchase with no limitations.

Strengthening, caring for, and giving back to our communities is a core value of what we stand for at DATCU. Continuing our dedication and focus on the relationships with our school districts, our board approved a 10-year, \$250,000 agreement with Lake Dallas ISD. In addition, DATCU also donated over \$169,000 in support of civic organizations, nonprofits, and schools.

Providing our members with convenient account access 24/7 remains a priority. The global pandemic increased this need and in 2020, we saw our members conduct 4.3 million e-transactions as they utilized their mobile phones, tablets, and online banking to conduct their financial business. On behalf of the DATCU Board of Directors, our executive team, and our 200+ dedicated employees, we thank you for being a member of our credit union and promise to do our very best to exceed your expectations today and in the future.

Gary Goldsmith
Chairman of the Board

Glen P. McKenzie
President/Chief Executive Officer

AUDITOR'S REPORT

Report on the Consolidated Financial Statements

We have audited the accompanying consolidated financial statements of DATCU and Subsidiary, which comprise the consolidated statements of financial condition as of June 30, 2020 and 2019, and then related consolidated statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in Government Auditing Standards, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements 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 the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DATCU and Subsidiary as of June 30, 2020 and 2019, 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.

Other Matters

Other Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The financial data template, as required by HUD, is presented for purposes of additional analysis and is not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the consolidated financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the consolidated financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated, in all material respects, in relation to the consolidated financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with Government Auditing Standards, we have also issued our reports dated September 4, 2020, on our consideration of DATCU and Subsidiary's internal control over financial reporting and on our tests of their compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of DATCU and Subsidiary's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering DATCU and Subsidiary's internal control over financial reporting and compliance.

CliftonLarsonAllen LLP

Member Deposits
(in millions)



Reserves & Undivided Earnings
(in millions)

