

FINANCIAL CONDITION

ASSETS	2021	2020
Consumer.....	\$899,814,918	\$792,135,397
Credit Cards.....	22,028,428	18,247,895
Real Estate.....	259,975,736	237,528,893
Subtotal.....	1,181,819,082	1,047,912,185
Allowance For Loan Loss.....	(6,417,079)	(5,763,449)
Total Loans.....	1,175,402,003	1,042,148,736
Accounts Receivable.....	92,307	110,291
Cash & Investments.....	237,560,932	167,039,148
Fixed Assets.....	53,953,094	50,542,286
Accrued Income.....	2,805,473	2,617,165
Prepaid and Deferred Expenses.....	2,513,761	2,036,881
TOTAL ASSETS	1,472,327,570	1,264,494,507

LIABILITIES AND EQUITY	2021	2020
Share Accounts.....	616,354,665	514,589,892
Checking Accounts.....	271,704,894	227,140,950
Certificates of Deposit (CDs).....	149,933,332	147,563,829
Individual Retirement Account (IRAs).....	50,318,625	48,755,664
Money Market Accounts.....	89,674,672	66,811,129
Other Member Deposit Accounts.....	87,379,794	70,727,593
Member Deposit Total.....	1,265,365,982	1,075,589,057
Accounts Payable.....	4,354,841	2,725,579
Other Liabilities.....	(251,485)	2,070,223
Accrued Expenses.....	3,239,158	3,703,330
Dividends Payable.....	450,599	474,000
Reserve Fund and Retained Earnings.....	199,168,475	179,932,319
Notes Payable.....	0	0
TOTAL LIABILITIES AND EQUITY	1,472,327,570	1,264,494,507

INCOME	2021	2020
Loans.....	44,042,706	43,637,734
Investments.....	328,808	678,664
Other Income.....	14,642,537	13,040,166
TOTAL INCOME	59,014,051	57,356,564

EXPENSES	2021	2020
Total Operating Expenses.....	33,538,842	32,163,122
Share Dividends.....	969,286	839,029
Certificates of Deposit (CDs).....	2,205,870	2,889,830
Individual Retirement Account (IRAs).....	30,179	29,379
Checking Account Interest.....	133,176	111,409
Money Market Accounts.....	202,119	213,601
Total Dividends and Interest Expenses.....	3,540,630	4,083,247
TOTAL EXPENSES	37,079,472	36,246,369
Provision for Loan Losses.....	2,698,423	5,132,266
NET SURPLUS/(DEFICIT)	19,236,156	15,977,929

DATCU LOCATIONS

Aubrey	West Denton
Corinth	Flower Mound
Decatur	Highland Village
East Denton	Lewisville
North Denton	Sanger
South Denton	The Colony

HOURS

Lobby Hours
Monday - Friday 9 a.m. - 5 p.m.
Saturday 9 a.m. - 12 p.m.

Drive-Thru Hours
Monday - Friday 9 a.m. - 6 p.m.
Saturday 9 a.m. - 12 p.m.

MAILING

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

SENIOR MANAGEMENT STAFF

Glen P. McKenzie – Chief Executive Officer
Melanie Vest – President
Jon Madsen – Executive Vice President, Chief Operations Officer
James Henderson – Executive Vice President, Chief Information Officer
David Frazier – Senior Vice President, Member Services
Robert Hall – Senior Vice President, Information Systems
Craig Neu – Senior Vice President, Lending
Janice Sheppard - Senior Vice President, Real Estate
Sonya Thompson - Senior Vice President, Member Experience
Kerry Cristales - Vice President, Controller
Susan Passariello – Vice President, Marketing
Dee Dee Peterson - Vice President, Branch Operations
Pat Sherman – Vice President, Community Relations
Kayla Walding - Vice President, Human Resources



2021 ANNUAL REPORT

DATCU.ORG | 940.387.8585

86th ANNUAL MEETING

March 24, 2022
 5:00 p.m. - Reception
 5:30 p.m. - Meeting

- I. Welcome
- II. Invocation
- III. Verification of Quorum
- IV. Reading of the 85th Annual Meeting Minutes
- V. Chairman's Report
- VI. CEO's Report
- VII. Unfinished Business
- VIII. New Business
- IX. Election of Directors
- X. Outgoing Board of Directors
- XI. Adjournment

DATCU 2021-2022 BOARD OF DIRECTORS

TERMS EXPIRE AT ANNUAL MEETING 2022

Gary Goldsmith
 Lee Howell

TERMS EXPIRE AT ANNUAL MEETING 2023

Dr. Ron Aldridge
 Ann Pape Wilson

TERMS EXPIRE AT ANNUAL MEETING 2024

Michael Foster
 Valerie Foster
 Dr. Jamie Wilson

CHAIRMAN AND CEO'S REPORT

We, along with many, continued to face challenges in 2021 brought on by the pandemic. Despite these challenges, DATCU grew to over \$1.47 billion in assets in 2021. We have positive earnings, continuous growth, and solid net worth.

DATCU expanded the field of membership to include, Collin, Dallas, Grayson, Jack, Parker, and Tarrant counties deepening our long-time commitment of making a positive impact on North Texas. We loaned over \$600 million that included autos, homes and credit cards. Our commitment to the communities we serve continued with our involvement in local nonprofits, civic organizations, and schools.

We still believe in the philosophy of "people helping people", and remain steadfast in our commitment to helping our members. We are focused on enhancing our member experience. A key initiative focused on creating a better digital experience for our membership. The result was the phase I roll-out of an updated DATCU online and mobile app. We continue to work diligently with our partners to bring you exciting features for these channels. We also rolled out a communication platform on datcu.org that offers chat, voice, and co-browsing for our members. Additionally, we opened a new Lewisville branch to replace the old location. Finally, we continue working with our youngest members by giving them the opportunity to open their first checking account, debit card, and credit card at the credit union while learning financial responsibility under the guidance of their parents.

Succession planning has always been at the forefront of our DATCU leadership. In looking to continue our future success, Melanie Vest was named President of DATCU in November. This unanimous decision by DATCU's Board of Directors was a historic move as it made her the first female president of the credit union.

On behalf of the Board of Directors, management and staff, we thank you for your membership and always appreciate the opportunity to serve you.

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, 2021 and 2020, and the 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, 2021 and 2020, 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.

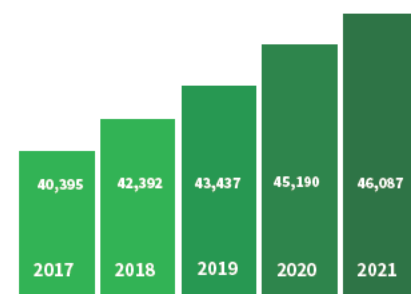
Other Reporting Required by Government Auditing Standards
 In accordance with Government Auditing Standards, we have also issued our reports dated August 31, 2021, on our consideration of DATCU and Subsidiary's internal control over financial reporting and on our tests of their compliance with certain 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

Asset Size
 (in millions)



Loan Growth
 (in units)



Valerie Foster
 Chairman of the Board

Glen P. McKenzie
 Chief Executive Officer

Member Deposits
 (in millions)



Reserves & Undivided Earnings
 (in millions)

