

AOD FEDERAL CREDIT UNION
P.O. BOX 608
BYNUM, AL 36253

MINUTES OF THE 71st ANNUAL MEETING #4-2021

1. Date, time, Place and Attendance:

Date and Time:	February 23, 2021, 6:00 p.m.
Place:	Virtual
Attendance:	<u>Board Members Present:</u> Gordon L. "Doc" Williamson, Chairman Delle Bean, Vice-Chairman Bobby Israel, Treasurer (Virtual) Gloria Jean Newton, Secretary Ronald Self, Director Jim Webb, Director James Larry Daugherty, Director Donte Vincent, Supervisory Committee Cindy Taylor, Supervisory Committee Charlene Stallings, Supervisory Committee Virginia Bowen, CEO David Mooney, CFO (Virtual) Rikki Graben, COO Robert Guice, CIO Alison Hardeman, Board Recorder Amie Hinton, Marketing Director Craig Young, Facilities Manager Zach Van Gieson, Human Resource Manger Blake Saxon, IT Administrator AODFCU Staff (Virtual) 151 Total Virtual Attendees

2. Virginia Bowen, Chief Executive Officer welcomed everyone to the 71st Annual Meeting for AOD Federal Credit Union and the first virtual meeting. Mrs. Bowen said that the meeting would have portions that are live and portions that are pre-recorded. She said

that members would be prompted when it is time to approve the minutes. Mrs. Bowen said that if you have any question you may use the chat feature and an email response will be sent to you within the next few days. She turned the meeting over to the Gordon “Doc” Williamson, Chairman of the Board of Directors.

3. Mr. Williamson called the meeting to order at 6:01 p.m. Gloria Jean Newton, Secretary certified that a quorum was present.
4. Mr. Williamson asked Larry Daugherty, Director to give the Invocation. After the Invocation Mr. Daugherty asked everyone to stand and he led the Pledge of Allegiance.
5. Mr. Williamson said that the minutes of the 70th Annual Meeting was located on the website landing page for review. He said he would like a motion to dispense the reading of the 70th Annual Meeting minutes and approve as presented. Mr. Williamson asked for a motion and a second to approve the minutes. *Mr. Webb made the motion and Mrs. Bean seconded the motion to approve the minutes.* After a motion was made and seconded Mr. Williamson asked everyone on zoom to use the polling option at the bottom of the screen to vote yes to approve the minutes or no to not approve the minutes. He said everyone would have 30 seconds to vote. *The motion carries unanimously.*
6. Mr. Williamson introduced a the 2020 AOD Federal Credit Union video. Mr. Williamson said that after the pre-recorded video the meeting would continue live.
7. Mr. Williamson said at this time everyone will view the pre-recorded Chairman, Treasurer, and Supervisory Committee reports referenced in the agenda.
8. Chairman’s Report – AOD Federal Credit Union has been honored to serve you with quality member service for over 71 years. From our humble beginnings at the Anniston Army Depot in 1950, with 45 charter members, your credit union has now grown to over 35,000 members and over \$399 million in assets. As Chairman of the Board, I am proud to present the 2020 Annual report for AOD Federal Credit Union and pleased to report that AODFCU finished 2020 stronger and more stable than ever. The contributions of management and staff along with the commitment of your Board of Directors and Supervisory Committee all combined to make AOD Federal Credit Union one of the safest and financially strong institutions in Alabama. As we look back on 2020, we will all remember it as a year like no other. It was a very challenging year for everyone but out of those challenges we learned of new ways to conduct business, improve processes, and continued to fulfill the mission of AOD Federal Credit Union. As the country began to shut down AOD Federal Credit Union remained operational to serve the needs of our members. While changes in operations were necessary at times, we remained available

to our membership. Our membership had to adjust to this new normal as well, and I am very pleased that AOD Federal Credit Union was prepared and all our digital channels were available for our membership. The credit union continued to upgrade technology and facilities to improve efficiencies and improve member service. AODFCU continues to expand our field of membership by partnering with more than 1060 Select Employer Groups to enable their employees and their families to enjoy the benefits of membership with AOD Federal Credit Union. AOD Federal Credit Union was approved to expand our field of membership to underserved communities in 10 counties which will enable AOD Federal Credit Union to provide financial services to any that lives, works, worships, or goes to school in those communities. AOD Federal Credit Union opened its second school branch in 2020 at Walter Welborn High school and continue to operate a branch at Anniston High School. In 2020 AOD Federal Credit Union was voted as Anniston Star's Readers' Choice #1 Best Financial Institution in Calhoun County. AODFCU will continue to strive to improve your financial relationship with us by providing you with quality products and exceptional service. On behalf of the Board of Directors, Supervisory Committee, Management, and Staff of AODFCU, we are honored to have the privilege of serving you, our member-owners. We congratulate everyone who contributed to another successful year at AOD Federal Credit Union.

9. Treasurer's Report- David Mooney, Chief Financial Officer gave the Treasurer report. Mr. Mooney said as he recaps the 2020 financial report, he said that he wants to assure you that AOD Federal Credit Union remains a very sound and financially solid credit union.

Review of the balance sheet:

- Total assets for 2020 ended at approximately \$399MM which was a \$74MM increase from 2019.
- Total deposits ended 2020 at \$346MM representing an increase of more than \$62MM compared to 2019.
- Total loans for 2020 ended just over \$193MM which was an increase of over \$21.7MM from 2019.
- And finally, our equity, ended the year at just over \$50MM which represents an increase of \$4MM.

Income Statement:

- Total interest income for 2020 was \$10.25MM which was actually a decrease of \$470K from 2019.
- Dividends, or interest expense that we paid to you our membership was just over \$2MM and that represents an increase of \$700K from the prior year. Within the \$2MM above in 2020 we were able to pay out to the membership \$345k in bonus dividends.

- Total operating expense was \$11,934k which was a decrease of \$69K from 2019
 - Our net income for the year, ended at \$2.16MM which was a \$964K decrease from 2019. Your management monitored this throughout the year, and we feel this is largely attributable to a decrease in consumer spending associated with COVID-19.
- Mr. Mooney thanked the membership for a challenging 2020 and he said he looked forward to a more prosperous 2021.

10. Supervisory Committee Report- Charlene Stalling, Chairperson gave her report. The Supervisory Committee is made up of dedicated volunteers who commit their time, energy, and talents to helping the Credit Union achieve success. As members of the Supervisory Committee, we volunteer to serve in this role because we are passionate about the Credit Union's mission to enhance the lives of our members and our community. I would like to express my appreciation to the other committee members for their support and commitment throughout this past year. Other Committee members for 2020 included: Mr. Donte Vincent, Vice Chairman, Ms. Cindy Taylor/Recording Officer, and Ms. Jean Newton, Member. This past year has been a year of transition, changes, learning, and challenges; but it has been a year that has made our credit union greater and stronger. Due to COVID, we have had to make several changes this past year. Some of these changes have been challenging at times. We've had to conduct business in new ways in order to meet state mandates and fulfill our mission. We would like to thank everyone for adjusting to these many changes with a "can do" attitude. The 2020 Financial Audit of the credit union's accounts, and financial records was performed by accounting firm, Barfield Murphy Shank & Smith. This audit validated that financial statements presented the true and accurate financial condition of the credit union. Also, Barfield Murphy Shank & Smith performed the 2020 Agreed Upon Procedures Audit and Bank Secrecy Act Audit. These audits were completed with no material findings. In addition, the Compliance team has conducted various internal reviews and audits. The results of these reviews and audits indicated:
- That adequate internal controls exist to protect members accounts
 - And that the financial statements accurately reflect the performance and condition of the credit union.

Thank you, Management and Credit Union employees, for your hard work, dedication, and positive attitude during this past year. On behalf of the Supervisory Committee, I would like to commend the Board of Directors, Management, and employees for taking pride in the credit union and providing exceptional commitment and loyalty to our members during such a challenging year. And to our members, thank you for being so willing to meet the challenges that 2020 presented and for supporting your credit union. Together, we can all take pride in a successfully operated credit union that complies with established policies, guidelines, and regulations. I appreciate the opportunity I've had this year to serve on the Supervisory Committee. It has truly been an honor to serve the members of the Credit Union and a pleasure to serve such a reliable, trustworthy, and committed organization.

11. Mr. Williamson said if anyone had any questions or comments about any of the reports to submit questions at the bottom of the screen or send an email. He said that all questions would be answered by close of business day on February 24.

12. Old Business- No old business.

13. New Business- Mr. Williamson said there was one new business item and that is the 2020 election results. Mr. Williamson listed each position held on for the Board of Directors. Delle Bean, Vice-Chairman, Bobby Israel, Treasurer, Jean Newton, Secretary, Larry Daugherty, Director, Jim Webb, Director, and Ron Self, Director. He said there were three board members that their terms expired in 2020. He said all three members ran unopposed. Mr. Williamson said that officers and board members for 2021 are Delle Bean, Chairman, Larry Daugherty, Vice-Chairman, Jim Webb, Treasurer, Jean Newton, Secretary, Bobby Israel, Director, Ron Self, Director, and Gordon Williamson, Director.

New Business Question from a member virtual.

Question: When will AOD provide reciprocal services to members of other credit unions? Also, when will your ATMs allow deposits to accounts at other credit unions?

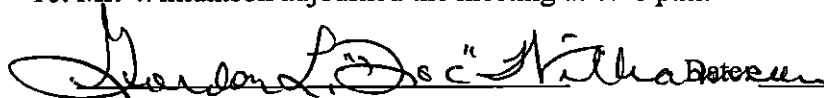
Answer given by Virginia Bowen, CEO via email on February 26, 2021.

Thank you for attending the 71st Annual Meeting for AOD Federal Credit Union. We received your question: "When will AOD provide reciprocal services to members of other credit unions? Also, when will your ATM's allow deposits to account at other credit unions? AOD Federal Credit Union is currently in the testing phase to allow members from other credit union to transact business at AOD. We anticipated this to be ready to launch during 2nd quarter 2021. AOD Federal Credit Union does not currently accept deposits for accounts at other credit union and does not have plans to allow deposits through the ATM for other credit unions. If you have any questions or need any additional information, please call me at 256-241-8273.

14. Special Recognition- Mr. Williamson called Mrs. Stallings, Supervisory Committee Chairperson to join him at the podium. Mr. Williamson presented Mrs. Stallings with a plaque for her time served as Chairperson.

15. Special Recognition to Gordon "Doc" Williamson- Mrs. Bowen said that she would like to recognize Mr. Williamson for over 40 years served on the AOD Board of Directors and 22 years served as Chairman.

16. Mr. Williamson adjourned the meeting at 6:28 p.m.


Gordon L. "Doc" Williamson, Board Chairman

Date: 3/23/2021


Alison Hardeman, Board Recorder

Date: 3/23/21