

# smart:financial

## ANNUAL REPORT

### 2024

**BASEBALL  
TRADING  
CARDS**

**59¢**



5 TRADING CARDS

NO BUBBLE GUM







**smart:financial**







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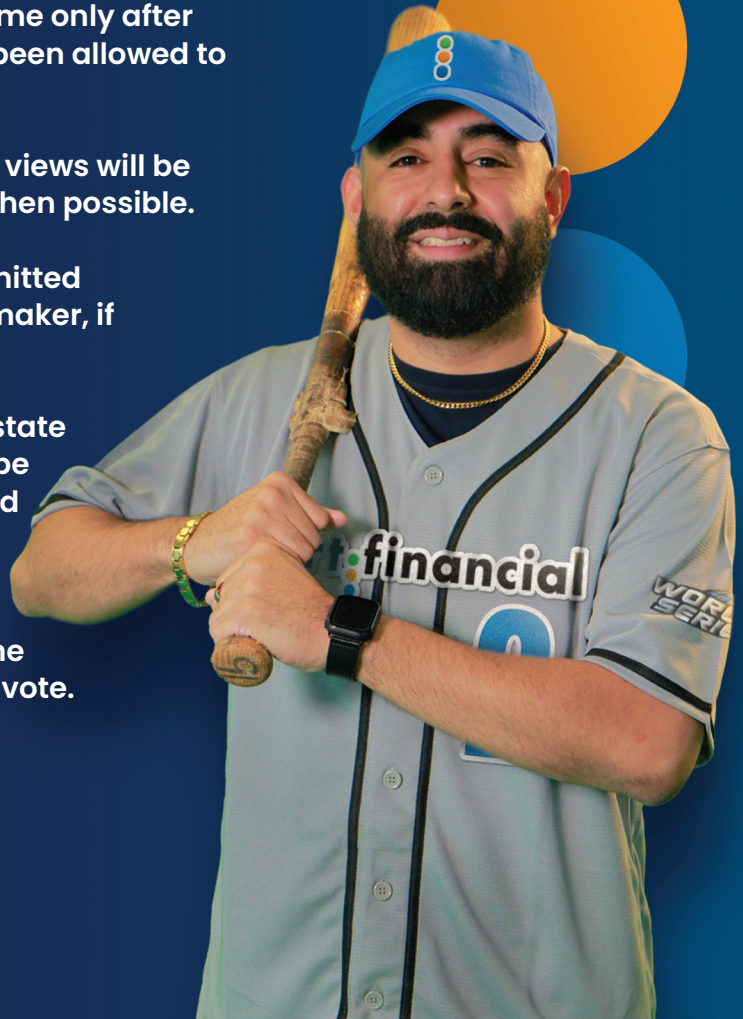
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# STANDING RULES

- I. Robert 's Rules of Order are the governing rules of this meeting.
- II. Debate by any one member is limited to two minutes at one time on any motion.
- III. A member may speak only twice on any motion and the second time only after others who wish to have been allowed to speak once.
- IV. Affirmation and negative views will be recognized alternately, when possible.
- V. All motions must be submitted in writing, signed by the maker, if requested by the Chair.
- VI. The Credit Union bylaws state that written ballots shall be required for any contested position. The nominee receiving a plurality of the votes cast shall win the election; otherwise, the election may be by voice vote.





# 90<sup>TH</sup> ANNUAL MEETING MINUTES

**April 4, 2024**

The Annual Meeting of Smart Financial Credit Union members was called to order by the Chair of the Board, Mr. Chad Greer, on Thursday, April 4, 2024, at 6:07 p.m. at Smart Financial Credit Union located at 6051 North Course Drive, Houston, Texas. Mr. Timothy Raffield provided the invocation.

Mr. Greer confirmed the presence of a quorum and appointed Ms. Sandra Torres as the Recording Secretary. Ms. Teri Mathis served as the Parliamentarian.

Mr. Greer acknowledged Ms. Douthulia Gardner's service on the Smart Financial Board of Directors, noting that she joined the Board in 2008 and served as the Chair of the Board from 2014 to 2016. Ms. Gardner resigned at the end of December 2023. Additionally, Mr. Greer stated that the Board appointed Mr. Mike Childers to the Board of Directors for a 1-year term per our Bylaws procedures.

Mr. Greer welcomed the members to the 90th Annual Membership Meeting and introduced the Board of Directors and Audit Committee members. He then referred to the Standing Rules included in the Annual Report and requested that the Standing Rules be adopted. Mr. Jeffrey Hamlin motioned adopting the Standing Rules as presented, which Mr. Timothy Raffield seconded. The motion passed.

Mr. Greer referred to the printed minutes of the April 6, 2023, Annual Meeting in the Annual Report and requested any necessary corrections. Mr. Timothy Raffield motioned to approve the minutes presented, which Mr. Jeffrey Hamlin seconded. The motion passed.

Mr. Greer again welcomed the members to the 90th Annual Meeting of Smart Financial Credit Union. He mentioned that 90 years ago, the Houston Public School Teachers Credit Union was formed and noted that many things have changed. He stated that Smart Financial has grown to just under 70,000 members with assets of over \$840 million and now operates 14 branches across the greater Houston area.

Mr. Greer stated that it has been an honor to serve as the Chair of the Board of Directors for Smart Financial Credit Union. He then stated that our mission is to promote financial well-being within our communities by providing financial education and developing lifelong relationships. He expressed his profound gratitude to our members, staff, and community partners for their invaluable contributions to this mission.

Mr. Greer emphasized that our primary goal is to serve our members and be their trusted financial advisor. He stated we are dedicated to providing quality financial services, including competitive loan and deposit rates, minimal fees, and access to a branch network across the Houston area.

Mr. Greer then shared that in 2013, the Credit Union founded the Smart Financial Foundation, which has provided over \$600,000 to the community. Our employees have volunteered over 600 hours a year to help local causes and assisted over 35 local non-profits. Since 2013, over 80 high school seniors have received scholarships through the Foundation.



Mr. Greer stated that he wanted to assure the members that Smart Financial Credit Union is a strong and vibrant organization that cares about the financial well-being of its members and community. He pointed out that Smart Financial has stood the test of time and will continue to be a solid and vibrant credit union.

He also mentioned that running a successful credit union requires a cooperative effort from our members, board leadership, management, and staff. The Board of Directors of Smart Financial Credit Union would like to thank the talented leaders and professionals who comprise the management team and the incredible employees who consistently provide exceptional service to our members.

Mr. Greer expressed his gratitude to the members for trusting Smart Financial Credit Union to serve them, especially considering the numerous other choices of financial service providers available. He concluded by stating that the Board of Directors, management, and employees would continue working hard to make Smart Financial Credit Union the best it can be.

Ms. Kaczynski, the CEO of Smart Financial Credit Union, welcomed the members to the 90th Annual Membership Meeting and thanked Mr. Greer for serving as the Chair of our Smart Financial Board of Directors.

She then took a moment to recognize the marketing team and commented on the team that created the Annual Report. Ms. Kaczynski pointed out that the design was part of the Smart Squad Campaign done earlier this year. She then shared that this concept was created by Andrew Huang, Vice President of Marketing, and Dave Cebrero, our Visual Designer, who created the design. She added Smart Financial won three marketing awards for this design and campaign. Ms. Kaczynski thanked the marketing team for their outstanding work.

Ms. Kaczynski emphasized that the state of the Credit Union is strong, despite facing significant challenges last year. She reported that our assets grew to approximately \$850 million, our income was around \$3 million, and we experienced substantial growth in consumer loans, mortgage loans, and our commercial portfolio. Ms. Kaczynski also highlighted that the Credit Union's capital is 9.79%, well exceeding the 7% threshold set by regulators for being deemed well capitalized, reaffirming our strong financial position.





# 90<sup>TH</sup> ANNUAL MEETING MINUTES

## CONT'D

Ms. Kaczynski mentioned that over the past year, we have implemented several initiatives to align with our four strategic drivers: member engagement, employee engagement, community engagement and trust, and financial stability. She added that we invest in our employees by providing additional training and development to ensure they take great care of our members.

She discussed the investments made in enhancing member experience, such as the construction of our new Spring Marketplace branch and the relocation of our FM 2920 branch to this more convenient location, providing better opportunities to attract new members. Additionally, we have made technology investments, including upgrades to the audio response system used by many members when they call our Call Center. She acknowledged that most of our transactions now occur through online channels and emphasized our ongoing investments in technology. Ms. Kaczynski mentioned receiving numerous letters from members throughout the year inquiring about our decisions. She stated that we are working hard to strike a balance between accommodating the traditionalists and their preferred ways of doing business with us, while also having the financial means to invest in technologies and improvements that will appeal to future members. Despite the challenges, we are dedicated to adapting, evolving, and expanding.

Ms. Kaczynski expressed gratitude to the Board of Directors for their ongoing commitment and the staff for their dedication. She also thanked the members for selecting Smart Financial Credit Union as their financial service provider. Ms. Kaczynski stated that she would be available to answer any questions or provide feedback following the meeting.

Mr. Greer inquired if there were any unresolved matters from the previous Annual Meeting and mentioned that he was unaware of any.

Hearing none, Mr. Greer commented that Ms. Sue Rightly, Nominating Committee Chair, was unable to join the meeting. He then turned the meeting over to Ms. Kaczynski to explain the Election Process. She then introduced the 2023-2024 Nominating Committee members, Ms. Sue Rightly, Ms. Fre'Etta Brooks, Ms. Angela Raffield. Ms. Kaczynski reported that the Nominating Committee placed the following slate of nominees before the membership for their consideration:

POSITION	NAME	LENGTH OF TERM
1	Mr. Chad Greer (Incumbent Director)	3 Years
3	Ms. Tammie Moore (Incumbent Director)	3 Years
4	Mr. Larry Frazier (Incumbent Director)	1 Year
5	Ms. Diana Carrion (Incumbent Director)	3 Years
6	Dr. Robert Bostic (Candidate)	1 Year

Ms. Kaczynski reported that no nominations by petition had been received for Position 1, Position 3, Position 4, Position 5, and Position 6. Therefore, the election for these positions may be held by voice vote.

She asked for a motion to elect Position 1, Position 3, and Position 5 for a three-year term. Mr. Julio Roman motioned for election by acclamation for three-year terms for Position 1, Position 3, and Position 5. Mr. Solomon Silva seconded the motion. The motion carried.

Ms. Kaczynski then asked for a motion to elect Position 4 and Position 6 for a one-year term. Mr. Solomon Silva motioned for election by acclamation for one-year terms for Position 4 and Position 6. Ms. Susan Greer seconded the motion. The motion carried. Ms. Kaczynski then congratulated Mr. Greer, Ms. Moore, Mr. Frazier, Ms. Carrion, and Dr. Bostic.

Mr. Greer inquired about any other new business, and upon hearing none, he expressed gratitude to the members for attending.

The meeting adjourned at 6:33 p.m.



**Mr. Chad G. Greer**  
Chairman, Board of Directors



**Mr. Tim Raffield**  
Secretary, Board of Directors

Meeting minutes subject to approval at the April 3, 2025 Annual Meeting.



# REPORT FROM THE PRESIDENT/CHIEF EXECUTIVE OFFICER AND CHAIRMAN OF THE BOARD

We want to extend a warm welcome to our members, Board of Directors, Audit Committee members and employees to the 91st Annual Membership Meeting of Smart Financial Credit Union.

2024 was another solid year for our company. Smart Financial ended the year with just over \$783 million in Assets and \$2 million in Net Income. Our Net Worth position of 10.63% of assets continues to be well in excess of the 7% minimum that our regulator considers to be well-capitalized. Total Loans outstanding grew by nearly \$18 million over 2023 levels. Commercial Lending and Mortgage Lending efforts contributed to the majority of that growth. Consumer Loan balances shrunk slightly as auto prices and interest rates were significantly higher than historical levels depressing auto loan demand.

Total Deposits were down year-over-year by nearly \$37 million. That is significantly less deposit shrink than we experienced in 2023; but still a trend that we need to work to reverse. Thankfully, we have several initiatives planned for 2025 in support of that effort. Our entire industry continues to struggle to grow deposits as inflation has hit member household savings hard. We are hopeful that we will see some lessening of those inflationary pressures in 2025.

From a strategic planning standpoint, we remain focused on our four strategic drivers of: Member Engagement; Employee Engagement; Community Engagement and Trust; and Financial Stability. In 2024, we completed several initiatives to further our success in this regard.

In late 2024, we rolled out a new debit card platform adding new member functionality including: tap-to-pay; online PIN change capabilities and the ability to “freeze” the debit card. We also implemented the Zelle person-to-person payment system for which member adoption has been very robust. Also in 2024, we launched the Savvy Money tool in our online banking application to help members better understand and work on improving their credit scores.

Also in 2024, our employees were provided enhanced training opportunities in response to employee survey feedback. We also added a new position in our Human Resources area to help managers support their employees with career development. As a result of the multiple investments we have made in Employee Engagement over the past few years, we won the Houston Chronicle Top Workplace 2024 in the overall, woman-led company, and work-life flexibility categories. We were also listed as one of USA Today's Top Workplaces.



Our employees were also very active in the community in 2024 as we continue to give back and promote the Smart Financial brand. We collaborated with Houston Children's Charity on several events including their holiday gift giveaway at the George R. Brown providing over 6,000 families with Christmas gifts for their children. We also participated in Meal Pack 9/11 Day of Service and assisted in packaging 9 million meals for Houstonians in need.

Our Marketing team won three national and three local marketing awards including Best Marketing Campaign, Best Radio Spot and Best Direct Mail from America's Credit Unions as well as Best Marketing Campaign, Best Direct Marketing and Best Branding Illustration from the Houston division of the American Marketing Association.

All of these efforts and successes continue to propel our organization forward towards a secure and prosperous future.

Sincerely,



*LeAnn Kaczynski*

**LeAnn Kaczynski**  
President & Chief Executive



*Chad A. Greer*

**Mr. Chad G. Greer**  
Chair of the Board



# NEW BUSINESS REPORT FROM THE NOMINATING COMMITTEE AND ELECTION OF DIRECTORS

## Positions for Election

Position 4	Mr. Larry Frazier	Incumbent
Position 6	Dr. Robert Bostic	Incumbent
Position 7	Mr. Michael O'Neill	Incumbent
Position 10	Mr. Mike Childers	Incumbent

No nominations by petition were received for Position 4, 6, 7, and 10; therefore, the election for this position will be confirmed.





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# STATEMENT OF FINANCIAL POSITION

	DEC 31, 2024	DEC 31, 2023
<b>ASSETS</b>		
Cash	\$45,960,632	\$46,148,990
Investments	\$116,132,007	\$199,783,063
Loans	\$542,062,416	\$524,854,380
Receivables	\$441,840	\$375,919
Accrued Income	\$2,440,313	\$2,505,475
Land	\$9,542,298	\$9,542,298
Building and Leasehold Improvements	\$21,101,864	\$25,450,499
Furniture and Equipment	\$2,091,066	\$2,468,109
Other Assets	\$43,615,215	\$37,522,530
<b>TOTAL ASSETS</b>	<b>\$783,387,651</b>	<b>\$848,651,263</b>
 <b>LIABILITIES</b>		
Accounts and Drafts Payable	\$10,667,836	\$53,146,940
Other Payables	\$5,452,315	\$4,396,733
	\$16,120,151	\$57,543,673
 <b>MEMBERS' DEPOSITS</b>		
Member Shares	\$332,856,531	\$358,913,052
Other Member Deposits	\$349,394,415	\$360,073,124
	\$682,250,946	\$718,986,176
 <b>RESERVES and UNDIVIDED EARNINGS</b>		
	\$85,016,554	\$72,121,414
 <b>TOTAL LIABILITIES, MEMBER DEPOSITS, and RESERVES</b>	<b>\$783,387,651</b>	<b>\$848,651,263</b>

# STATEMENT OF INCOME AND EXPENSES

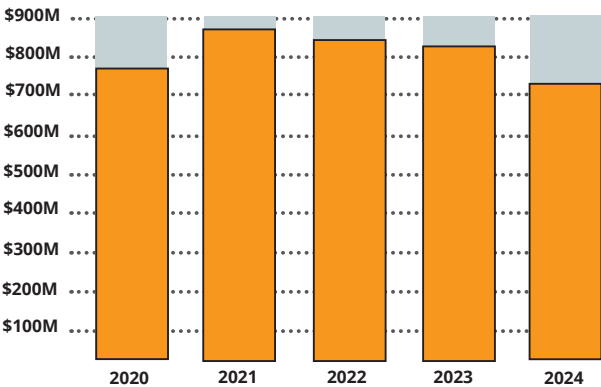
	DEC 31, 2024	DEC 31, 2023
<b>INCOME</b>		
Income on Loans	\$30,731,803	\$25,093,574
Income from Investments	\$5,551,840	\$6,596,804
Other Income	\$13,834,321	\$13,228,768
<b>TOTAL OPERATING INCOME</b>	<b>\$50,117,694</b>	<b>\$44,919,146</b>
<b>EXPENSES</b>		
Salaries and Benefits	\$20,044,346	\$17,956,726
Travel and Conference	\$88,071	\$56,360
Office Occupancy	\$3,628,183	\$3,950,449
Office Operations	\$5,673,913	\$5,578,238
Marketing	\$1,213,546	\$1,214,658
Loan Servicing	\$796,975	\$1,022,676
Professional Services	\$3,781,671	\$3,717,688
Provision for Credit Losses	\$2,741,005	\$571,933
Interest	\$2,737,825	\$3,479,213
Other Operating Expenses	\$179,206	\$159,810
<b>TOTAL OPERATING EXPENSE</b>	<b>\$40,884,741</b>	<b>\$37,707,752</b>
<b>INCOME FROM OPERATIONS</b>	<b>\$9,233,223</b>	<b>\$7,211,394</b>
Non-Operating Gain (Loss)	\$(2,382,335)	\$(35,138)
Dividends Paid to Members	\$4,791,950	\$4,112,478
<b>NET INCOME</b>	<b>\$2,058,938</b>	<b>\$3,063,778</b>



# SMART FINANCIAL CREDIT UNION PROFILE

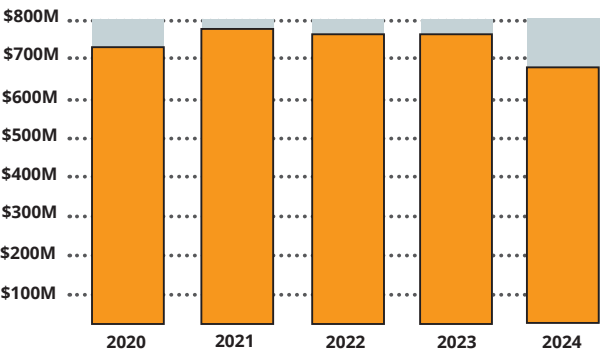
## Total Assets

2020	\$785,624,760
2021	\$863,409,315
2022	\$858,654,907
2023	\$848,651,263
2024	\$783,387,651



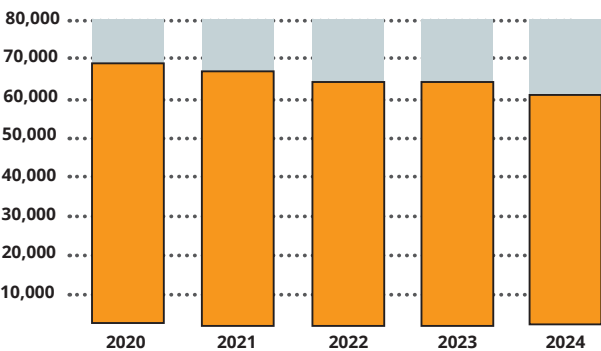
## Total Deposits

2020	\$712,902,130
2021	\$780,329,791
2022	\$775,184,792
2023	\$718,986,176
2024	\$682,250,946



## Membership Size

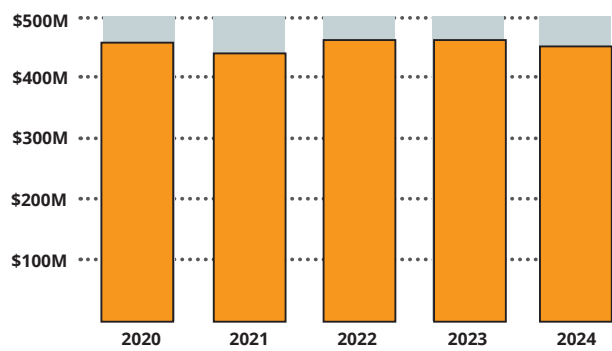
2020	69,862
2021	68,277
2022	63,957
2023	62,668
2024	60,531



# FINANCIAL HIGHLIGHTS

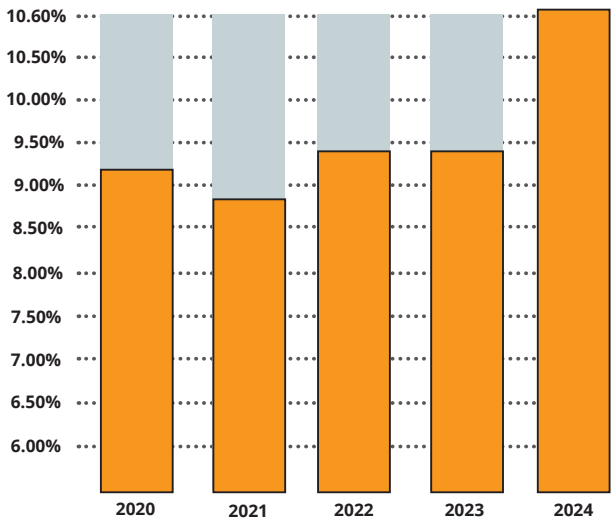
## Total Loans

2020	\$445,549,424
2021	\$424,193,972
2022	\$459,503,113
2023	\$524,854,380
2024	\$542,062,416



## Net Worth Ratio

2020	9.19%
2021	8.83%
2022	9.46%
2023	9.57%
2024	10.63%





# BOARD OF DIRECTORS

## Board of Directors Fees

The Board of Directors are compensated for their time according to the below schedule:

*Director Fees paid in 2024 were \$75,000; and \$81,000 is scheduled (budgeted) for 2025.*

### BOARD OF DIRECTORS

### TERM ENDS

**Mr. Chad G. Greer,**  
*Chair*

2026

**Ms. Tammie Moore,**  
*Vice Chair*

2026

**Mr. Timothy Raffield,**  
*Secretary*

2025

**Ms. Diana Carrion,**  
*Treasurer*

2026

**Mr. Mike Childers,**  
*Director*

2024

**Mr. Robert Bostic,**  
*Director*

2024

**Mr. Larry Frazier,**  
*Director*

2024

**Mr. Jeffrey Hamlin,**  
*Director*

2025

**Mr. Michael O'Neill,**  
*Director*

2024

### AUDIT COMMITTEE

**Mr. Mike Childers,** *Chair*

**Mr. Jerold Johnson,** *Secretary*

**Ms. Tamara Jean Cubit,** *Member*

**Ms. Crystal Dowd,** *Member*

**Ms. Mackenzie Rychlik Ellis,** *Member*



# OFFICERS

## SENIOR MANAGEMENT

## APPOINTMENT DATE

<b>LeAnn Kaczynski</b> , <i>President &amp; Chief Executive Officer</i>	2022
<b>Angela Chan</b> , <i>Executive Vice President &amp; Chief Financial Officer</i>	2022
<b>Marcus Manning</b> , <i>Chief Information Officer</i>	2021
<b>Sean Price</b> , <i>Chief Lending Officer</i>	2023
<b>Julio Roman</b> , <i>Chief Risk Officer</i>	2022
<b>Corbin Wilson</b> , <i>Chief Experience Officer</i>	2024
<b>Brian Ziemba</b> , <i>Chief Credit Officer</i>	2021
<b>Chris Conway</b> , <i>Chief Operations Officer</i>	2023
<b>Angela Aguirre</b> , <i>SVP Member Experience - Digital</i>	2023
<b>Caire Humphrey</b> , <i>SVP Member Experience - Retail</i>	2023
<b>Andrea Bain</b> , <i>VP Compliance &amp; Risk Management</i>	2022
<b>Adrienne Brown</b> , <i>VP Enterprise Operations</i>	2022
<b>Reginald Chambers</b> , <i>VP Commercial Relationship Development</i>	2023
<b>Cynthia Galindo</b> , <i>VP Technology Operations</i>	2021
<b>Luis Garcia</b> , <i>VP Commercial Credit</i>	2020
<b>Randi Hanks</b> , <i>VP Human Resources</i>	2024
<b>Andrew Huang</b> , <i>VP Marketing</i>	2022
<b>Kyle Meller</b> , <i>VP Accounting / Controller</i>	2022
<b>Stephen Overbeck</b> , <i>VP Retail Service Delivery</i>	2024
<b>Shana Scott</b> , <i>VP Community Development &amp; Foundation Executive Director</i>	2019
<b>Brett Sturgeon</b> , <i>VP Analytics &amp; Business Intelligence</i>	2022
<b>Sandra Torres</b> , <i>VP Board Services / Assistant to CEO</i>	2008

## PAST OFFICERS

## DEPARTURE DATE

<b>Ray Finnegan</b> , <i>VP Logistics &amp; Security</i>	2024
<b>Luigi Mariani</b> , <i>VP Facilities &amp; Equipment</i>	2024

# SMART FINANCIAL CREDIT UNION BYLAWS NOTIFICATION

Smart Financial Credit Union's Board of Directors recently embarked on a modernization project to review and update the Bylaws in place at the Credit Union to better reflect the current financial industry environment and adopt best practices from throughout the industry.

We also took the opportunity to add clarity to other Chapters and Sections within the bylaws where necessary.

The amendments to chapters 1, 3, 4, and 5 were approved by the Texas Credit Union Department in October 2023.

In accordance with TEX. FIN. CODE § 122.011(d), we are reporting the Credit Union Bylaws recent amendments to our membership.

In line with Section 91.315 of the Texas Administrative Code, Smart Financial is required to notify our members that the above mentioned amendment documents are available for review or to receive a copy.

To request a copy, or to request an appointment to review any of these amendments/documents, please write to:

Smart Financial Credit Union  
C/O Risk Management  
P.O. Box 920719  
Houston, Texas 77292





# BRANCH LOCATIONS

**The Woodlands**

26515 I-45  
Spring, TX 77380

**North Course**

6051 North Course Dr.  
Houston, TX 77072

**Spring Marketplace**

7206 North Grand Parkway W.  
Spring, TX 77379

**FM 1960**

520 FM 1960 East  
Houston, TX 77073

**Conroe**

3201 West Davis  
Conroe, TX 77304

**Magnolia**

6311 FM 1488 Suite A  
Magnolia, TX 77354

**Wayside**

4411 South Wayside Drive  
Houston, TX 77087

**Kingwood**

4529 Kingwood Drive  
Suite 100  
Kingwood, TX 77345

**Pearland**

3060 Kirby Dr  
Pearland, TX 77584

**North Loop**

2510 North Loop West  
Houston, TX 77092

**Sugar Land**

9810 Highway 90A  
Sugar Land, TX 77478

**Katy/Fulshear**

6727 FM 1463  
Suite 100  
Katy, TX 77494

**Lamar High School**

*OPEN TO PUBLIC*

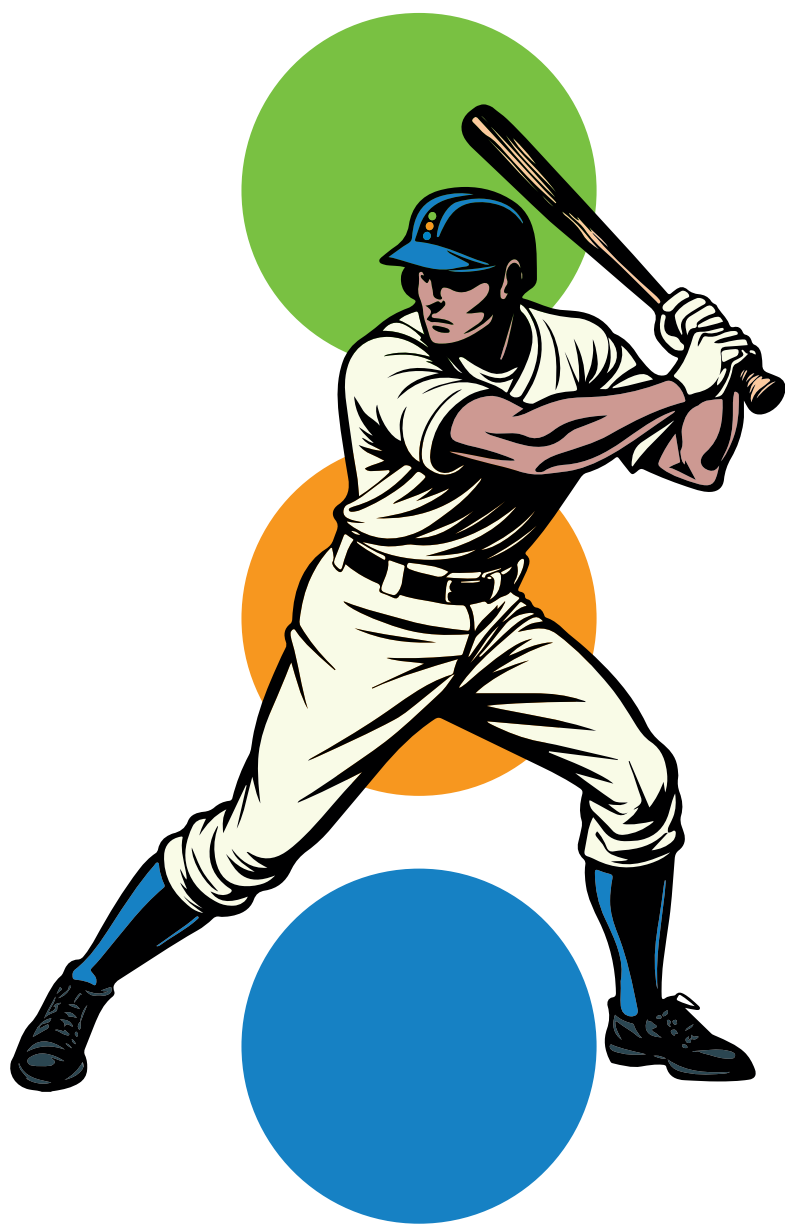
3325 Westheimer Rd  
Suite B101  
Houston, TX 77098

# OUTLET LOCATIONS

**Nabors**

LIMITED ACCESS







# smart.financial

☎ (713) 850-1600

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Houston, TX 77292-0719



[smartcu.org](https://smartcu.org)



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