

# Annual Meeting

## **VIRTUAL**

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Tuesday, April 15, 2025  
6:00 p.m.  
2024 Reports and Election



## Promise

### ABOVE AND **BEYOND** BANKING

Our slogan captures the spirit of who we strive to be as a credit union and as a service provider. It is the headline for our brand, our efforts and our products. We're making a powerful statement to our members and to our community to expect MORE.

## Mission

Enhancing lives by delivering innovative financial service, education and value through personal and community engagement.

## Vision

Define financial service.  
Create loyal enthusiasts.  
Improve more lives.

## Values

Integrity  
Passion  
Commitment  
Innovation  
Accountability  
Knowledge

## AGENDA

### Call To Order

### Introductions

- Board of Directors
- Supervisory Committee

### Annual Reports

- 2024 Meeting Minutes
- 2024 Financial Statements
- Supervisory Committee Report
- Board of Directors' Report
- Nominating Committee Report (with Candidates)
- Elections

### Adjournment



**BOARD OF DIRECTORS**



**BRAD DEITER**  
Chair



**BRYAN VARGAS**  
Vice Chair



**MARCIA DECHAND**  
Secretary



**SHIRLEY MARTIN**  
Treasurer



**ROB BALSTERS**



**JAKE FISHER**



**STEPHEN MCINTOSH**



**RANDY PACHOSA**

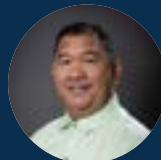


**MAGGIE SULLIVAN**

**SUPERVISORY COMMITTEE**



**KRISTIN SCOTT**  
Chair



**JOSELITO "PING"  
ENRIQUEZ**  
Vice Chair



**BRAD DIETZ**



**JIM FROWNFELTER**



**STEVE PEGRAM**



**KEVIN TUCKER**

**People  
helping  
people.**

- the credit union philosophy

# 2024 ANNUAL MEETING MINUTES

The 9th Annual Meeting of Azura Credit Union was held in a virtual environment on Tuesday, April 16, 2024. Chair Brad Deiter called the meeting to order at 6:00 p.m. There were 66 confirmed individuals in attendance. The Board of Directors and Supervisory Committee members were introduced.

On a motion made by Rob Balsters and seconded by Marcia Dechand, the minutes of the 2023 Annual Meeting and the 2023 Financial Statement and Treasurer Report were approved as presented in the Annual Report.

Summary reports to the membership were provided by Supervisory committee Chair Kevin Tucker and Board of Directors Chair Brad Deiter. On a motion by Stephen McIntosh and seconded by Randy Pachosa, both were approved as presented.

Bryan Vargas presented the Nominating Committee Report and the three candidates for election to open seats on the Board of Directors: Brad Deiter, Jason “Jake” Fisher, and Marisol Marcelo. Each candidate presented a pre-recorded biographical background to the membership for consideration. On a motion to approve by acclamation made by Bryan Vargas and seconded by Jim Frownfelter, the Nominating Committee Report and slate of candidates were approved after inviting the membership to cast their votes for election.

Chair Brad Deiter presented recognition and service awards to outgoing Board members Tina Freese and Jim Frownfelter.

The meeting was adjourned at 6:28 p.m.

**Not for profit.  
Not for charity.  
But for service.**

– the credit union motto

Topeka’s Arrowhead branch received new Interactive Teller Machines (ITMs), a new roof and some interior upgrades. The work was completed in October 2024.



# 2024 FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS

## Statements of Financial Condition

At December 31	2024	2023
<b>Assets</b>		
Cash and cash equivalents	\$ 57,104,337	\$ 62,440,131
Investment securities	109,646,746	114,649,678
Credit union owned life insurance	12,807,757	12,464,300
Loans to members	600,339,781	570,646,353
Allowance for loan losses	(11,045,066)	(7,973,364)
Accrued interest receivable	2,612,998	2,391,498
Land, buildings and equipment	24,275,896	20,639,756
NCUA insurance	6,648,444	6,203,635
Goodwill & core deposit intangible	271,605	411,583
Other assets	3,458,065	2,467,461
Total Assets	<u>\$ 806,120,563</u>	<u>\$ 784,341,031</u>
<b>Liabilities and Members' Equity</b>		
<b>Liabilities</b>		
Regular shares	\$ 184,833,655	\$ 186,407,435
Draft shares	148,355,016	138,553,223
Money market shares	107,098,185	92,027,969
IRA shares and certificates	36,137,551	37,039,277
Certificates	217,575,001	202,955,573
Outstanding credit union drafts	2,038,709	1,506,306
Borrowed Funds	22,766,510	38,098,924
Accrued interest payable	562,328	507,080
Accrued expenses and other liabilities	5,128,526	7,253,523
Total Liabilities	<u>\$ 724,495,481</u>	<u>\$ 704,349,310</u>
<b>Members' Equity</b>		
Equity acquired in merger	32,451,997	32,451,997
Undivided earnings	49,990,364	48,676,045
Other comprehensive income	(817,279)	(1,136,321)
Total Members' Equity	<u>\$ 81,625,082</u>	<u>\$ 79,991,721</u>
Total Liabilities and Members' Equity	<u>\$ 806,120,563</u>	<u>\$ 784,341,031</u>

# 2024 FINANCIAL STATEMENTS

AUDITED FINANCIAL STATEMENTS

## Statements of Comprehensive Income

Years ended December 31	2024	2023
<b>Interest income</b>		
Interest on loans	\$ 39,746,386	\$ 34,160,435
Interest on investments	6,943,408	4,039,257
Total Interest Income	\$ 46,689,794	\$ 38,199,692
<b>Interest expense</b>		
Interest on deposits	\$ 13,850,091	\$ 8,461,376
Interest on borrowed money	1,962,018	1,715,471
Total Interest Expense	\$ 15,812,109	\$ 10,176,847
Net interest income	\$ 30,877,685	\$ 28,022,845
Provision for loan losses	9,384,069	6,143,358
Net interest income after provision	\$ 21,493,616	\$ 21,879,487
<b>Non-interest income</b>		
Other income	\$ 6,651,840	\$ 6,609,823
Fee income	5,612,187	5,030,831
Operating gains	(672,507)	(138,067)
Total non-interest income	\$ 11,591,520	\$ 11,502,587
<b>Non-interest expense</b>		
Payroll and benefits	\$ 16,084,208	\$ 14,480,231
Office operations	6,598,045	5,786,400
Loan servicing	1,601,443	1,570,576
Office occupancy	1,837,185	1,614,244
Professional and outside services	3,817,241	3,242,099
Merger and intangible assets amortization	167,484	139,978
Marketing and business development	1,279,346	1,570,604
Travel and conference	255,872	322,643
Regulatory supervision and examination	157,786	130,349
Association dues	61,963	58,963
Other expenses	9,438	43,173
Total non-interest expenses	\$ 31,870,011	\$ 28,959,260
Net income from operations	\$ 1,215,125	\$ 4,422,814
<b>Non-operating income</b>	99,195	91,995
<b>Net Income</b>	\$ 1,314,320	\$ 4,514,809
Unrealized holding gains (losses) during the year	319,042	571,532
<b>Comprehensive Income</b>	\$ 1,633,362	\$ 5,086,341

# SUPERVISORY COMMITTEE REPORT

Azura's Supervisory Committee is currently composed of 6 member volunteers, appointed by the Board of Directors, who volunteer their time to serve the membership. The Supervisory Committee ensures the credit union is operating according to regulations and policies approved by the Board of Directors. We also oversee the Internal Audit department, which conducts audits and assurance reviews through the year. Additionally, we engage qualified external auditors for specialized audits, enhancing oversight and accountability.

One of the Committee's most important tasks is engaging and overseeing the annual financial statement audit. We engaged J. Tenbrink & Associates to perform this independent audit for year end 2024. The credit union received an "unqualified" opinion, confirming that its financial statements are free of material errors and omissions.

Azura underwent a joint examination in February with examiners from both the Kansas Department of Credit Unions (KDCU) and the National Credit Union Administration (NCUA). The Supervisory Committee reviewed the examination results, including findings, recommendations, and action plans. It is our opinion that Azura Credit Union continues to perform well and operates in a safe and sound manner.

On behalf of the Supervisory Committee, I want to express our gratitude for the opportunity to serve you. We remain committed to advocating for and representing you, our valued members.

Kristin Scott  
*Chair*

## SUPERVISORY COMMITTEE

Kristin Scott, Chair  
Joselito "Ping" Enriquez, Vice Chair  
Brad Dietz  
Jim Frownfelter  
Steve Pegram  
Kevin Tucker



Azura is proud to sponsor Washburn Athletics Football and Yager Stadium. At the Homecoming event in November, we served as game host and walked in the parade.



Our Ottawa team marched in the Ottawa Main Street Association's holiday parade on November 30 - the day after we opened our doors to the public.



# BOARD OF DIRECTORS' REPORT

Looking back upon 2024, Azura's volunteer officials and staff are proud of the accomplishments made. As a financial cooperative, we are proud to serve our member-owners each and every day while we work to maintain the overall financial health of the credit union as well.

Once again, the credit union accomplished growth across the most important categories in 2024, including membership, loans, shares (deposits), and total assets. However, our net income was reduced substantially as the result of elevated loan losses and greater reserves set aside for those losses. We continue to see consumer households struggling to make ends meet, largely as the result of rising costs and overall high inflation. Unfortunately, these economic conditions are expected to continue throughout the remainder of this year, and potentially beyond. The financial markets appear undecided about the impact of policies from a new presidential administration, and that uncertainty could lead to further economic challenges as well.

In 2024, Azura completed the first phase in our multi-year plan for driving future growth from new markets with additional branches and improvements to our facilities. A third Johnson County branch opened in Mission in February and our first branch in Ottawa opened in November. As the only credit union in Ottawa, we have received a very warm welcome from that community and look forward to sharing our "for people, not profit" business model with our new neighbors.

As we look ahead, one of the biggest projects underway is a system upgrade. What this means is that the primary

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**"The only way  
you survive is  
you continuously  
transform into  
something else."**

— Ginni Rometty



We opened the doors to our new Mission branch in February of 2024.



We opened the doors to our new Ottawa branch in November 2024.



# BOARD OF DIRECTORS' REPORT continued

operating database that the credit union has used for nearly 40 years will convert to a new one. After years of planning and vetting the technology and options available, our staff is now hard at work structuring the data flow and testing the conversion process. While this is an enormous undertaking, our goal is to make the transition as seamless as possible for members. The system upgrade project is scheduled for completion ahead of the 2025 holiday season. Stay tuned for additional updates.

In the face of the nation's current economic uncertainty, Azura Credit Union remains financially strong and positioned to serve you, our member-owners, well. We sincerely appreciate the trust you place in us as the stewards of your financial success. With continued reliability and a commitment to innovation, we look forward to serving you well into the future.

## BOARD OF DIRECTORS

Brad Deiter, Chair  
Bryan Vargas, Vice Chair  
Marcia Dechand, Secretary  
Shirley Martin, Treasurer  
Rob Balsters  
Jake Fisher  
Stephen McIntosh  
Randy Pachosa  
Maggie Sullivan



**\$812,769**

AMOUNT DONATED SINCE 2010

**\$172,554**

AMOUNT DONATED IN 2024

## COMMUNITY IMPACT CARD PROGRAM RAISES NEW DONATION RECORD IN 2024

Each time Azura members make a purchase using a Community Impact Visa Debit Card, the credit union donates five cents to the participating charity of choice. Established in 2010, the program began with just one unique card, a benefit for TARC. Since then, it has grown to nine card designs and beneficiaries, including: Boys and Girls Clubs of Topeka, Harvesters Community Food Network, Helping Hands Humane Society, Military Veterans Project, Shawnee Heights USD 450, Stormont Vail & Children's Miracle Network, Supporting Kids Foundation and Topeka Rescue Mission (TRM).

Community Impact Cards are available with all Azura Credit Union checking accounts and there is no fee to replace a standard debit card with a Community Impact Card. One free replacement card per year.

# NOMINATING COMMITTEE REPORT

Rob Balsters, Marcia Dechand, and Randy Pachosa served as the Nominating Committee for elections to be held at the 2025 Annual Meeting of Azura Credit Union.

The committee posted a notice and call for all parties interested in potentially serving a volunteer official position for the credit union. This notice was included on year-end member statement messaging, in January's membership newsletter, on Azura's website, within the online/mobile banking platform, and on social media. Applicants were asked to contact the Nominating Committee and a pool of potential candidates was then developed.

The committee is charged by the Azura Governance Policy "to put forth a nominee slate comprised of the best possible candidates" to serve as volunteer officials for the credit union. After completion of the interview and selection process, the Nominating Committee submits the following names to be included on the ballot for election to the three open positions on the Azura Credit Union Board of Directors:

- Shirley Martin\*
- Stephen McIntosh\*
- Bryan Vargas\*

Respectfully submitted,

*Rob Balsters*  
*Chair*

*\* Denotes incumbent*



## **AZURA PAYS OVER \$1.28 MILLION TO MEMBERS WITH BEYOND CHECKING**

In 2024, Azura members with Beyond Checking Accounts were collectively paid over \$1.28 Million in dividends and ATM fee refunds.

Azura's high-yield checking account earns members a bonus rate of 4.07% APY\* on balances up to \$15,000 and refunds on ATM withdrawal fees, nationwide.+ There is no minimum balance requirement and no monthly fees on qualifying accounts.

\*Annual Percentage Yield.

\*\*\$600 projected earnings is based off the maximum dividends that can be earned on a balance of up to \$15,000 over a 12 month period.  $4\% \times \$15,000 = \$600$ .

+If you do not meet the monthly qualifications, you will be charged a \$5 service fee as stated in the Fee Schedule and you will not qualify for ATM surcharge refunds. The monthly qualification cycle is defined as the calendar month.

# ELECTION



**SHIRLEY MARTIN**

incumbent

- Retired School Business Management, 32-year career
- 45-Year Kansan
- Member since 1983
- Azura Board Member since 2002
- BBA in Accounting & MBA from Washburn University



**STEPHEN MCINTOSH**

incumbent

- Executive Leadership
- 22-Year Kansan
- Member since 2020
- Azura Board Member since 2022
- BS in Criminal Justice from Washburn University, MBA from Baker University



**BRYAN VARGAS**

incumbent

- Retired Auditor, 36-year career
- Lifelong Kansan
- Member since 1985
- Azura Volunteer Official for Supervisory Committee & Board Member since 1990 with Credit Union 1 of Kansas
- BA in Accounting from Ft. Hays State

**The three candidates presented for the three open seats will require Azura's member/owners to vote by acclamation during the Annual Meeting to approve the slate of candidates.**

Ground breaking at the  
new Ottawa location.



To our member-owners, volunteers, staff and partners –  
thank you for your support.  
We look forward to welcoming and helping more  
people in 2025 and beyond!



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800.432.2470 | [AZURACU.COM](https://www.azuracu.com)

