

**CENTEX CITIZENS CREDIT
UNION**

2017

ANNUAL REPORT

CHAIRMAN'S REPORT

KEN POLLARD

Welcome to the 63rd annual meeting of the membership. Thank you for your attendance and for being a part of CCCU, entrusting us with your financial needs. The board of directors, the committee members and the employees strive to be good stewards of your money.

Important milestones in 2017 include significant growth in the number of members served and the number of loans made. The Corsicana Branch has far exceeded our expectations. Building on that success, CCCU has expanded our field of membership to include the southern portion of Ellis County. In 2019, we will be opening a branch in Ennis, Texas.

The board of directors has a fiducial responsibility to the membership to diversify our economic base for future financial stability. In 2017 we exercised that fiduciary responsibility by examining the traffic flow, the expense and the safety of maintaining the Highway 171 location. The results of which precipitated the sale of that building and consolidating of the two Mexia locations. The expanded Mexia location will have a new ATM, a wider fifth drive-thru lane and more parking.

CCCU is financially healthy, with sound leadership and an exceptional staff.

PRESIDENT'S REPORT

JANIS MASSEY

CCCU is proud to have 9,237 members. Staying true to our Mission Statement, we pledge to all our members a commitment to excellence in service, current technology and community participation.

We strive to be good citizens of the communities we serve. Our board and employees participate in school events, chamber events, serve as board members at hospitals, chambers, college, civic and community service organizations.

CCCU has completed 2017's outside audit, state and national examination. The exceptions were corrected during the audit and exam. Credit Union Resources also performs a Database Security Test.

Scholarships are one of the services CCCU takes great pride in providing. As of 2017 we have awarded \$144,750 in scholarships to members and family members. In 2018 we will award 4 conventional scholarships for \$1,000 each and 2 vocational scholarships for \$750 each. All scholarship applications must be in by April 6, 2018.

The Mexia Office expansion is well underway and should be completed before the end of summer. The wider 5th drive-thru lane, new drive-thru equipment and user friendly ATM will make the Mexia Office very member responsive.

TREASURER'S REPORT

TERRY DON SHIVERS

The Condensed Statement of Financial Condition available to the membership shows loans were up 17% in 2017. Shares increased almost 7% and total assets were up 5%.

Although loan losses increased we maintained a 20.3% Net Worth ratio.

2017 was a positive year with many changes. Leadership is confident those changes will have beneficial results.

**CENTEX CITIZENS CREDIT UNION
CONDENSED STATEMENT OF FINANCIAL CONDITION**

<u>BALANCE SHEET ACCOUNTS</u>	<u>2016</u>	<u>2017</u>
ASSETS:		
Net Loans	\$42,698,812	\$49,904,508
Investments	12,806,022	9,370,582
Other Assets	<u>7,236,563</u>	<u>6,800,690</u>
Total Assets	\$62,741,397	\$66,075,780

LIABILITIES:

Shares	\$19,872,720	\$21,058,801
Share Drafts	9,234,531	10,631,758
Money Market Accounts	3,670,865	3,541,687
IRA Accounts	2,478,896	2,639,224
Certificates of Deposit	13,564,266	14,166,515
Other Liabilities	506,961	602,789
Regular Reserves	3,919,783	3,920,570
Undivided Earnings	<u>9,493,375</u>	<u>9,514,436</u>
Total Liabilities & Equity	\$62,741,397	\$66,075,780

INCOME AND EXPENSES

Total Income	\$ 3,274,520	\$ 3,908,873
Total Operating Expenses	<u>2,664,872</u>	<u>3,535,684</u>
Operating Gain	609,648	373,189
Non-Operating Gain(Loss)	3,500	(182,148)
Total Dividends Expense	<u>154,121</u>	<u>169,194</u>
Net Gain to Undivided Earnings	\$ 459,027	21,847
Transfer to Reserves	\$ 8,828	787

KEY FINANCIAL RATIOS

	<u>DEC. 2016</u>	<u>DEC. 2017</u>	<u>PEER SEPT. 2017</u>
Gross Loan Mix	69.0%	76.0%	58.0%
Gross Spread	3.70%	4.27%	3.21%
Total Capital/Ttl. Assets	21.40%	20.3%	11.4%
Delinquency Ratio	.88%	1.09%	.85%

TOTAL MEMBERS 9,369