



SPCO CREDIT UNION

BETTER TOGETHER

BOARD OF DIRECTORS & TERM EXPIRATIONS

- Steve Emmott, Chairman, 2019
- Harvey L. Hayes, Jr., Vice Chairman, 2019
- Dee Farino, Secretary, 2019
- Charley Johnson, Treasurer, 2017*
- W. R. Womack, Director, 2017
- Jimmie Bulanek, Director, 2018
- James Reynolds, Director, 2017*
- Marlin Phillips, Director, 2018
- Tim Adams, Director, 2017

*These Board Members are up for reelection in 2017. Elections will be held on May 13, 2017 at the Annual Meeting.

NOMINATING COMMITTEE

- W.R. Womack, Chairman
- Dee Farino
- Harvey Hayes Jr.

EXECUTIVE MANAGEMENT TEAM

- Tim Adams, President/CEO
- Katyanna Vaughn, Vice President of Administration

OUR MISSION

TO BE THE
**TRUSTED
PARTNER**
IN EACH MEMBER'S
FINANCIAL LIFE.



12755 N. HOUSTON-ROSSLYN RD.
HOUSTON, TX 77086
713.455.8586 • 800.388.5350

LOBBY AND DRIVE-THRU
HOURS
MONDAY – FRIDAY
9 A.M. – 4:30 P.M.

WWW.SPCOCU.ORG



2016 ANNUAL REPORT

CHAIRMAN'S REPORT

On behalf of your Board of Directors, I'm pleased to report on SPCO Credit Union's progress during 2016. As your Board, we are humbled by the trust you place in us and we take our leadership role, dedication to and passion for the credit union seriously. Your Board of Directors has a responsibility to ensure that we have a capable, competent, qualified, and trustworthy management team, and I can say unequivocally that we do.

As you can see from this Annual Report, SPCO's financial standing is strong, thanks to our loyal membership, committed staff, and your Board of Directors. Some of the highlights from the report include:

- Membership now stands at 3,709.
- In total, our members have added more than \$2 million to their savings accounts. When we see people putting money away for the future, we are confident that our members are prepared to handle financial challenges.
- In addition, our member owners have borrowed more than \$14.8 million in new loans, in the 2015-2016 fiscal year. This reflects the continued optimism in our economy and trust in your credit union.

You can find additional details regarding the financial position of SPCO Credit Union, in this Annual Report. Our highest and best purpose in serving you includes:

- Targeting segments of our community where we can make the greatest impact. Helping with financial literacy is one way we can do that.
- Offering more and better resources that ensure our members are using the safest, most secure, and convenient technology available.
- Helping you finance all life activities, such as education, mortgages, and transportation.

In closing, I'd like to express my confidence in the leadership of SPCO Credit Union, the wisdom and guidance of our esteemed Board of Directors, the commitment of our dedicated staff, and the support and loyalty of our members. We are extremely optimistic about the future because SPCO Credit Union is well positioned to face any challenge and seize any opportunity that presents itself in 2017.

Sincerely,
Steve Emmott
Chairman

PRESIDENT'S REPORT

On behalf of the management and staff of SPCO Credit Union, I am happy to report on the progress of SPCO Credit Union. As always, thank you for your loyalty and support. "One member, one vote" is the foundation of our unique cooperative business model. It gives you a voice in your financial institution and when you participate in our voting process, you're contributing to our growth. In return, we're able to return our profits to you in the form of competitive rates, new products, enhanced services, and additional points of service.

Let me begin by saying that 2016 was one of the most significant years in recent memory for the nation, and for the credit union movement. In addition to the headline-grabbing election cycle, the credit union movement weathered another round of banker attacks, not only regarding our tax exemption but the field of membership rules. Through our advocacy efforts, we will continue to push back when bank lobbyist try to undermine our cooperative system. In fact, we will encourage Congress to do more to expand consumer access to credit unions. The good news is that in 2017 we have excellent opportunities to see credit union advocacy victories on the regulatory relief front.

Closer to home, as our credit union membership grows, so do our assets, which is one of the primary indicators of how well our members are receiving the products and services we offer. Our current assets are \$39,943,752.31. I'm happy to report that as loan demand has increased 13% from 2015 to 2016, delinquencies remain low at 0.78%. This is a reflection of two things: the competitive rates we're able to offer and your strong commitment to honoring your financial obligations with us.

I'm very pleased to announce that again this year SPCO Credit Union is a well-capitalized financial institution, with a strong net worth ratio of 9.25%. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our regulators.

As we move into 2017, SPCO Credit Union will continue to grow responsibly while listening to your needs. We will also explore innovative product and service solutions to enhance your financial life. Finally, we will develop our staff and board so they can confidently and wisely serve you.

We are sincerely grateful that you are an integral part of our credit union family. I'm highly optimistic about our future, and on behalf of the entire staff, we look forward to a happy and successful 2017.

To continued success,
Tim Adams
President/CEO

CHANGES TO ARTICLES OF INCORPORATION AND BYLAWS

Be it resolved, that Chapter V, Section 5.01, of the credit union's bylaws be amended to hereafter read as follows:

Number of Directors. The Board of Directors of this credit union shall consist of (7) individual members who shall be elected as provided in these bylaws. All of the Directors shall be members of this credit union. No reduction in the number of Directors may be made unless corresponding vacancies exist as a result of death, resignations, expiration of terms of office or other actions provided by these bylaws.

2016 INDEPENDENT AUDITOR'S REPORT

The Board of Directors is primarily responsible for monitoring the safety and soundness of SPCO Credit Union, as well as, the credit union's adherence to operating policies, procedures, and regulations.

Each year the Board oversees the annual audit performed by an independent auditing firm. A. John Weaver & Associates conducted the annual audit in 2016. In their opinion, the financial statements were correct and fairly presented and no material discrepancies were identified as of November 1, 2015, through October 31, 2016.

SPCO Credit Union and its assets remain financially sound and secure.



FINANCIAL REPORT CHARLEY JOHNSON, TREASURER

STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2016

ASSETS	
Loans to Members	\$31,344,362.22
Less: Reserve for Loan Losses	(151,539.33)
Net Loans	31,192,822.89
Receivables/CU	16,909.66
Total Cash	1,284,834.65
Total Investments	3,801,551.90
Total Prepaid & Deferred	279,165.88
Total Fixed Assets	1,404,557.25
Total Other Assets	1,836,200.00
Total Accrued Income	127,710.08
TOTAL ASSETS	\$39,943,752.31

LIABILITIES and EQUITY	
Accounts Payable	\$397,433.29
Other Liabilities	1,016,727.43
TOTAL LIABILITIES	\$1,414,160.72

Total Deposits	\$34,834,612.46
Regular Reserves	1,705,902.39
Undivided Earnings	917,055.74
Undivided Earning Merger	1,072,021.00
TOTAL LIABILITIES & EQUITY	\$39,943,752.31

INCOME STATEMENT DECEMBER 31, 2016

TOTAL INCOME	
Loan Interest Income	\$1,566,753.62
Investment Income	29,006.19
Fee Income	387,065.38
TOTAL INCOME	\$1,982,825.19
Provision for Loan Losses	(445,000.00)
TOTAL INCOME AFTER PROVISION FOR LOAN LOSSES	\$1,537,825.19

OPERATING EXPENSES	
Salaries Expenses	\$609,096.57
Operating Expenses	1,084,474.19
TOTAL OPERATING EXPENSES	\$1,693,570.76

Member Dividends	293,746.78
Non-Operating Gain/Loss	(10,287.67)

NET INCOME (\$439,204.68)

MEMBERSHIP 3,709