

**BOARD OF DIRECTORS
& TERM EXPIRATIONS**

CHAIRMAN | Steve Emmott | 2019

VICE CHAIRMAN | Harvey L. Hayes, Jr. | 2019

SECRETARY | Dee Farino | 2019

TREASURER | Charley Johnson | 2020

DIRECTOR | James Reynolds | 2020

DIRECTOR | Marlin Phillips | 2018*

DIRECTOR | Tim Adams | 2018*

*These Board Members are up for reelection in 2018.
Elections will be held on May 13, 2018 at the Annual Meeting.

NOMINATING COMMITTEE

Charley Johnson

Dee Farino

James Reynolds

EXECUTIVE MANAGEMENT TEAM

PRESIDENT / CEO

Tim Adams

VICE PRESIDENT OF ADMINISTRATION

Katyanna Vaughn



www.SPCOCU.org

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

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



Federally
Insured
by NCUA

**SPCO CREDIT UNION
ANNUAL REPORT
2017**



2017 ANNUAL MEETING ADDRESS

THOUGHTS FROM OUR CEO AND CHAIRMAN OF THE BOARD

On behalf of the Board of Directors, Management and Staff of SPCO Credit Union, we are happy to report on the progress of SPCO Credit Union. As always, we thank you for your loyalty and support.

To say that 2017 was a tough year for many is an understatement. Many Houstonians and SPCO Credit Union members suffered losses following Hurricane Harvey and the subsequent flooding. Although there was widespread devastation, we knew it was important to open our doors to help members. We were one of the first credit unions back up and running so we could provide assistance to our members, with limited disruption to services. Fortunately, we were able to assist numerous members with emergency loans. We were honored to help and are proud of our city and of our members.

In 2017, we were proud to launch several new services, which make it easier to do business with SPCO Credit Union. In August, we rolled out Remote Deposit Capture so now you have the flexibility to deposit a check into your SPCO account, using the camera on your mobile device! No more mailing checks or trips to the credit union! We also upgraded our Mobile App to include Fingerprint ID so that logging into your account is faster, easier and secure! Finally, we rolled out a brand new mobile-friendly website in November. We hope you've found the new website easier to navigate and locate the information you need quickly.

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 3,668.
- 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 \$39,315,423.98.
- Member-owners have borrowed more than \$11.2 million in new loans, in the 2016-2017 fiscal year. This reflects the continued optimism in our economy and trust in your credit union.
- While loans held steady, delinquencies remain low at 0.87%. This is a reflection of both the competitive rates we're able to offer and your strong commitment to honoring your financial obligations with us.
- SPCO Credit Union is a well-capitalized financial institution, with a strong net worth ratio of 8.88%. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our regulators.

You can find additional details regarding the financial position of SPCO Credit Union, in this Annual Report.

As we move into 2018, 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 extremely optimistic about the future because SPCO Credit Union is well positioned to face any challenge and seize any opportunity that presents itself in 2018. We look forward to working together to make 2018 a successful year.

Tim Adams
PRESIDENT / CEO

Steve Emmott
CHAIRMAN

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.

2017 INDEPENDENT AUDITOR'S REPORT

Each year the Board oversees the annual audit performed by an independent auditing firm. A. John Weaver & Associates conducted the annual audit in 2017. In their opinion, the financial statements were correct and fairly presented and no material discrepancies were identified as of November 1, 2016, through October 31, 2017.

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

STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2017

CHARLEY JOHNSON, TREASURER

| ASSETS | BALANCE |
|---------------------------------------|------------------------|
| Loans to Members | \$29,763,650.68 |
| Less: Reserve for Loan Losses | (\$279,983.62) |
| Net Loans | \$29,483,667.06 |
| Receivables/CU | \$4,157.39 |
| Total Cash | \$1,216,477.32 |
| Total Investments | \$4,491,822.34 |
| NCUA NCUSIF | \$344,484.78 |
| Prepaid & Deferred | \$256,962.99 |
| Total Fixed Assets | \$1,360,028.72 |
| Total Accrued Income | \$141,351.38 |
| Total Other Assets | \$2,016,472.00 |
| TOTAL ASSETS | \$39,315,423.98 |
| LIABILITIES & EQUITY | |
| Accounts Payable | \$325,839.70 |
| SPCO CU Line of Credit | \$1,000,000.00 |
| Other Liabilities | \$26,224.44 |
| TOTAL LIABILITIES | \$1,352,064.14 |
| Total Deposits | \$34,471,660.51 |
| Regular Reserves | \$1,705,902.39 |
| Undivided Earnings | \$713,775.94 |
| Undivided Earning Merger | \$1,072,021.00 |
| TOTAL LIABILITIES & EQUITY | \$39,315,423.98 |
| MEMBERSHIP | 3,668 |

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