

# INCOME STATEMENT DECEMBER 31, 2019

<b>TOTAL INCOME</b>	
Loan Income	\$1,773,224.06
Investment Income	\$83,607.88
Non-Interest Income	\$381,961.24
<b>TOTAL INCOME</b>	<b>\$2,238,793.18</b>

<b>OPERATING EXPENSE</b>	
Salaries Expenses	\$630,919.42
Operating Expenses	\$982,593.80
Loan Loss Provision	\$211,577.00
<b>TOTAL OPERATING EXPENSES</b>	<b>\$1,825,090.22</b>

Member Dividends	\$347,157.14
Non-Operating Gain/Loss	\$5,909.96

<b>OVERALL TOTAL OPERATING EXPENSES</b>	<b>\$2,166,337.40</b>
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<b>NET INCOME</b>	<b>\$72,455.78</b>
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<b>MEMBERSHIP</b>	<b>3,444</b>
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## 2019 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 2019. They found the financial statements were correct and fairly presented and no material discrepancies were identified as of November 1, 2018, through October 31, 2019.

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

## OUR MISSION

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



12755 N. HOUSTON-ROSSLYN RD.  
HOUSTON, TX 77086  
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LOBBY &  
DRIVE-THRU HOURS

MONDAY – FRIDAY  
9 A.M. – 4:30 P.M.



# ANNUAL REPORT 2019



Federally  
Insured  
by NCUA

# CEO AND CHAIRMAN ANNUAL MEETING ADDRESS

As a financial cooperative, SPCO Credit Union is based on the idea that the combination of great service and value results in long-term relationships with members. This has driven our growth over the years and last year was no exception. 2019 wraps up our 84th year as a financial cooperative with a steadfast commitment to improving the financial lives of our members and the communities we serve.

We finished the year strong with assets just under \$37 million and a strong net worth ratio of 9.95%, much higher than the 7% ratio recommended by regulators. Our member-owners can have the confidence that we are financially stable with the capacity to continue to offer affordable financial products, as well as, to invest in technological improvements.

We're also happy to report that, we've grown to 3,444 members, who borrowed more than \$29.4 million in new loans in 2019, while delinquencies remained low at 0.62%. This reflects optimism in our economy, trust in your credit union, and a strong commitment to honoring your financial obligations with us. You can find additional details regarding the financial position of SPCO Credit Union, in this Annual Report.

In the fall of 2019, SPCO Credit Union converted to a new credit card processor. This change provided members greater functionality and ease-of-use with your new Mastercard, but it also required us to reissue credit cards to our members. Any change can be challenging but our goal is always to provide better service for members with the latest technology and features available. We believe this new card program will serve our credit union and members for the coming years.

From a strategic perspective, 2019 was a very busy year. We focused on operational effectiveness, establishing smart growth goals all with an emphasis on our member experience.

We would like to recognize our Board of Directors for their responsible stewardship of our principles, philosophy, and mission; our outstanding leaders for their insightful strategic planning and organization; our dedicated employees for embracing our values and goals; and our loyal members who appreciate the many ways their credit union is a partner in their financial well-being. Because of the work we've all done, this credit union is thriving.

As we move into 2020, we are honored to support our people-helping-people mission and we thank you for making SPCO a thriving credit union.

**Tim Adams**  
PRESIDENT / CEO

**Steve Emmott**  
CHAIRMAN

# STATEMENT OF FINANCIAL CONDITION DECEMBER 31, 2019

**JAMES REYNOLDS, TREASURER**

ASSETS	BALANCE
Loans to Members	\$29,466,676.15
Less: Reserve for Loan Losses	(\$232,841.57)
<b>Net Loans</b>	<b>\$29,233,834.58</b>
Receivables/CU	\$12,516.83
Total Cash	\$302,705.46
Investments	\$3,175,787.27
NCUA NCUSIF	\$331,193.75
Prepaid & Deferred	\$281,001.53
Total Fixed Assets	\$1,343,482.12
Total Accrued Income	\$128,688.93
Total Other Assets	\$2,123,531.00
<b>TOTAL ASSETS</b>	<b>\$36,932,741.47</b>

LIABILITIES & EQUITY	
Accounts Payable	\$190,667.21
SPCO Line of Credit	\$1,050,000.00
Other Liabilities	\$75,689.65
<b>TOTAL LIABILITIES</b>	<b>\$1,316,356.86</b>
Total Deposits	\$31,940,560.28
Regular Reserves	\$1,705,902.39
Undivided Earnings	\$857,027.10
Undivided Earning Merger	\$1,072,021.00
Unrealized Gain/Loss CDs	\$40,873.84
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$36,932,741.47</b>

## BOARD OF DIRECTORS & TERM EXPIRATIONS

CHAIRMAN | Steve Emmott | 2022  
 VICE-CHAIRMAN | Harvey L. Hayes, Jr. | 2022  
 SECRETARY | Dee Farino | 2022  
 TREASURER | James Reynolds | 2020\*  
 DIRECTOR | Janice Mayes-Clayton | 2022  
 DIRECTOR | Marlin Phillips | 2021  
 DIRECTOR | Michael Camphire | 2020\*

\*These Board Members are up for reelection in 2020.

## NOMINATING COMMITTEE

CHAIRMAN | Harvey Hayes  
 Marlin Phillips  
 Janice Mayes-Clayton

## EXECUTIVE MANAGEMENT TEAM

PRESIDENT / CEO  
 Tim Adams  
 SENIOR VICE PRESIDENT OF ADMINISTRATION  
 Katyanna Smith