

Everything we do,
we do for you

2018

ANNUAL REPORT



FIRST CENTRAL CREDIT UNION
Serving Members Since 1937

First Central Credit Union is committed to providing secure, competitive financial services, dedicated to offering the best possible benefits to our members, while continuing to build capital reserves through innovative and sound business practice.

Our Mission

We will continue to build and support members for life by being the preferred and most trusted resource for financial products and services in the communities we serve.

Our Vision

2019 Annual Meeting Agenda

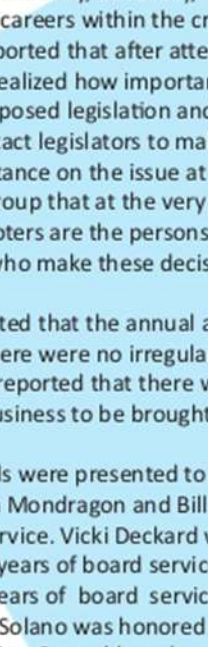
- Call to Order
- Introduction of Officials
- Chairman's Report
- Treasurer's Report
- President's Report
- Report on Annual Audit
- Unfinished Business
- New Business
- Service Awards
- Election Results
- Adjourn

Leadership

- JoBetsy Tyler**
President / CEO
- Orlando Rodriguez, Jr.**
Senior Accounting / IT Manager
- Nick Cook**
Senior Member Services Manager
- Rachael Bosse**
Senior Lending Manager

Board of Directors

- Jason Colliver**, Chairman
Term expires 2020
- Glenn Williamson**, Vice Chairman
Term expires 2019
- Randy Miller**, Secretary / Treasurer
Term expires 2021
- Abraham Ceballos**, Director
Term expires 2021
- Vicki Deckard**, Director
Term expires 2021
- Dan Dent**, Director
Term expires 2019
- Cheryll Graves**, Director
Term expires 2020
- Elio Smythe**, Director
Term expires 2020
- Bev Walker**, Director
Term expires 2019



First Central Credit Union was awarded certification as a Community Development Financial Institution (CDFI) by the U.S. Department of the Treasury in September 2018. As an official CDFI, First Central's efforts to put the community first and value local, economic growth have been recognized. Now as a CDFI, First Central's pursuit to be a mission-driven financial institution that is dedicated to providing financial services to meet the needs of economically disadvantaged individuals within underserved communities, can intensify.

With our first ask, we were awarded over \$115,000 toward technical assistance to be used to improve technology, and our infrastructure to better serve our members. We were one of only six first-time CDFI credit union awardees in the United States to receive funds.

Through the CDFI fund's program, First Central is able to better serve communities that lack adequate access to affordable financial products and services. The path to achieving this status is a rigorous one, and the continuing review process is multi-phased and selective.

"Being awarded this certification level resource, and the ability it gives us toward future initiatives, is quite an honor," states First Central President Jo Betsy Tyler, "and we will strive to maximize the community impact."

2018 Annual Meeting Minutes

The meeting was held on March 27, 2018 at 6:33 p.m. by Chairman Jason Colliver, who noted that a quorum was established to allow for conducting credit union business. Randy Miller gave the invocation.

Colliver introduced himself, as well as the other board members, then gave the 2017 Chairman's report. He reported that 2017 had been a very successful year as First Central took every opportunity to celebrate our 80 years of service to our members. Colliver mentioned that a survey of members was taken in 2017 and the results were very favorable. He reported that the net promoter score, which is an indication of overall satisfaction and likelihood of suggesting FCCU service to others was well above industry standards. Colliver introduced Mark Trice, who announced upcoming seminars. Colliver reported that 2017 was a successful year in auto lending. He asked those in attendance who had ever had an auto loan to stand and through the process of elimination, presented an auto-themed gift to the person in attendance that had the most auto loans with FCCU.

Alfred Solano gave the Treasurer's Report. He reported that 2017 was once again a year of strong financials. Assets grew by 8.74%. The loan portfolio grew by 12% and investments by almost 4.2%. This was the opposite of 2016 as assets grew faster than loans. Share balances increased by 8%. Equity grew by 15%. First Central has a strong year of earnings. The return on assets ended the year at 1.71%. This is a strong ratio when compared to others in the industry. The year-end capital ratio was 13.28%, which is considered to be well capitalized by our regulators.

JoBetsy Tyler gave the President's Report. She reported that FCCU ended the year at \$82M in assets and how fitting it is that in the year of our 80th anniversary, we'd surpass \$80M in assets. She thanked all the members for their support.

She mentioned that the auto buying center had been added to FCCU's website. She mentioned a new product, KASASA Protect, an identity protection service. She also reported that the FCCU website was undergoing updates for ADA accessibility.

She reminded the group that having a strong voice and active engagement with our legislators is key to continued success. She introduced Eduardo Vazquez a FCCU staff member who had recently participated in the Governmental Affairs Conference as a "crasher." Vazquez explained that the crasher program is for young professionals interested in learning more about our industry, advocacy, and furthering their careers within the credit union industry. He reported that after attending this conference he realized how important it is to be aware of proposed legislation and taking the time to contact legislators to make them aware of your stance on the issue at hand. He reminded the group that at the very least we need to vote. Voters are the persons who put those persons who make these decisions in office.

Colliver reported that the annual audit had occurred and there were no irregularities to report. He also reported that there was no new or unfinished business to be brought before the membership.

Service awards were presented to staff members: Alicia Mondragon and Bill Sheffield for 5 years of service. Vicki Deckard was honored for 10 years of board service, and Elio Smythe for 20 years of board service. Board member Alfred Solano was honored for his service on the First Central board.

Tyler presented a motion for the nominating committee. She made a motion that Abraham Ceballos, Vicki Deckard, and Randy Miller each be elected for a 3-year term. Since this came from a committee a second was not required. A vote was taken and the motion carried.

Door prizes were given throughout the meeting. The meeting adjourned at 7:20 p.m.

Statement of Financial Condition

	2017	2018
ASSETS		
Loans to Members	\$ 50,938,970	\$ 55,198,095
Allowance for Loan Loss/ODP	\$ (697,440)	\$ (847,527)
Net Loans	\$ 50,241,530	\$ 54,350,568
Receivables	\$ 526,185	\$ 1,157,481
Cash	\$ 3,676,139	\$ 3,120,934
Investments	\$ 20,394,061	\$ 20,158,805
NCUSIF Deposit	\$ 682,333	\$ 721,142
Accrued Income	\$ 182,332	\$ 207,761
Prepaid Items	\$ 122,283	\$ 219,816
Fixed Assets	\$ 3,111,426	\$ 4,287,156
Other Assets	\$ 3,524,895	\$ 3,669,373
Sub-Total	\$ 32,219,654	\$ 33,542,468
TOTAL ASSETS	\$ 82,461,184	\$ 87,893,036
LIABILITIES		
Accounts Payable	\$ 781,216	\$ 710,607
Dividends Payable	\$ 71	\$ 74
Accrued Expenses	\$ 332,070	\$ 391,763
Other Liabilities	\$ 328,782	\$ 193,173
Deferred Credits	-	\$ -
TOTAL LIABILITIES	\$ 1,442,139	\$ 1,295,617
SHARES OF MEMBERS	\$ 70,259,937	\$ 74,123,726
EQUITY		
Unrealized Gain on AFS	\$ 3,002	\$ (57,465)
Regular Reserves	\$ 758,548	\$ 758,548
Undivided Earnings	\$ 9,997,558	\$ 11,772,610
TOTAL EQUITY	\$ 10,759,108	\$ 12,473,693
TOTAL LIABILITIES,		
SHARES AND EQUITY	\$ 82,461,184	\$ 87,893,036

Statement of Income

	2017	2018
INCOME		
Interest on Loans	\$ 3,606,353	\$ 4,028,831
Investment Income	\$ 235,188	\$ 422,278
Miscellaneous	\$ 3,685,714	\$ 4,276,104
TOTAL INCOME	\$ 7,527,255	\$ 8,727,213
EXPENSES		
Compensation & Benefits	\$ 2,601,220	\$ 2,804,731
Travel & Conference	\$ 92,849	\$ 109,205
Association Dues	\$ 30,962	\$ 32,558
Office Occupancy	\$ 388,682	\$ 386,354
Office Operations	\$ 1,303,662	\$ 1,442,850
Education & Promotion	\$ 325,828	\$ 340,669
Loan Servicing	\$ 209,688	\$ 251,365
Professional & Outside	\$ 546,163	\$ 708,232
Provision for Loan & ODP Loss	\$ 359,078	\$ 512,444
State Operating Fee	\$ 14,033	\$ 15,541
TOTAL EXPENSES	\$ 5,872,165	\$ 6,603,949
DIVIDENDS	\$ 325,538	\$ 418,726
NET INCOME (LOSS)	\$ 1,329,552	\$ 1,704,538
AFTER DIVIDENDS		
NON-OPERATING GAIN (LOSS)		
Gain (loss) on Investments	\$ 441	\$ (327)
Gain (loss) Disposition of an Asset	-	\$ 34,749
Other Non-Operating	\$ 23,085	\$ 36,092
Gain (loss)		
TOTAL NON-OPERATING GAIN (LOSS)	\$ 23,526	\$ 70,514
NET INCOME (LOSS)	\$ 1,353,078	\$ 1,775,052
AFTER NON-OPERATING GAIN (LOSS)		

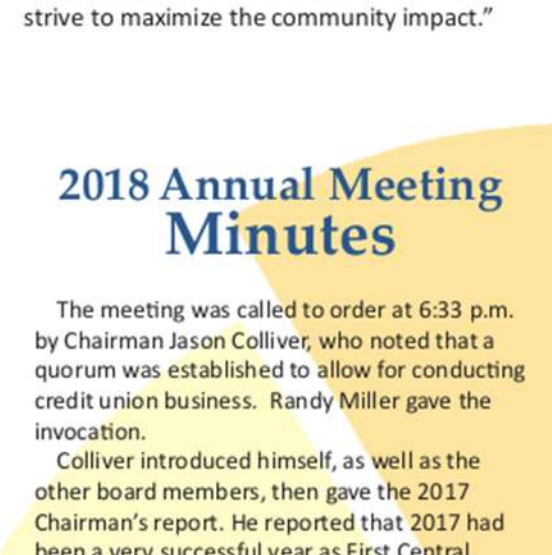
Products & Services

- Apple Pay / Google Pay
- Club Savings Accounts
- Contact Call Center / Live Chat
- Direct Deposit
- e-Statements & e-Alerts
- Enhanced Website Accessibility
- Farm Equipment Loans
- First Central Mobile App
- Home Equity Loans
- ID Protection Monitoring
- Individual Retirement Accounts
- Instant Issue VISA Debit / Credit Cards
- Investment Advisor
- LIFT - Lower Interest For Timeliness
- Mobile Banking & Remote Deposit
- Money Market Accounts
- Money Orders
- Mortgage Loans
- New & Used Auto Loans
- Online Auto Buying Central
- Online Banking / FirstLink
- Online Bill Pay & Account Opening
- Online Loan & Credit Card Application
- Overdraft Protection
- Payroll Deduction
- Personal Loans / Small Dollar Loans
- Reward Checking Accounts
- RV, Boat & Motorcycle Loans
- Saver Loans
- Share / Regular Savings Accounts
- Share Secured Loans
- Telephone Teller / First Teller
- Term Share Savings Certificate
- Traditional Checking Accounts
- VISA Award Credit Cards
- VISA Debit / ATM Cards
- VISA Low-Interest Credit Cards
- Youth Savings Programs

- **Online Loan Officer**
Enables expediency to the loan process through additional lending staff assigned to the contact center.
- **Improved DocuSign**
Offers a secure method of convenience for members, as an improved method of sending electronic signatures.
- **Automatic Loan Decision**
Provides methods for members applying online to flow through the loan decision making process more efficiently. Enhances our ability to remain a competitive online loan resource.

Coming 2019

- **Spanish Home Banking Interface**
Delivers more products and services to those comfortable using Spanish for their financial transactions.



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