

MAIN OFFICE
1001 N. Lee Ave
Odessa, TX 79761
Tel: (432)332-8171
Fax: (432)332-3572

52ND ST BRANCH
4440 E. 52nd St
Odessa, TX 79762
Tel: (432)362-1414
Fax: (432)362-6164

FORT STOCKTON BRANCH
401 W. Dickinson Blvd
Fort Stockton, TX 79735
Tel: (432)336-6291
Fax: (432)336-6429

WEST TEXAS CREDIT UNION

ANNUAL REPORT

2018

LETTER FROM THE CFO

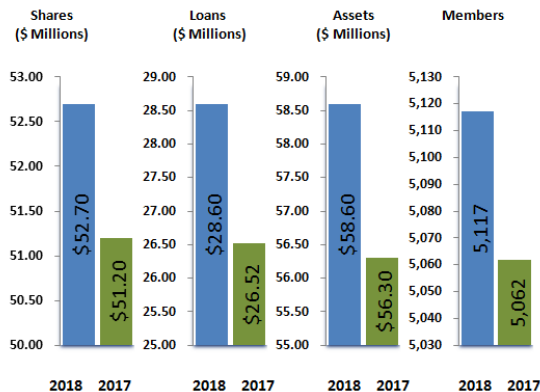
Valued Members,

The year 2018 not only introduced West Texas Credit Union to major upgrades in terms of technological advancement and services but it has also managed to strengthen the Credit Union both financially and strategically. Our total assets have grown by **4%** up from **\$56.3M** to **\$58.6M**. Our total loan portfolio also had its fair share in growth at **8.04%** now at **\$28.6M** with a delinquency ratio of **0.386%**, a figure way lower than our peers. Despite our conservative approach in growing the Credit Union, we have also managed to increase our Member's Share by **2.91%** now at **\$52.7M**. We have also taken advantage of the rising interest rate environment resulting in a **30.41%** increase in our Investment portfolio income vs prior years.

We ended the year with an **8.08%** net worth ratio, still way above NCUA's regulatory requirement of **7%** and added a YTD net income of **\$218K** which is **86.74%** more than our CY 2017 figures.

Best Regards,

Glenn Tolentino
CFO



LEADERSHIP

EXECUTIVE MANAGEMENT:

Nicole Torans-Dominguez | *CEO*
Glenn Tolentino | *CFO*
Lisa Brooks | *DOO*
Erica King | *Branch Manager*
Margaret Lopez | *Branch Manager*
Brooke Patterson | *Marketing Manager*

BOARD OF DIRECTORS:

Steve Brown | *Chairman*
Donnie Norwood | *Vice Chairman*
Patricia Sibley | *Secretary*
Carolyn Gonzalez | *Director*
Paul Pasqua | *Director*
Charles Roberts | *Director*
Mary Jaramillo | *Director*
Ricky Chandler | *Director*
Donald Wood | *Director*

■ = up for re-election 2019

LETTER FROM THE CEO

Members,

It has been an extremely busy 2018. In fact, it has flown by and now here we are in 2019. We had many technological changes that helped in enhancing our online services. We have also had some changes prepping us for what is to come in 2019 and 2020. We have brought on new staff, new technology, and new beginnings for the entire Credit Union family. The Credit Union is constantly looking for ways to grow our family both inside and out. As always, our focus for 2018 referenced "People helping people". We find with focusing on our true passion of educating the community, helping those in need, and giving back - we impact lives in a positive manner.

Our biggest change for 2018 would have been rolling out our name change, branding, and online banking. The Credit Union's tagline is "Educating the Community." This has been a major transition and change for the Credit Union's culture. Focusing on giving back and educating the community has given us multiple opportunities to improve our schools by educating on credit and budgeting, and therefore providing financial peace. We have certified financial counselors specifically to assist members in tackling debt and financial difficulties one at a time. In addition to the free credit counseling we offer, we also host reality fairs tailored to the students within ECISD.

As with many other financial institutions, we are seeing growth. Our approach in growing the Credit Union is a more conservative approach. We don't want to see or experience the large losses that many face when the market drops or oil prices go down. With our conservative approach, we have seen a positive ROA of **0.38%**. This is the best we have had in years, back to even before my time here at the Credit Union. Our capital asset was our true struggle over the years. This was originally in the low 7's when I began back in late 2012, and we now have boosted this ratio to **8.08%**. The economy isn't always our friend, but with the team we have and the support of our community in education, we have remained strong and are on the path to being stronger than ever. We ended the year with a total profit of **\$218** thousand.

As I have said before, our core segment is Educators within Ector County and Fort Stockton, and because of that we have worked hard to stay true to our roots. We are available to Ector and surrounding counties to provide our products and services through all stages of life. Feel free to share the love you have for your local Credit Union with friends and family. We always look for ways to better our member's lives. If there is a way to improve, we want to know. If you have new ideas or suggestions, please share with me or my staff. We are open to enhancing and building your Credit Union to provide a better experience for you and your family.

Thank you for your continued membership.

Best Regards,

Nicole Torans-Dominguez
CEO/President



CONSOLIDATED STATEMENT OF FINANCIAL POSITION

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
ASSETS		
Total Loans to Members	\$ 28,592,164.84	\$ 26,463,824.87
Total Allowance for Loan Losses	(255,034.18)	(269,283.73)
Total Cash and Cash Equivalents	28,154,967.53	28,081,194.50
Total Prepaid & Deferred Expenses	86,527.55	109,486.97
Total Fixed Assets	1,266,735.34	1,273,569.49
Total Accrued Income	140,231.70	126,061.59
NCUSIF	515,565.49	493,501.01
Other Assets	58,791.70	27,981.27
TOTAL ASSETS	\$ 58,559,949.97	\$ 56,306,335.97
LIABILITIES		
Total Accounts Payable	\$ 772,111.88	\$ 513,304.60
Total Accrued Expenses	157,504.41	22,818.02
Other Liabilities	175,334.77	22,463.40
Total Liabilities	\$ 1,104,951.06	\$ 558,586.02
DEPOSITS		
Total Deposits	\$ 52,721,513.92	\$ 51,232,016.07
MEMBERS' EQUITY		
Reserve Account	\$ 1,607,952.04	\$ 1,607,952.04
Undivided Earnings	2,907,781.84	2,791,175.11
Current Earnings	217,751.11	116,606.73
Total Members' Equity	\$ 4,733,484.99	\$ 4,515,733.88
TOTAL LIABILITIES, DEPOSITS & EQUITY	\$ 58,559,949.97	\$ 56,306,335.97

CONSOLIDATED STATEMENT OF INCOME & EXPENSES

For the Years Ended December 31, 2018 and 2017

	<u>2018</u>	<u>2017</u>
INTEREST INCOME		
Interest on Loans	\$ 1,010,739.35	\$ 971,318.54
Interest on Real Estate Loans	477,475.71	446,035.64
Interest on MasterCard Loans	31,041.37	31,323.52
Investment Income	502,654.15	385,429.39
Total Interest Income	\$ 2,021,910.58	\$ 1,834,107.09
INTEREST EXPENSE AND COST OF FUNDS		
Dividends on Share	\$ 13,142.01	\$ 11,918.77
Interests on Deposits	18,881.25	19,867.68
Total Interest Expense and Cost of Funds	\$ 32,023.26	\$ 31,786.45
NET INTEREST INCOME	\$ 1,989,887.32	\$ 1,802,320.64
PROVISION FOR LOAN LOSS EXPENSE	\$ 133,500.43	\$ 275,416.99
FEES, CHARGES AND OTHER ALL OTHER INCOME		
Service Fees	\$ 799,072.56	\$ 749,353.79
Total Fees, Charges and Other All Other Income	\$ 799,072.56	\$ 749,353.79
TOTAL GROSS INCOME	\$ 2,655,459.45	\$ 2,276,257.44
NON-INTEREST EXPENSES		
Total Operating Expenses	\$ 2,437,708.34	\$ 2,159,650.71
Total Non-Interest Expense	\$ 2,437,708.34	\$ 2,159,650.71
NET INCOME	\$ 217,751.11	\$ 116,606.73

2018 Financials