

Coastal Community And Teachers Credit Union

2018 ANNUAL REPORT



AGENDA

- Determination of a Quorum
- Call to Order
- Pledge of Allegiance
- Invocation
- Nominating Committee Report
- Chairperson's Remarks
- President's Remarks and Recognitions
- New Business
- Adjournment

BOARD OF DIRECTORS/ TERM EXPIRATION

Ken Combs, Chairperson/2021
Dr. Tony C. Diaz, Vice-Chairperson/2019
Dr. Jose Cavazos Jr, Secretary/2019
Javier Leal, Treasurer/2021
Dr. David Hinojosa, Parliamentarian/2020
Dr. Lynda De Leon/2020
Angie Ramirez/2020
Dr. Michael Sandroussi/2019
Judge Henry Santana/2021

ADVISORY DIRECTOR

Betty Jean Longoria/October 2019
Albert Martinez/October 2020
Guadalupe Morales/October 2020

PRESIDENT/CEO

Gina Prince

C-SUITE MANAGEMENT

Yvonne Alaniz-Carpentier, CFO
Leanne Mulholland, COO

VICE-PRESIDENTS

Missy Garcia, VP-HR
Jessica Read, VP-Risk Management

Chairman's Report

Your Community Partner dedicated to forming a positive change in people's lives. Serving member's since 1935. We welcome you to our 83rd Annual Meeting.

The Board of Directors are very pleased to announce that YOUR credit union had the strongest year in over a decade. This allows CCATCU to enhance technology, pay higher dividends and retain excellent staff.

The management structure was updated with the promotion of Leanne Mulholland to Chief Operations Officer, the hiring of a new CFO in August 2018 and the hiring of a new VP of Risk Management in October 2018. Rosie Botello, VP of Financial Services, retired in April 2018 after serving 35+ years.

The staff continues to offer excellent member service and help members raise their credit score. This allows you our member to obtain the interest rate you deserve on loans. When you ask a staff member at CCATCU what they do at the credit union – our unified answer is "WE CHANGE LIVES". Our member's have stories, unexpected events and a need for education we provide regarding their personal finances. We are excited to move into the future to enhance our Members Financial Health.

Besides having a stellar year, CCATCU also exceeded 11% in loan growth and the delinquency and charge-offs combined were the lowest in 5 years. Management continues to monitor the expenses of the organization in order to increase profitability. The net worth of YOUR credit union remains over 11% at year end – far exceeding the 7% required by the regulators.

During 2018, the Board of Directors and Management offered assistance to credit unions in the community who were considering mergers. In December, International Brotherhood of Electrical Workers (IBEW) Local 278 merged their accounts with CCATCU. We are excited they are now a part of our credit union family and we support their credit union efforts. In November 2018, the membership of Kingsville Area Educators FCU (KAFCU) approved to merge with CCATCU. The final account conversion was completed on April 1, 2019. These two mergers have grown our asset base to over \$300 million and increased our membership by 2,600 members. What a great opportunity this is to offer our products and services to more members in the community.

What are the strategic plans for 2019? Management is reviewing and considering a new and improved addition to the Saratoga location. Our employees have now grown to exceed 125 and training space and offices are needed.

Watch your credit union grow and advance in our community. We want to spread the word that we are here to support all individuals who need assistance with their financial health. The growth of YOUR credit union is exciting so watch and join us for the coming changes!


Ken Combs,
Chairperson


Gina Prince,
CEO

Financial Information

as of December 31

STATEMENT OF CONDITIONS

	2018	2017
ASSETS		
Cash	\$19,693,112	\$29,984,406
Investments	38,464,372	39,593,919
Loans to members, net of allowance for loan loss	227,886,895	203,393,233
Note Receivable		
Accrued Interest Receivable		
Fixed Assets	5,249,252	5,050,498
National Credit Union Share Insurance Fund (NCUSIF)	2,603,901	2,474,859
Other Real Estate		
Other Assets	18,304,208	17,588,303
TOTAL ASSETS	<u>\$312,201,740</u>	<u>\$298,085,219</u>
LIABILITIES AND RETAINED EARNINGS		
Note Payable	\$0	\$0
Dividend Payable	0	0
Other Liabilities	4,782,734	2,995,372
TOTAL LIABILITIES	<u>\$4,782,734</u>	<u>\$2,995,372</u>
Deposit Accounts	276,084,341	267,095,412
Regular Reserves	5,587,480	5,508,821
Undivided Earnings	29,300,052	25,729,081
Comprehensive Income	(2,589,768)	(2,696,174)
Unrealized Gain (Loss) on AFS	(963,099)	(547,294)
TOTAL LIABILITIES & EQUITY	<u>\$312,201,740</u>	<u>\$298,085,218</u>
Membership:	35,507	35,044

STATEMENT OF EARNINGS

INTEREST REVENUE		
Interest on Loans	\$11,295,882	\$11,139,137
Interest on Investments and CDs	1,199,272	660,213
OTHER REVENUE		
Fees	4,661,376	4,367,747
Gain (Loss) on Disposition of Assets	(70,585)	0
Gain (Loss) on Investments	(140,529)	22,478
Non-Operating Gain or Loss	0	0
Extraordinary Gain (Loss)	0	0
Non-Operating Income	0	0
Other	1,128,899	925,489
TOTAL REVENUE	<u>\$18,074,317</u>	<u>\$17,115,064</u>
DIVIDEND EXPENSE		
Dividends on Deposit Accounts	1,560,968	1,462,859
Interest on Borrowed Money	5,565	0
TOTAL DIVIDENDS	<u>\$1,566,533</u>	<u>\$1,462,859</u>
NET REVENUE	<u>\$16,507,784</u>	<u>\$15,652,205</u>
Provision for Loan/Acct Losses	2,043,341	3,589,460
NET REVENUE BEFORE OPERATING EXPENSES	<u>\$14,464,443</u>	<u>\$12,062,745</u>
OPERATING EXPENSES		
Compensation & Benefits	\$4,573,975	\$4,561,829
Office Occupancy	688,880	682,105
Data Processing	1,249,221	869,848
Office Operations	1,211,402	1,373,310
Other	3,255,395	2,952,253
Member Insurance	0	0
TOTAL OPERATING EXPENSES	<u>\$10,978,873</u>	<u>\$10,439,347</u>
NET INCOME	<u>\$ 3,485,570</u>	<u>\$ 1,623,399</u>