



BRAZOS COMMUNITY
CREDIT UNION

2016 ANNUAL MEMBERSHIP MEETING

JOE'S BANQUET CENTER

1300 E. HIGHWAY 6, ALVIN, TX 77511

6:00 P.M.

TUESDAY, FEBRUARY 16, 2016

BRAZOS COMMUNITY CREDIT UNION

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Brazos Community Credit Union – 2016 Annual Report

Agenda

1. Call to Order;
2. Determination of a Quorum;
3. Invocation;
4. Reading and Approval of the Minutes of the Annual Meeting of February 17, 2015;
5. Chairman of the Board's Report;
6. President's Report;
7. Treasurer's Report;
8. Annual Audit Report;
9. Unfinished Business;
10. New Business;
11. Election of Directors;
12. Door Prizes;
13. Announcement of Board of Directors for 2016; and
14. Adjournment.

Volunteers and Staff

Board of Directors

David Montemayor Jr., Chairman
Matt Jefferson, Vice-Chairman
Robert Grays, Treasurer
Netta Shingler, Secretary
Chris Green, Director

Term Expiration

2016
2018
2016
2017
2017

Staff

Wesley Shaw, President/CEO
Beverly Martin, Accounting Manager
Kelli Wiley, Loan Manager
Ryen Denson, Loan Officer and Collector
Gloria Caballero, Member Service Representative

Nominating Committee

Earl Leonard
Laurie Lutringer
Mike Massey

Vision Statement

To accelerate our member's financial position. To fulfil this mission, we will provide products and services at a cost that benefits our members financially as compared to our competitors.

Brazos Community Credit Union – 2016 Annual Report

Chairman of the Board's Report

Welcome to our 2016 annual meeting. I'm honored to be here with you tonight and talk to you about our credit union.

Our credit union is financially sound and is well positioned to serve your financial needs, now, and in the future. Myself, and all of the other Board Directors focus on protecting the credit union and its members, above all else, when making decisions.

I would like to thank our staff, all of the volunteers on the board, and the Nominating Committee for their contributions to making this past year a successful one. Finally, and most importantly, I want to thank you, our members, for your continued support of our Credit Union.

David Montemayor, Jr.
Chairman of the Board

President's Report

Good evening everybody and welcome to the annual meeting. It's my pleasure to be with you this evening.

Our vision and mission for 2016 is to accelerate our members' financial condition, whether that is through helping you keep more of the money you earn through refinancing existing debt to lower your monthly payments, or paying you higher dividends on your savings accounts. I believe that not one single member or potential member should be banking anywhere else, because we offer the same financial products and services as any other financial institutions at a cheaper cost to you!

2015 was a year of growth for BCCU. Net income, total assets, total shares, and total loans all ended 2015 at a larger number than they were at the end of 2014.

We will continue to build on our momentum into 2016. Our vision is to accelerate the financial position of our members and the community, whether that is; saving more of your hard earned money, or paying down debt faster.

Other Benefits include; skip a payment once a year, convenience, online banking, debit cards, and tap the equity in the car or house! One way members can help is when given the option to select credit or debit, elect credit. And sign-up for e-statements.

Finally, I want to thank all of you, our members for your continued support of our credit union.

Wesley W. Shaw
President/CEO

Brazos Community Credit Union – 2016 Annual Report

Treasurer's Report

The financial position of the credit union continues to be strong. Our Net Worth to Total Assets Ratio, which measures our ability to absorb losses, is 23.93%. It decreased in 2015 from 26.91%; however, it remains well above the national average of just 12.65%¹. Our Asset Quality at year's end was good which is shown by our Delinquent Loans to Total Loans Ratio of 0.17% (down from 0.42% in 2014), compared to 1.23% for our peers. Our Net Charge Offs to Average Loans Ratio of 0.38% (down from 0.50% in 2014), was higher than our peers, who were at 0.43%.

Total loans increased in 2015 by \$1.6 million, or 17.31%. Total loans now exceed \$11 million! More importantly, also during 2015 total assets and total shares both increased for the second consecutive year!

¹ Peer group average ratios referred to in the Treasurer's Report were 3rd quarter 2015 ratios from NCUA data. 4th quarter average ratios for the peer group were not available as of the printing of this report.

Robert Grays
Treasurer of the Board

Annual Audit Report

The annual audit was completed by John Weaver and Associates for the period ending September 30, 2015. As noted in this report, the records and supporting documentation have been found to be in excellent condition. The work was performed in accordance as set forth in Section 715 of the NCUA Rules and Regulations. The ACH, BSA, and general review of the internal controls of the credit union reviews were also reviewed.

Unfinished Business

None.

New Business

None.

Election of Directors

See Ballot.

Adjournment

Meeting Adjourned.

BRAZOS COMMUNITY CREDIT UNION
Balance Sheet as of 12/31/2016

Account Description	Current Balance
LOANS TO MEMBERS	
* TOTAL	\$ 11,084,511.78
OTHER LOANS	
* TOTAL	\$ 41,329.84
OTHER RECEIVABLES	
* TOTAL	\$ 1,174.20
CASH	
* TOTAL	\$ 906,890.15
INVESTMENTS	
* TOTAL	\$ 2,382,067.25
PREPAID EXPENSES AND DEF CHARG	
* TOTAL	\$ 26,605.21
FURNITURE AND FIXTURES	
* TOTAL	\$ 64.00
ACCRUED INCOME	
* TOTAL	\$ 28,664.17
BUILDING	
* TOTAL	\$ 144,040.60
COMPUTER HARDWARE AND SOFTWARE	
* TOTAL	\$ 78,446.42
** TOTAL ASSETS	\$ 14,611,133.94
ACCOUNTS PAYABLE	
* TOTAL	\$ 40,839.09
DIVIDENDS PAYABLE	
* TOTAL	\$ 2,914.05
TAXES PAYABLE	
* TOTAL	\$ 210.91
ACCRUED EXPENSES	
* TOTAL	\$ 31,936.11
** TOTAL LIABILITIES	\$ 75,900.16
SHARES OF MEMBERS	
* TOTAL	\$ 11,039,033.91
RESERVES	
* TOTAL	\$ 3,496,199.87
** TOTAL LIABILITIES & CAPITAL	\$ 14,611,133.94

BRAZOS COMMUNITY CREDIT UNION
Income Statement as of 12/31/2015

	M-T-D Balance	Q-T-D Balance	Y-T-D Balance
REVENUE			
INCOME FROM LOANS			
* TOTAL	\$ 53,074.34	\$ 157,531.82	\$ 571,778.83
INVESTMENT INCOME			
* TOTAL	\$ 2,815.97	\$ 8,263.52	\$ 33,248.33
FEES AND CHARGES			
* TOTAL	\$ 14,140.14	\$ 34,677.32	\$ 133,881.51
** TOTAL GROSS REVENUE	\$ 70,030.45	\$ 200,472.66	\$ 738,908.67
EXPENSES			
EMPLOYEE COMPENSATION			
* TOTAL	\$ 19,940.96	\$ 59,783.05	\$ 254,887.99
EMPLOYEE BENEFITS			
* TOTAL	\$ 4,547.11	\$ 13,944.88	\$ 55,278.02
OFFICE OCCUPANCY EXPENSES			
* TOTAL	\$ 3,166.61	\$ 9,032.66	\$ 37,504.31
OFFICE OPERATIONS EXPENSE			
* TOTAL	\$ 12,624.43	\$ 39,749.43	\$ 147,033.62
EDUCATIONAL & PROMOTIONAL EXP			
* TOTAL	\$ 444.51	\$ 1,813.33	\$ 4,965.91
LOAN SERVICING EXPENSE			
* TOTAL	\$ 269.74	\$ 923.89	\$ 4,496.17
PROFESSIONAL AND OUTSIDE SERV.			
* TOTAL	\$ 3,665.11	\$ 11,385.78	\$ 43,812.79
PROVISION FOR LOAN LOSSES			
* TOTAL	\$ 15,000.00	\$ 15,000.00	\$ 24,150.00
OPERATING FEES			
* TOTAL	\$ 362.25	\$ 1,086.75	\$ 4,347.25
CASH OVER AND SHORT			
* TOTAL	\$ 10.00	\$ 291.46	\$ 307.20
ANNUAL MEETING EXPENSE			
* TOTAL	\$ 700.00	\$ 2,100.00	\$ 5,978.79
DIVIDENDS			
* TOTAL	\$ 2,941.49	\$ 10,298.98	\$ 29,084.19
MISCELLANEOUS EXPENSE - OTHER			
* TOTAL	\$ 2,054.45	\$ 4,405.49	\$ 14,596.18
** TOTAL EXPENSES	\$ 35,726.66	\$ 139,815.70	\$ 626,442.42
NET INCOME OR LOSS	\$ 34,303.79	\$ 60,656.96	\$ 112,466.25

Financial Performance Ratios as of 12/31/2014		9/30/2015	10/31/2015	11/30/2015	12/31/2015	Guidelines
Net Worth	26.91%	24.19%	24.67%	23.77%	23.93%	7.00%
Delinquency	0.42%	0.37%	0.36%	0.30%	0.16%	1.75%
Charge-off	0.50%	0.44%	0.43%	0.35%	0.38%	0.75%
ROAA*	-0.42%	0.51%	0.54%	0.63%	0.83%	1.00%
Liquidity(L+>6mo+FA/S+NW)	100.74%	109.90%	104.94%	98.63%	98.53%	93.00%
Loan to Asset	75.14%	78.85%	80.65%	76.19%	75.86%	60.00%
Loan to Share	108.01%	109.80%	107.84%	100.19%	100.41%	
*Annualized						
Proj. Financial Performance Ratios as of 12/31/2015						
Net Worth	26.91%					
ROAA	-0.42%					
Definitions:						
Net Worth - Net worth divided by total assets. Percentage of earnings from current and previous periods set aside to absorb operational losses. Higher levels of net worth allow the credit union to survive difficult periods.						
Delinquency - Loans greater than 60 days delinquent divided by total loans.						
Charge-off - Percentage of loans charged off from the loan portfolio on an annualized basis.						
ROAA - Annualized net income divided by average assets. This is the amount that contributes to increases or decreases to net worth.						
Liquidity - Total loans plus investments with remaining maturities greater than 6 months plus fixed assets divided by total shares plus net worth. This is the ratio established in our ALM policy and 93% is the policy limit.						
Loan to Asset - Total loans divided by total assets. This represents the percentage of assets in the loan portfolio. Because loan yield is greater than investment yield, this percentage directly affects earnings.						



BRAZOS COMMUNITY
CREDIT UNION

BALLOT

Brazos Community Credit Union Board of Directors Election Annual Meeting 2016

Position Number	Present Director	Current Term
1	Matt Jefferson	2015 – 2018
2	David Montemayor, Jr.	2013 – 2016
3	Robert Grays	2013 – 2016
4	Netta Shingler	2014 – 2017
5	Chris Green	2014 – 2017

Brazos Community Credit Union has five directors. Directors are elected for a three-year term with staggered expiration dates. With five directors, this means that in most years two directors' terms expire.

This year the terms for Position 2 and 3, occupied by David Montemayor, Jr. and Robert Grays, expire and the election for such positions are for a three-year term that ends in 2019. The bylaws of the credit union dictate that when a director is appointed by the board to fill an open position, that director must stand for election at the next annual meeting.

The Nominating Committee submits the following candidates:

CANDIDATES

David Montemayor, Jr.	_____
Robert Grays	_____
_____	_____
_____	_____
_____	_____

Please Vote for one (1) candidate by marking your ballot with an 'X' in the blank to the right of the candidate's name to cast your ballot for that candidate. If anyone is nominated from the floor, and you would like to vote for them, write their name in a blank on the left and mark the blank to the right of their name with an 'X' to cast your ballot for that candidate. Vote for a total of not more than one candidate.