



# 2017

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# ANNUAL REPORT

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HOUSTON, TX 77058

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[WWW.JSCFCU.ORG](http://WWW.JSCFCU.ORG)

**JSC**  **FEDERAL CREDIT UNION**

# A LETTER FROM OUR CHAIRMAN

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## To Members and Friends:

I am honored to present the 2017 Annual Report for JSC Federal Credit Union (JSC FCU). The Credit Union has had another exceptional year. In 2017, JSC FCU added 7,450 new members while growing assets by \$159,374,436. The JSC FCU membership is made up of 2,327 Community Business Partners. These partners are as diverse as the community we serve, from homeowner associations to churches and businesses, large and small. Our Community Business Partners continue to be valuable, providing opportunities to work with the community in a variety of ways, in addition to being an essential source of membership.

JSC FCU continues to take steps toward providing new products and services to meet our members' needs. This demand led to the implementation of the Live Chat and Language Translator featured on our website. Members can access detailed information about the Credit Union in multiple languages and chat with a Member Service Representative in live time. Also in response to members' requests, our Visa Platinum Rewards Credit Card was introduced. This new credit card gives members a low-rate and the ability to earn rewards.

With identity theft on the rise, JSC FCU is continually working to combat debit and credit card fraud. Last year we expanded our Mobile Wallet payment options beyond Apple Pay. Android Pay, Samsung Pay, and Microsoft Wallet are included now as well. This popular contactless payment method is a safer and more private way to pay. In addition to Mobile Wallet, JSC FCU also issued new EMV Debit Cards to all members. Each time an EMV card is used for payment, the chip creates a unique transaction code that cannot be used again; therefore, leading to fewer fraudulent transactions.

JSC FCU takes pride in the Credit Union's philosophy - People Helping People. In the midst of the aftermath of Hurricane Harvey's devastation, JSC FCU partnered with local charities to help recover and rebuild. A donation of \$100,000 was given to The United Way to help families in the areas that were impacted the most. Food and personal care items were donated to more than 200 families that were displaced. We also offered financial assistance to our members through a 0% APR disaster relief loan and the ability to skip 3 monthly loan payments.

In an ongoing effort to improve the well-being of the community we serve, the JSC FCU Foundation was created. The Foundation provides support to local charities (501(c) (3) organizations) through volunteer-driven efforts along with monetary contributions. Our staff and their families were enthusiastic about getting involved by offering their time and donations. The beneficiaries were extremely appreciative of The Foundation's commitment to help our community.

JSC FCU understands the importance of financial education and is committed to financial literacy within our community. We have partnered with local high schools to provide educational opportunities to students, staff and educators. Additionally, the Credit Union works to increase the financial literacy of our younger community members as well. By partnering with area organizations and elementary schools, we are able to support events designed to get our younger members excited and prepared for their financial future.

The Credit Union's outreach extends beyond the school campus. Educational seminars are offered to members and non-members alike. A variety of important topics for adults are covered, such as the home buying process, understanding credit, and identity theft and prevention. Free access is also provided to our MoneyFIT (Financial Independence Tools) program. MoneyFIT is a web-based program providing an online resource for adult education in addition to the face-to-face resources.

In closing, I am pleased to report to our membership that your Credit Union is financially safe, sound, well capitalized, and prospering in all the ways we hold valuable. In its 56th year of business, your Credit Union continues to be a resource for its members and to the greater community it serves. We appreciate you choosing JSC Federal Credit Union as your financial institution.

Sincerely,

*David W. Whittle*

David W. Whittle

Chairman, JSC Federal Credit Union

# CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2017	2015	2016	2017
<b>ASSETS</b>			
Total Loans	491,547,946	531,173,932	589,318,110
Less: Allowance	1,386,628	(1,493,045)	(1,607,103)
Net Loans	490,161,317	529,680,887	587,711,007
Cash & Investments	1,369,997,758	1,386,462,267	1,496,667,111
<b>OTHER ASSETS</b>			
Fixed Assets	18,691,368	19,606,365	22,312,005
NCUA Share Insurance Deposit	15,954,848	16,499,202	17,108,503
Other Assets	16,395,157	22,771,531	10,596,062
<b>TOTAL ASSETS</b>	<b>\$1,911,200,449</b>	<b>\$1,975,020,252</b>	<b>\$2,134,394,688</b>
<b>LIABILITIES, SHARES &amp; EQUITY</b>			
Total Liabilities	6,615,816	8,442,082	1,786,370
Total Shares & Deposit	1,706,597,855	1,758,141,907	1,910,233,426
Total Equity	197,986,778	208,436,263	222,374,893
<b>TOTAL LIABILITIES, SHARES &amp; EQUITY</b>	<b>\$1,911,200,449</b>	<b>\$1,975,020,252</b>	<b>\$2,134,394,689</b>
<b>CONSOLIDATED STATEMENT OF INCOME</b>			
<b>OPERATING INCOME</b>			
Total Interest on Loans to Members	18,103,236	18,936,557	20,075,096
Interest on Other Loans (Non-Members/Participations)	—	—	497,053
Income from Investments	14,694,962	16,237,047	19,524,187
Fee and Other Operating Income	14,114,481	14,760,681	15,001,748
<b>TOTAL GROSS INCOME</b>	<b>\$46,912,678</b>	<b>\$49,934,285</b>	<b>\$55,098,084</b>
<b>TOTAL OPERATING EXPENSE</b>	<b>\$28,406,018</b>	<b>\$30,565,856</b>	<b>\$31,202,222</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>18,506,660</b>	<b>19,368,428</b>	<b>23,895,862</b>
Less: Provision for Loan Losses	(1,520,606)	(1,651,715)	(1,865,320)
Non Operating Gain (Loss)	8,821	(4,096)	—
Total Cost of Funds	(6,425,972)	(7,263,133)	(8,091,913)
<b>ADJUSTED NET INCOME (LOSS)</b>	<b>\$10,568,903</b>	<b>\$10,449,484</b>	<b>\$13,938,629</b>

# LEADERSHIP

## BOARD OF DIRECTORS

**DAVID W. WHITTLE**, Chairman  
Term Expires 2018

**CURTIS C. COLLINS**, Vice Chairman  
Term Expires 2019

**JAMES H. RAGAN**, Treasurer  
Term Expires 2019

**DEBORAH A. CONDER**, Secretary  
Term Expires 2020

**JOHN J. THIEL**, Director  
Term Expires 2020

**PEGGY A. ZAHLER**, Director  
Term Expires 2018

**HARRY GUSS**, Director  
Term Expires 2019

**GRADY PERDUE**, Director  
Term Expires 2018

**NATALIE SAIZ**, Director  
Term Expires 2020

## SUPERVISORY COMMITTEE

**JOSE OLIVAREZ**, Chairman

**JOSEPH PAT MCCORMACK**

**GERALD (BUDDY) LAND**

## NORTHERN ADVISORY BOARD

**TIMOTHY DAGGET**

Branch 1 Clear Lake - Main Office

Branch 18 Clear Lake City Blvd

**SHAWN CHITUM**

Branch 3 Ellington

**BRETT BURNS**

Branch 10 Pearland

Branch 19 Pearland Parkway

**JAMES (STEVEN) OYLER**

Branch 11 Seabrook

**GLENN PERK**

Branch 13 Monument

Branch 14 Deer Park

**GIG ROHMFELD**

Branch 15 La Porte

**JOSEPH (TIM) BOUNDS**

Branch 20 Pasadena

## SOUTHERN ADVISORY BOARD

**ANN PAULISSEN**

Branch 2 League City

**GERALD STACY**

Branch 4 Friendswood

**SHARON GILLINS**

Branch 5 Galveston

**LEO RUDD**

Branch 6 Tuscan Lakes

**WILLIAM REID**

Branch 7 Mainland

**LOUIS DECKER**

Branch 9 Bay Colony

**NANCY MALLINI**

Branch 16 Clear Springs High School

Branch 17 Clear Falls High School

## JSC FCU MANAGEMENT

**MICHAEL G. BROWN**  
President

**PAUL MASLONKA**  
Chief Operations Officer

**DEBRA REEDER**  
Chief Financial Officer

**THOMAS HAST**  
Chief Lending Officer/Marketing/  
Business Development

# BRANCH LOCATIONS

## CLEAR LAKE - MAIN OFFICE

1330 Gemini  
Houston, TX 77058

## LEAGUE CITY BRANCH

501 FM 270  
League City, TX 77573

## ELLINGTON BRANCH

404 FM 1959  
Houston, TX 77034

## FRIENDSWOOD BRANCH

1320 S. Friendswood  
Friendswood, TX 77546

## GALVESTON BRANCH

2121 Market St.  
Galveston, TX 77550

## LEAGUE CITY - TUSCAN LAKES BRANCH

1280 E. League City Pkwy.  
League City, TX 77573

## TEXAS CITY - MAINLAND BRANCH

2300 Gulf Freeway  
Texas City, TX 77591

## PARK PLACE BRANCH

8424 Park Place Blvd.  
Houston, TX 77017

## DICKINSON - BAY COLONY BRANCH

2461 FM 646 W  
Dickinson, TX 77539

## PEARLAND - BROADWAY BRANCH

9101 Broadway  
Pearland, TX 77584

## SEABROOK BRANCH

3620 NASA Parkway  
Seabrook, TX 77586

## LEAGUE CITY - WEST BRANCH

2660 W Main Steet  
League City, TX 77573

## DEER PARK - MONUMENT BRANCH

2200 East Thirteenth Street  
Deer Park, TX 77536

## DEER PARK - 8TH STREET BRANCH

120 East 8th Street  
Deer Park, TX 77536

## LA PORTE BRANCH

607 W. Fairmont Pkwy  
La Porte, TX 77571

## CLEAR SPRINGS HIGH SCHOOL BRANCH

501 Palomino Lane  
League City, TX 77573

**Access restricted to CSHS  
students & staff**

## CLEAR FALLS HIGH SCHOOL BRANCH

4380 Village Way  
League City, TX 77573

**Access restricted to CFHS  
students & staff**

## CLEAR LAKE CITY BLVD. BRANCH

1600A Clear Lake City Blvd.  
Houston, TX 77062

## PEARLAND PARKWAY BRANCH

1849 Pearland Parkway,  
Ste. 102

Pearland, TX 77581

## PASADENA NORTH BRANCH

303 W. Shaw  
Pasadena, TX 77506

