



2017

ANNUAL REPORT

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HOUSTON, TX 77058

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JSC  **FEDERAL CREDIT UNION**

A LETTER FROM OUR CHAIRMAN

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
ASSETS			
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
OTHER ASSETS			
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
TOTAL ASSETS	\$1,911,200,449	\$1,975,020,252	\$2,134,394,688
LIABILITIES, SHARES & EQUITY			
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
TOTAL LIABILITIES, SHARES & EQUITY	\$1,911,200,449	\$1,975,020,252	\$2,134,394,689
CONSOLIDATED STATEMENT OF INCOME			
OPERATING INCOME			
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
TOTAL GROSS INCOME	\$46,912,678	\$49,934,285	\$55,098,084
TOTAL OPERATING EXPENSE	\$28,406,018	\$30,565,856	\$31,202,222
INCOME (LOSS) FROM OPERATIONS	18,506,660	19,368,428	23,895,862
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)
ADJUSTED NET INCOME (LOSS)	\$10,568,903	\$10,449,484	\$13,938,629

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 CHITTM
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

