

2016 Annual Report

Welcome to the 64th Annual Meeting!



AGENDA

Welcome.....	5:30 p.m.
Call to Order	
Establishment of Quorum	
Invocation	
Dinner.....	5:40 p.m.
Approval of Minutes	
Acceptance of Reports	
Election Results	
Unfinished Business	
New Business	
Scholarship Presentation	
Door Prizes	
Adjournment.....	7 p.m.

CHAIRMAN OF THE BOARD REPORT

Thank you for your dedication to Texas Partners Federal Credit Union and thank you for attending our Annual Meeting. Because of your commitment to Credit Union, as of the end of 2016, Texas Partners FCU is looking forward to a bright future.

- Membership stands at **19,086**.
- Members are saving and, as a result, share account balances now total **\$141,043,439.96**.
- Members continued to borrow responsibly, bringing the net loan balance to **\$40,187,432.89** with a delinquency ratio of **0.96%**.
- Our total assets grew to **\$152,765,993.88**.

Within the past year, we have strengthened our commitment to the Central Texas communities we serve. Since our last Annual Meeting it has been our first full year of operating six branches (including the newer Temple Walmart branch and the Harker Heights branch).

We also take pride in local community involvement projects through a new program, Partner to Partner. Through the program, Texas Partners FCU has sponsored a variety of projects, including a dog kennel at the Texas Humane Heroes in Killeen, along with adopting a soldier and his family through Operation Phantom Support. We volunteered at the OPS Food Pantry in October and hosted school supply, pet supply, food and clothing drives. Thank you to all of our members who have generously donated to help with our community initiatives!

In the upcoming year, we will focus on reaching the younger members of our community by offering more leadership opportunities for young adults. We are currently recruiting for our new Junior Executive Committee, an auxiliary group of young professionals to the Board of Directors, who will help with our community outreach and serve as “brand ambassadors” to their millennial peers.

Bill Beebe,

Chairman, Board of Directors

PRESIDENT'S REPORT

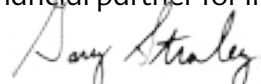
On behalf of all of Texas Partners' management and staff, I thank you for your continued interest in our financial institution.

I would like to highlight a few of the credit union's activities in 2016:

- 1,341 loans were funded for a total of \$3,250,250.86.
- 4,196 new accounts were opened.
- The average number of accounts per new members is 2.82.

Texas Partners FCU remains focused on the future, sustainable and community-oriented. We are proud to be Central Texas' local credit union, a hometown option for members of Killeen, Harker Heights, Copperas Cove, Belton and Temple.

As we embark on a new year ahead, our commitment and mission to you is more important than ever. We look forward to continuing to work toward improving your life and the lives of other Central Texans, through education and community outreach, while remaining your most trusted financial partner for life.


Gary Straley
 President

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is charged under the Federal Credit Union to see that officials and staff are carrying out the plans, policies and procedures for which they are responsible.

During the 2016 calendar year, the Supervisory Committee made steps to complete its biennial membership audit. A survey requesting returned service was scheduled to be mailed to each Texas Partners member as of Dec. 31, 2016. An annual work plan was also developed by the Supervisory Committee.

The Texas Partners Supervisory Committee continues to meet on a monthly basis to review policies, procedures and various audits that are performed. These audits are reviewed with management.


Sharon Whitehead
 Chairman, Supervisory Committee

YOUR VOLUNTEERS

BOARD OF DIRECTORS

Bill Beebe, Chairman
 David E. Leigh, 1st Vice Chairman
 Robert Chadwick, 2nd Vice Chairman
 Jan Anderson, Secretary
 Eddie Oliver, Treasurer
 Roderick Washburn*

SUPERVISORY COMMITTEE

Sharon Whitehead, Chairman
 Robert Johnson
 Rhonda Green
 Kathy Clark-Jones
 Evelyn Marie Luper

*Outgoing Board Member.

ELECTIONS

Lorrie Hammer and C.M. (Mickey) Drake are this year's nominees to fill the two open seats on the board.



STATEMENT OF FINANCIAL CONDITION

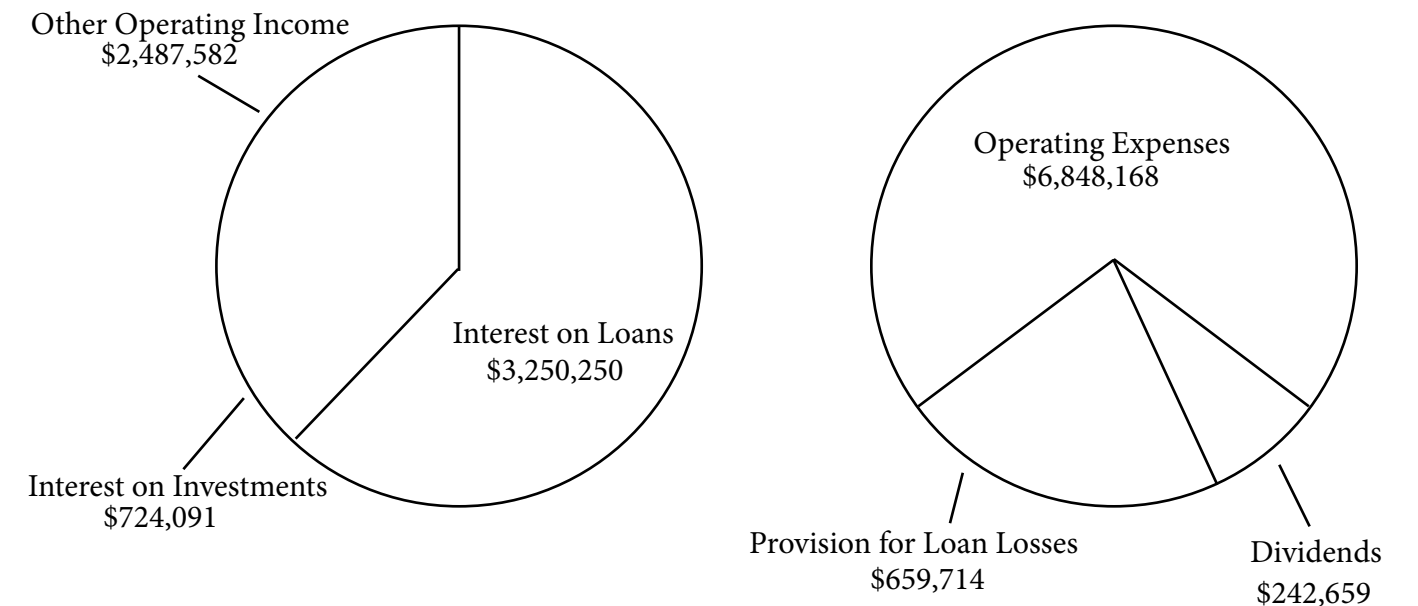
As of Dec. 31, 2016

ASSETS	
Current Assets	
Net Loans:	\$55,622,419.83
Cash:	\$14,509,066.90
Investments:	\$71,792,316.84
PROPERTY	
Land, Building and Furniture	\$8,302,613.68
OTHER ASSETS	
Other Assets	\$2,539,576.63
Total Assets	\$152,765,993.88
LIABILITIES AND EQUITY	
Members' Equity	\$10,181,643.25
Members' Savings	\$141,043,439.96
Other Liabilities	\$1,540,910.67

STATEMENT OF INCOME

As of Dec. 31, 2016

NET LOSS: \$567,951




Eddie Oliver,
 Treasurer, Board of Directors

Total Operating Income: \$6,461,924
Total Operating Expenses: \$6,848,167
Non-Operating (Gain): \$60,952