



[www.PantexFCU.com](http://www.PantexFCU.com)

Federally Insured by NCUA



**Pantex**  
Federal Credit Union

# 2018 Annual Report

**Find Us!  
Like Us!**

➤ Find us on 

A great way to connect with Pantex Federal Credit Union is by following us on Facebook.

Like or follow us for:

- Special Notifications
- News
- Promotions & Contests

Pantex Federal Credit Union launched its Facebook page this past November and it is off to a great start with almost 1,200 followers. What a great way for members to stay connected!

➤ Like us on 



# Take Control of your Finances...

With  
*Quicken*

# Connect

**Pantex Federal Credit Union now  
offers Quicken Connect!**

*With Quicken Connect, members who use  
Quicken products can now link their Pantex FCU  
accounts with their Quicken software.*

- View up-to-date transactions and account balances
- Pay bills through Quicken software
- Transfer funds between Pantex FCU accounts
- Safe & secure through an encrypted connection
- Quick, Easy & Free!

Learn more at  
[www.PantexFCU.com](http://www.PantexFCU.com)



Federally Insured by NCUA

For where Life  
takes you!

# LOANS

New and Used Vehicles  
New and Used Boats  
Recreational Vehicles • Motorcycles  
Real Estate • Home Equity  
Pantex Plus Line of Credit  
Individual Consumer

[PantexFCU.com](http://PantexFCU.com)



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“

We want to  
**continue to connect**  
with you and  
**be your first choice**  
for **all** of  
**your financial needs.**

–Cliff Murley  
PFCU President

”

# Agenda

## ➤ Call to Order (7:00 p.m.)

Reading of the  
Previous Minutes

Reports from Officials

Old Business

New Business

Election of Officials

Drawing of Door Prizes

Adjournment

## ➤ Branch Locations

### MAIN OFFICE

1300 W. Wilson  
Borger, Texas  
(806) 273-5692

### FRITCH BRANCH

411 E. Broadway  
Fritch, Texas  
(806) 857-2400

### HOURS

Monday–Friday  
9:00 am to 5:00 pm  
Drive Thru  
8:00 am to 6:00 pm

### HOURS

Monday–Friday  
9:00 am to 5:00 pm  
Drive Thru  
8:00 am to 6:00 pm

### PAMPA BRANCH

807 N. Sumner  
Pampa, Texas  
(806) 665-4212

### BORGER WALMART BRANCH

1501 Roosevelt  
Borger, Texas  
(806) 273-5698

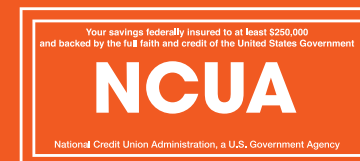
### HOURS

Monday–Friday  
9:00 am to 5:00 pm  
Drive Thru  
9:00 am to 5:00 pm

### HOURS

Monday–Friday  
9:00 am to 7:00 pm  
Saturday  
9:00 am to 4:00 pm

Mailing Address: PO Box 5206 • Borger, TX 79008  
Email: [PFCU@PantexFCU.com](mailto:PFCU@PantexFCU.com) | [PantexFCU.com](http://PantexFCU.com)



# Statement of Condition

## – ASSETS –

	DEC. 31, 2018	DEC. 31, 2017
Loans (net)	\$57,637,845.61	\$54,495,149.28
Cash on Hand and in Banks	\$3,844,731.41	\$3,527,461.24
Investments	\$139,583,347.91	\$147,531,966.57
Shares: Catalyst Corporate	\$3,835,205.35	\$4,784,797.67
Other Assets	\$7,079,576.11	\$6,719,477.80
Land	\$94,093.82	\$89,093.85
Building	\$937,633.10	\$982,138.84
Furniture & Equipment & Leasehold	\$598,757.12	\$586,276.78
<b>Total Assets</b>	<u>\$213,611,190.43</u>	<u>\$218,716,362.03</u>

## – LIABILITIES & EQUITY –

Accounts Payable	\$2,388,582.80	\$2,135,604.27
Accrued Dividends Payable	\$286,572.58	\$175,739.87
Accrued Liabilities	\$286,442.45	\$212,164.94
<b>Total Liabilities</b>	<u>\$2,961,597.83</u>	<u>\$2,523,509.08</u>
Shares	\$169,907,233.86	\$176,065,456.37
Regular Reserve	\$9,596,199.99	\$9,596,199.99
Accumulated Unrealized Gain/Loss on AFS Securities	-\$158,686.76	\$341,207.84
Undivided Earnings	\$31,304,845.51	\$30,189,988.75
<b>Total Equity</b>	<u>\$210,649,592.60</u>	<u>\$216,192,852.95</u>
<b>Total Liabilities &amp; Equity</b>	<u>\$213,611,190.43</u>	<u>\$218,716,362.03</u>

# Officials

## Board of Directors

Allen Jenkins, Chairman  
Harvey Hilbert, Vice-Chair  
Debra Wells, Treasurer  
Glynn Carlock, Secretary

Bill Carder  
Larry Thompson  
Fran Braden

## Supervisory Committee

Lynn Hopkins, Chairperson  
Judy Flanders  
Sara Ramby  
Tina Briscoe

## Professional Staff

Cliff Murley, President/CEO  
Jackie C. Weede, Executive Vice President  
Dana Slater, Vice President/Accounting  
Curtis Hall, Branch Manager-Fritch  
Rodney Franklin, Senior Loan Officer  
Jim Slaybaugh, Branch Manager-Walmart  
Carrie West, Loan Officer  
Shannon Mears, Loan Officer  
Michael Robinson, Vice President of IT  
Mikel Cauthon, Network Administrator  
Tanya Fraley, Asst. Vice President of Member Services  
Alicia Morgan, Asst. Vice President/Tellers  
Dusty Lee, Branch Manager-Pampa  
Robert Forester, Marketing Director  
Linda Watson, Imaging/Internet Banking  
Carla Howard, Plastic Cards/Imaging  
Sheila Taylor, Branch Head Teller-Fritch  
Dana Martin, Asst. Head Teller  
Brittney McWilliams, Accounting Assistant  
Shelia Morrison, Branch Head Teller-Walmart  
Natalee Delatorre, Loan Processor/Assistant  
Shelby Overpeck, Loan Processor/Assistant  
SueAnn Broadway, Teller  
Brittany Burgin, Teller  
Tiera Lesley, Teller  
Nilzaida Wood, Teller  
Kim Hughes, Teller  
Karen Bryan, Teller  
Rebecca Wilson, Teller  
Gerri Mann, Teller  
Sarah Elliott, Teller  
Jennifer Farmer, Teller  
Maranda Grimes, Teller  
Alexandrea Mayberry, Teller  
Ginnie Whitfield, Teller  
Natosha Swinford, Teller  
Angela Tooley, Teller  
Linda Rice, Teller  
Samantha Riggles, Teller  
Amber Acosta, Teller  
Ken Gipson, Facilities



# Operating Expenses

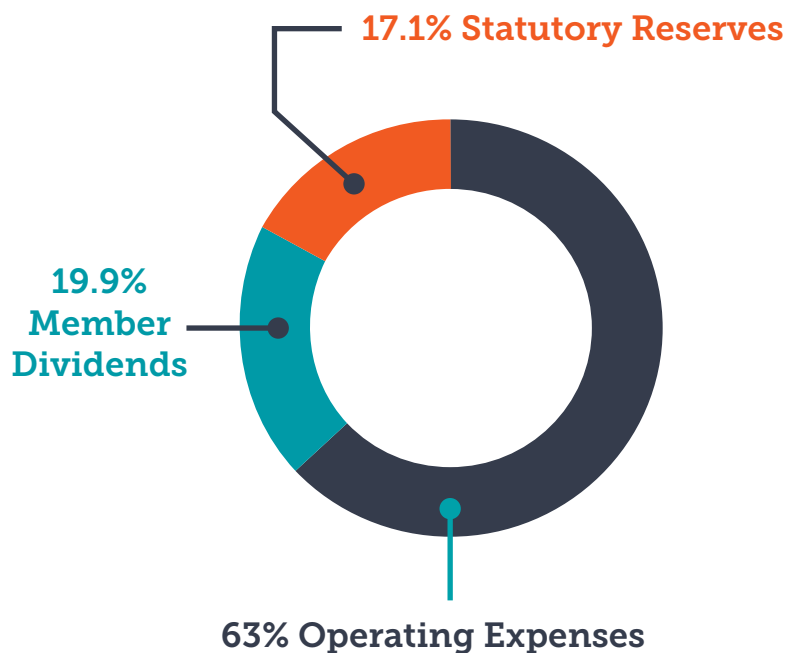
	DEC. 31, 2018	DEC. 31, 2017
Compensation	\$1,868,036.72	\$1,805,305.37
Employee Benefits	\$714,066.65	\$682,100.06
Travel & Conference Expenses	\$14,005.52	\$19,535.86
Association Dues	\$13,191.19	\$14,206.69
Office Occupancy Expenses	\$285,197.92	\$275,134.31
Office Operations Expenses	\$750,106.44	\$701,200.98
Education/Promotional Expenses	\$57,917.65	\$50,945.52
Loan Servicing Expenses	\$700,501.35	\$696,208.26
Professional & Outside Services	\$629,077.90	\$604,658.94
Provision for Loan Losses	\$139,952.90	\$173,667.33
Federal Supervisory Exam Expenses	\$57,772.34	\$50,876.59
Cash Short/Over	\$59.54	-\$589.31
Annual Meeting Expenses	\$12,365.88	\$14,768.74
Miscellaneous Operating Expenses	\$83,340.12	\$38,527.49
<b>Total Operating Expenses</b>	<b>\$5,325,592.12</b>	<b>\$5,126,546.83</b>
Net Income from Operations	\$2,360,571.99	\$1,596,714.14
Gain (loss) on Disposal of Assets	-\$662.69	\$27,490.94
Other Non-Operating Gain (loss)	\$0.00	\$0.00
Dividends	\$1,245,052.54	\$961,582.84
<b>Net Income</b>	<b>\$1,114,856.76</b>	<b>\$662,622.24</b>

# Statement of Income and Expenses

## – OPERATING INCOME –

	DEC. 31, 2018	DEC. 31, 2017
Interest on Loans	\$3,000,849.02	\$2,883,486.92
Interest on Investments	\$2,788,341.15	\$2,228,217.94
Misc. Operating Income	\$1,896,973.94	\$1,611,556.11
<b>Total Operating Income</b>	<b>\$7,686,164.11</b>	<b>\$6,723,260.97</b>

## – DISTRIBUTION OF INCOME –



# Letter from the President

**For 78 years**, your Credit Union has worked hard to connect with you, our members, in order to help you achieve your financial dreams. From the first member we served in 1940, to each new member we welcome today, your Credit Union is committed to building your financial success. To do so, we strive to stay on the forefront of innovative technology, providing you secure access to your accounts 24 hours a day, 7 days a week.

Looking forward into 2019, we are working to make sure members are aware of all the products and services that are available, including deposit products, consumer loans, 1st mortgages and investments, as well as providing more online content and financial education for our members.

We want to continue to connect with you and be your first choice for all of your financial needs. We are committed to building a strong relationship with you by earning your trust and by providing you with a high level of service. We want you to feel so confident in us that you will want to refer all your friends and family members to your Credit Union when they need assistance finding solutions to their individual financial situations. We understand that everyone has unique situations and **we want to be there for you.**

We look forward to the future!

Respectfully submitted,

*Cliff Murley*  
President/CEO

## Chairman's Report

As Chairman of the Board of Pantex Federal Credit Union, let me thank you, our members, for your ongoing support of our vision of service to our members, innovation in all our products, and commitment to our community. 2018 was another strong year for Pantex FCU and we're proud to serve our members.

During 2018, we installed a new drive-up ATM and building at our main office location. We added a new ATM location at ACE Hardware in Borger, bringing the total of PFCU owned ATMs to 8 in Hutchinson County. Plus, members have free access to over 55,000 Allpoint ATMs, worldwide.

Technology is constantly evolving and improving. PFCU is constantly working to stay on top of the changes. We are soon launching:

- Quicken Software Interface to your PFCU accounts.
- External loan payments to allow you to make your PFCU loan payments with any debit card or bank information.

Your credit union staff remained extremely busy throughout the year assisting members. We, the board, and you, the members, are truly blessed to have an extraordinary group of people that are able to meet these technology challenges for our benefit.

On behalf of your board, and myself, personally, I would like to thank you, the membership, for the confidence you show by using your Credit Union as your financial institution

Respectfully submitted,

*Allen Jenkins*

Chairman

## Nominating Committee Report

In accordance with the Pantex Federal Credit Union Policy Manual, to be nominated for a position as a Director or Committee Member, a person must meet certain qualifications. They must possess knowledge, experience, or interest pertinent to the Credit Union's future; have a good credit standing and no criminal convictions; been a member of the Credit Union for at least two years; be willing to accept the responsibilities of the position; be objective and independent; not be an employee of this or a competing institution; and be at least 18 years of age.

Three 3-year terms and one 1-year unexpired term are available for re-election or replacement on the Board of Directors. The positions currently held by Larry Thompson, Glynn Carlock and Debra Wells are up for re-election. Fran Braden is running to fill the unexpired term of Edgar Davis who resigned in 2018.

The Nominating Committee, composed of three members, has recommend that Larry Thompson, Glynn Carlock and Debra Wells be elected to the three-year positions and that Fran Braden be elected to fill the unexpired term. After posting these names in the lobby of the Credit Union, and receiving no petitions for nomination prior to the deadline, the Committee recommends that the individuals named above be accepted by the membership.

Respectfully submitted,

*Harvey Hilbert*

Chairperson of the Nominating Committee



# Supervisory Committee Report

The Pantex Federal Credit Union Supervisory Committee is responsible for independently assessing the soundness of the Credit Union's operations and financial status. Internal controls and policies are evaluated by the Supervisory Committee through reviews of the records of the credit union themselves, with the use of external auditors and reviewing of audit reports, as well as regulatory examination reports by the National Credit Union Administration.

Waypoint Advisory Services, LLC, was hired in 2018 to perform a comprehensive annual review of the Credit Union's financial statements. They also performed quarterly internal control reviews and reported back directly to the Supervisory Committee. Additionally, they also performed the bi-annual membership verification audit as required by federal credit union regulations.

The Credit Union also successfully underwent three additional audits or examinations during the year: An Information Technology and Security Risk Assessment Audit, an ACH procedural audit, and a Bank Security Act/OFAC Act audit.

Pantex FCU recognizes its responsibility to conduct business in accordance with high ethical standards. These audits and examinations are designed to provide the proper "check and balance" system to demonstrate to the Committee, Board, Management, and therefore to the membership, that proper procedures, regulations and Board policies are being followed.

Respectfully submitted,

*Lynn Hopkins*

Chairperson



News

## Looking back at 2018



### New ATM

Pantex FCU replaced the ATM at the Main Branch location. We now have 8 ATMs located in Hutchinson County. In addition, Pantex FCU members have free access to over 55,000 Allpoint ATMs, worldwide.



### Facebook Page

The recent launch of a Facebook page for Pantex FCU created another great way for members to stay "connected." Find it and "Like" it!

## Looking ahead at 2019



### Quicken Connect

This feature will give members the ability to interface Quicken to PFCU accounts.



### External Loan Payments

Members will now have the ability to make their PFCU loan payments with any debit card or with account information from another financial institution.

# Treasurer's Report

As members of your volunteer board, we have the responsibility of ensuring that your Credit Union is safely and soundly operating, as well as making sure that the institution has a solid financial foundation. 2018 was a good year in terms of building our financial strength. Steady interest income and controlled expenses helped us realize strong earnings. This translates into an **exceptionally strong capital ratio of 19.15%**.

I'm proud to say that Pantex FCU continues to be one of the strongest financial institutions in our state, and we owe this to our employees and leadership, and to your participation.

#### Member Return:

- Share dividends totaled \$1,245,052.54
- Represents a return to the membership of 19.9% of total income earned by the credit union in 2018.

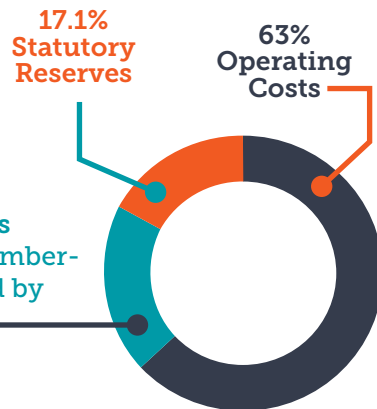
Of the remaining income, 63% was distributed to the normal cost of operating the Credit Union, and 17.1% was placed in statutory reserves to keep capital levels strong. PFCU has maintained a **5-Star Bauer Rating** for over 20 years.

PFCU's investment portfolio consists of deposits in other institutions, primarily in Catalyst Corporate Credit Union, Federal Reserve Overnight Accounts and in United States Agency securities. The Credit Union only invests in the types of investments that are approved by the National Credit Union Administration.

Respectfully submitted,

*Debra Wells*, Treasurer

**\$1,245,052.54 Total Share Dividends Paid** - Represents a return to the membership of 19.9% of total income earned by the Credit Union in 2018.



# Loan Officers' Report

The Loan Officers are responsible for objectively evaluating the financial needs of the members, all the while protecting the interest of the depositors/shareholders by making safe and sound lending decisions.

During the year 2018, PFCU members received 2,619 new loans totaling \$30,583,872.60. With the help of loan participations purchased, total loans outstanding increased 5.52% over the previous year.

Pantex FCU is evaluated with better-than-industry credit quality metrics that help solidify PFCU as a safe and sound institution. We are proud to say we achieved strong credit quality, and you can be sure that **PFCU is among the safest banking institutions around.**

Whether you're thinking about purchasing a new car, remodeling your home, or taking the trip of a lifetime, Pantex FCU has a consumer loan option to make it possible. Our loan experts are ready to help you make the best loan choice for you and your needs.

Respectfully submitted,

*Jackie Weede, Rodney Franklin, Curtis Hall,  
Jim Slaybaugh, Carrie West, Shannon Mears,  
Dusty Lee and Shelia Morrison*

