



# BLUEPRINTS FOR TRANSFORMATION

---

2018 ANNUAL REPORT



# INTRODUCTION

**Change. At Cy-Fair FCU, we earnestly believe that change means opportunity... opportunity for new growth and advancements within the credit union's financial services for members. We believe that change is good.**

For years, banking institutions have severely lacked in keeping up with technological advancements and consumer needs. In a world of bitcoin, the reinvention of traditional bank branches, and new cardless digital transaction capabilities on our smartphones, our

parent's financial institutions are slowly becoming less relevant if they don't perpetually adapt to the needs of today. At Cy-Fair FCU, we have committed to continually research, understand and lean into new approaches to financial service. Just 10 years ago, our nation and our community faced a financial crisis. While CFFCU and it's members tightened their belts, we also used that time as an opportunity to identify areas where we could enhance our service to be more efficient and cost effective. This has included updating our products and programs for members, and looking at our branches



for opportunities to remodel or relocate to better serve the current and future financial needs of our members. Where and how we provide financial services is key and has driven significant branch and technology advancements at CFFCU in the last several years.

In 2018, we began creating the blueprints for transformation with many of our initiatives such as the relocation and remodel of our Stone Creek branch (now in Copperfield), the beginning of our Jones Road branch remodel, and the discontinuation of our safe deposit box service at two locations where vacancies had climbed to 50%. Finding opportunities within new programs along with increased efficiency which will ultimately improve the lives of our members...

  
**Cameron Dickey**  
 President/CEO  
**Stuart Snow**  
 Board Chairman

# HIGHLIGHTS 2018

Enhanced services through the new credit union model



## Efficiencies

3     **In 2018, we took a good, hard look at where and how we could create efficiencies in our branches with a new layout.** The updated layout includes private conversation areas where members can sit side-by-side with a financial consultant as they go through personalized solutions for our members’ financial needs. A hospitality area, an immersive new video wall, and technology lounge will also be added where members can grab a cold drink, recharge their phone or smart device, and catch up with the latest community events and promotions on the 5’ x 8’ digital screen.



## Geographic

Beyond remodeling our existing financial centers, we have already relocated one of our financial centers and are preparing to open a brand-new location. We identified a location near Copperfield Place for our Stone Creek branch. We chose this location due to its close proximity to shopping, dining, groceries and other retail options, making it more convenient for members to drop in while running errands. The new location has been designed to produce a **more personal and innovative banking experience with a quick and convenient drive-thru, and four consultation rooms equipped for better financial collaboration.** As we also continue to expand and broaden our offerings, we selected a new financial center location along Barker-Cypress Rd to better serve thousands of current and potential CFFCU members in that area.



## Technology

In 2018, we continued to double down on our technology offerings by installing more Interactive Teller Machines (ITMs) at various branches. These ITMs offer **70% faster drive-thru transactions, extended hours and access to a majority of banking services without having to ever enter the credit union.** With an ITM, members can also receive personal, face to face service with a Cy-Fair FCU employee to help go through the entire transaction, making it a seamless experience. We also launched our **mobile wallet feature – a convenient, secure way to digitally store debit and credit cards in order to make purchases using a mobile phone.** The best part? The card number is never stored on a member’s device so the account details cannot be cloned, making it safer than carrying a physical card!



## Cost Effective

By building on these blueprints, we are creating a contemporary financial center that is both **efficient and cost effective with the end goal of making our members’ banking experience more enjoyable.** We feel that by setting the foundation in 2018, this upcoming year will be very prosperous.

# TRANSFORMING OUR JONES ROAD LOCATION

For the past year, Cy-Fair FCU has been developing plans for improving both the member and back-office areas of our administrative office on Jones Road. While the exterior of the building is well-maintained, it's mirrored face causes many to pass by without realizing there is a Cy-Fair FCU branch within its walls. The credit union's planned transformation in 2019 will address this, adding increased visibility and awareness of the financial center located inside.

5

The interior will also experience several changes. For example, the member area will be transformed to reflect our new financial center model to enhance our consultative service delivery, elevate our latest innovations and enrich your overall banking experience.

In the back-office and administrative areas, we will make better use of wasted space. The updated design includes a more open workspace with various departments brought in closer together to foster better cross-team collaboration. This transformation will also bring both the ITM and call center areas into one large location, providing more coverage for peak business hours, better service for members, additional cost-savings, and room for future growth.

Finally, with an increased emphasis on knowledgeable consultation, our training rooms will be expanded and

updated with tele-conferencing capabilities to digitally connect our current and future branch locations. Additionally, the new training spaces are designed with the goal of providing local non-profits with additional after-hours meeting space to support their work in our community.

Construction based on the plans developed in 2018 is expected to commence in the second quarter of 2019.



6

# CFISD COMMUNITY

## Extreme Makeover

Cy-Fair FCU continued its commitment to improving the classrooms of local students as part of its annual Extreme Classroom Makeover competition. **Three Cypress-Fairbanks Independent School District (ISD) teachers each received \$500 from CFFCU to enhance their respective elementary, middle or high school classrooms** in order to maximize learning and promote student participation. The credit union also awarded \$150 to three runners-up. This year Cy-Fair FCU distributed the awards before an audience of the recipients' peers at the annual Cy-Fair ISD Rigor, Relevance, Relationships Teacher Conference. Each recipient received a special mention before the keynote address of the conference. The competition began 11 years ago and Cy-Fair FCU has now awarded more than \$17,000 to local teachers for classroom makeovers.

### \$500 WINNERS

#### Elementary School

**DARRELL ABRAMOWITZ**, Danish Elementary

#### Middle School

**AMY HALE**, Hopper Middle School

#### High School

**HEATHER COX**, Cy-Fair High School

### \$150 WINNERS

#### Elementary School

**JEANNA PENA**, Lamkin Elementary

#### Middle School

**LAUREN JACKSON**, Campbell Middle School

#### High School

**KATINA POLITTE**, Cy-Fair High School



## Car Giveaway

This year, Cy-Fair FCU had the privilege of participating as this year's event underwriter as part of our "Community Only Better" initiative - a \$500,000, 10-year pledge to Cy-Fair community schools, small businesses, and students. We also awarded **Angie Peña of Danish Elementary a new Dodge Journey**, thanks in part to Northwest Dodge, during the Cy-Fair Education Foundation's (CFEF) annual Salute to the Stars gala. The event celebrates the contributions of all Cy-Fair Independent School District (CFISD) educators and recognizes the top teachers, para-educators and support personnel from across the district.

“

*I really wanted to fall on my knees and thank God right then and there, I didn't actually believe it until they said Danish Elementary. God bless Cy-Fair FCU, and Northwest Dodge.”*

**ANGIE PEÑA**, Danish Elementary



## Cy-Fair FCU Scholarship Program

In August, Cy-Fair FCU announced the winners for 2018's scholarship program, awarding **\$11,000** in higher education scholarships to six CFISD high school seniors.

### \$3,500

#### Pattie R. Miller Memorial Scholarship

**CHIAMAKA UGBAJA**, Lakes High School.  
*\*Lone Star College full tuition and paid expenses*

### \$1,500

#### Bilingual Spanish/English Scholarship

**SAYRA RODRIGUEZ**, Jersey Village High School

#### Cy-Fair FCU Membership Scholarship

**SHANNON HEBERT**, Cypress Woods High School

#### Community Scholarships

**KAITLYN CLARK**, Cypress Creek High School  
**BRANDON KING**, Cypress Ridge High School  
**MANISH KOLETI**, Cy-Ranch High School

“

*The CFFCU Bilingual Scholarship is special because it recognizes me as an ESL student. This scholarship puts me one step closer to achieving my academic goals in the STEM career field.”*

**SAYRA RODRIGUEZ**, Jersey Village High School



RRR Teacher Conference

This year’s **Rigor, Relevance, Relationships Leadership Conference** – held annually by Cypress-Fairbanks ISD – celebrated with a 1950s theme to signify the long-standing relationship with Cy-Fair Federal Credit Union that started in 1956.



PTO & Booster Club

In 2018, we continued our support for local High School Booster Clubs with \$18,328.08 in funds generated by our **School Spirit Debit Cards**. With the success of such programs, we are looking to expand our reach to support additional types of High School Booster Clubs. In addition, our School Association & Non-Profit Accounts continued to benefit local PTOs & Boosters by providing a more affordable Checking Account option.



\*All 12 High Schools available only at Cy-Fair FCU



Adopt a Road

We continued our support of the Adopt-a-Road program as part of our overall Community Initiative. This includes **volunteering and donating** to ensure that the areas in our community are enjoyable and devoid of trash and debris, providing a sense of pride for those who inhabit the community.



Community Investment

HEART FOR OUR SCHOOLS

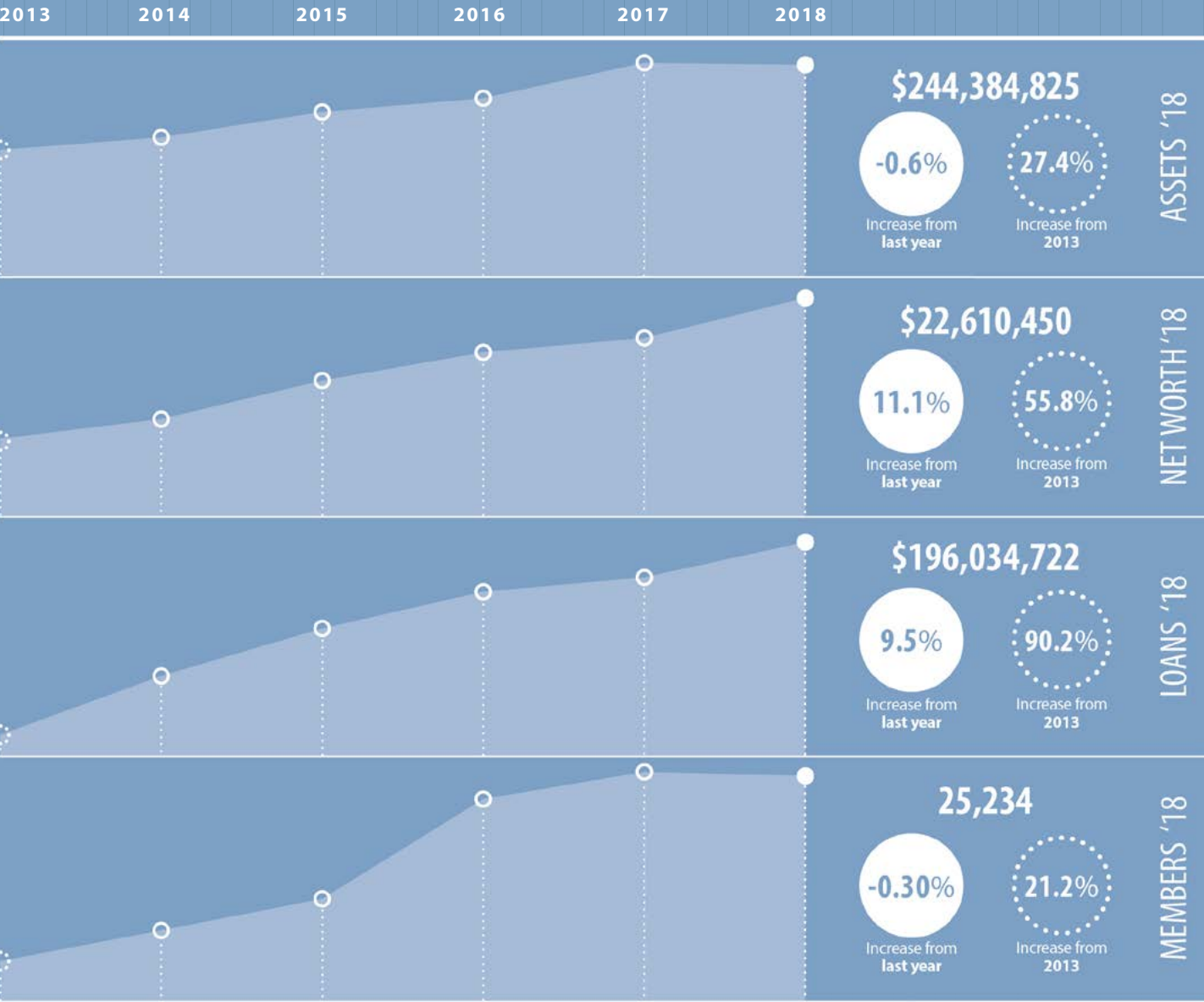
Academic Calendar & App	\$14,089
Adopt-a-School - Bang Elementary	\$2,574
Classroom Make-Over	\$1,950
CFISD FFA Auctions	\$1,550
CFISD Retiree and Service Banquet	\$13,500
CFISD Spotlight Honoree Car Giveaway	\$15,000
CFISD Superintendent Fun Run	\$625
CFISD VIPS	\$1,000
Cy-Fair Educational Foundation	\$10,366
H.S. Athletic Boosters (via School Spirit Debit Cards)	\$18,328
Scholarships to Graduating Seniors	\$11,000
School Donations	\$4,407
Stadium Giveaways	\$5,650
Stadium Naming Rights	\$150,000
Teacher Event Giveaways	\$13,823

HEART FOR OUR COMMUNITY

Boys & Girls Country	\$1,400
Boy Scouts	\$6,200
Community Donations	\$9,445
CFFCU Community Room at Cy-Fair FCU Stadium	\$3,766
Random Acts of Kindness	\$1,466
Reach Unlimited	\$2,500
World Credit Union Foundation	\$4,500

SCHOOL + COMMUNITY TOTAL	\$293,139
--------------------------	-----------

# FINANCIAL OVERVIEW



# STATEMENT OF CONDITION

## Assets

Cash and cash equivalents	7,108,136
Securities	22,323,276
Loans	196,034,772
Allowance for loan loss	1,340,335
Property and equipment, net	8,054,200
Other assets	12,204,776

TOTAL ASSETS	244,384,825
--------------	-------------

## Liabilities & Equity

Accrued expenses and other liabilities	1,923,330
Member shares	220,298,908
Equity	22,162,587

TOTAL LIABILITIES & EQUITY	244,384,825
----------------------------	-------------

# STATEMENT OF INCOME

## Income

Loan Interest	8,741,160
Securities interest	641,707
Non-interest income	5,039,178

TOTAL INCOME	14,422,045
--------------	------------

## Expenses

Provision for loan loss	1,198,325
Operating expenses	10,864,869
Dividends	95,116

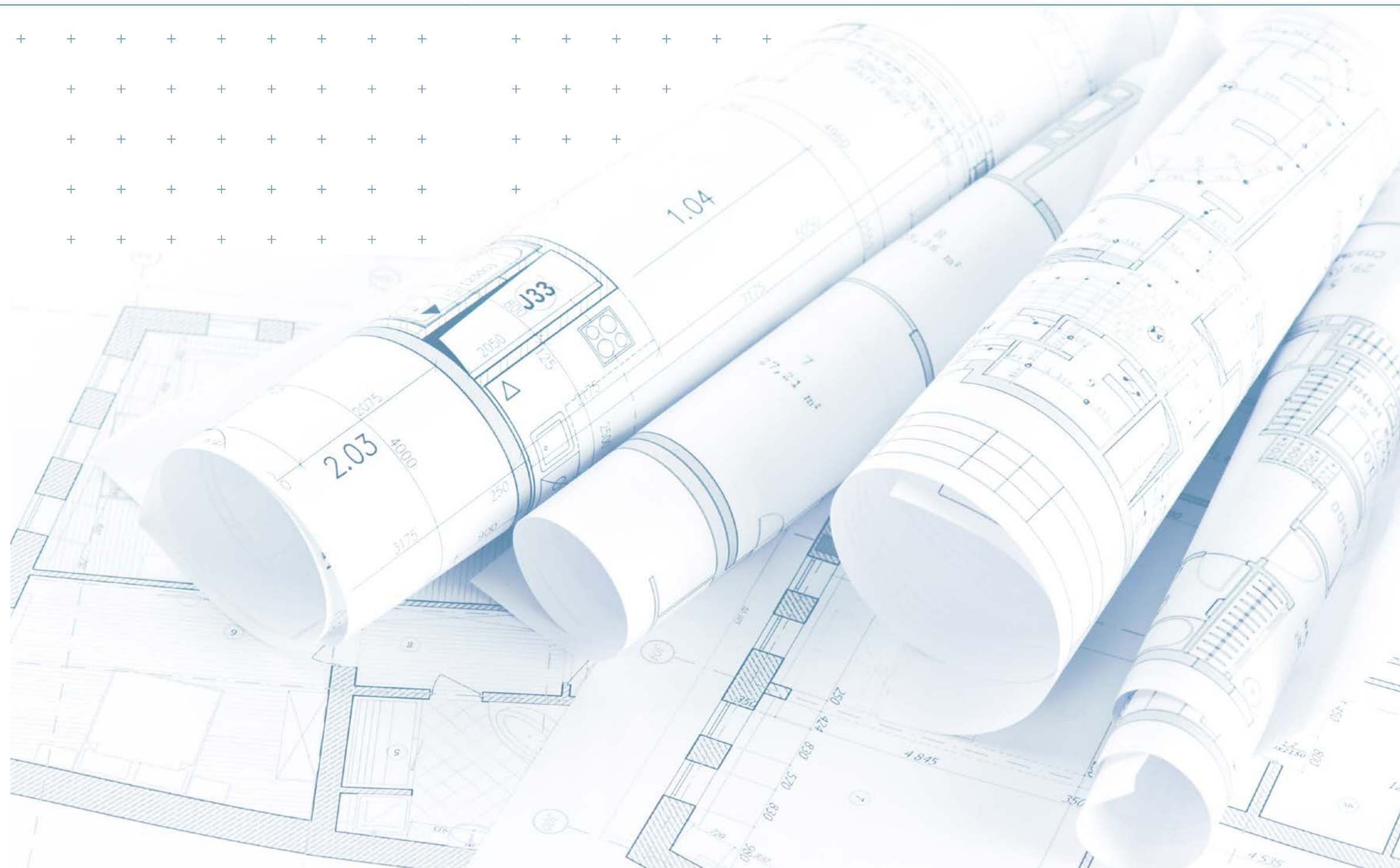
TOTAL EXPENSES	12,158,310
----------------	------------

NET INCOME	2,263,735
------------	-----------

## Turning Blueprints Into Action

We have a finger on the pulse of what's new and what's up and coming in financial technology and what our members look for their community-based financial institution. Our challenge is leaning into advances in digital and direct banking, but that's also our opportunity to evolve into a more convenient and efficient service model. Our physical branches will see far more transformation to help fit the busy lifestyles of our members and we will continue to seek out opportunities to grow or add locations to better serve our growing community.

2019 is a year full of promise for Cy-Fair Federal Credit Union, and we've only just begun.





## Board of Directors

**Stuart Snow**, Board Chairman

**Chuck Brandman**, Board Vice Chairman

**Gale Parker**, Board Secretary

**Deana Sheppard**, Board Treasurer

**Dr. Audre Levy**, Director

**Dr. Debbie Emery**, Director

**Erwann Wilson**, Director

**Greg Axelrod**, Director

**Tony Barcelona**, Director

## Supervisory Committee

**Gary Kinninger**, Committee Chairman

**Lauri Baker**, Member

**Dr. Linda Macias**, Member

**John Price**, Member

