

FINANCIAL CONDITION

ASSETS	2016	2015
Consumer.....	\$557,675,072	\$557,391,612
Credit Cards.....	21,903,954	21,760,416
Real Estate.....	147,084,349	119,878,245
Subtotal.....	745,663,375	699,030,273
Allowance For Loan Loss.....	(-1,997,631)	(-1,375,691)
Total Loans.....	743,665,744	697,654,582
Accounts Receivable.....	59,340	83,038
Cash & Investments.....	101,238,287	89,388,246
Fixed Assets.....	41,753,843	36,464,403
Accrued Income.....	1,856,716	1,661,007
Prepaid and Deferred Expenses.....	802,234	700,275

TOTAL ASSETS 889,376,164 825,951,551

LIABILITIES AND EQUITY	2016	2015
Share Accounts.....	355,408,035	321,430,786
Checking Accounts.....	149,600,377	135,449,866
Certificates of Deposit.....	108,053,805	111,099,561
IRAs.....	47,460,397	46,015,428
Money Market Accounts.....	45,654,208	43,879,275
Other Member Deposit Accounts.....	47,277,502	41,283,187
Member Deposit Total.....	753,454,325	699,158,103
Accounts Payable.....	1,325,178	2,117,164
Other Liabilities.....	1,799,982	1,012,553
Accrued Expenses.....	2,112,835	1,926,237
Dividends Payable.....	3,782,438	1,579,708
Reserve Fund and Retained Earnings.....	126,901,407	120,157,786

Notes Payable..... 0 0

TOTAL LIABILITIES AND EQUITY 889,376,164 825,951,551

INCOME	2016	2015
Loans.....	27,312,010	25,368,238
Investments.....	597,437	374,690
Other Income.....	12,423,287	11,248,943

TOTAL INCOME 40,332,734 36,991,871

EXPENSES	2016	2015
Total Operating Expenses.....	25,342,830	21,290,383
Share Dividends.....	4,221,857	1,966,521
Certificates of Deposit (CDs).....	1,194,641	1,127,634
Individual Retirement Account (IRAs).....	28,804	24,079
Checking Account Interest.....	27,484	26,963
Money Market Accounts.....	90,165	85,182
Total Dividends and Interest Expenses.....	5,562,952	3,230,379

TOTAL EXPENSES 30,905,782 24,520,762

Provision for Loan Losses..... 2,683,331 1,931,878

NET SURPLUS/(DEFICIT) 6,743,621 10,539,231

DATCU LOCATIONS

Denton Downtown
225 West Mulberry Street
Denton, TX 76201

Flower Mound
2935 Long Prairie Road
Flower Mound, TX 75022

North Denton
906 West University Drive
Denton, TX 76201

Highland Village
1900 Briarhill Blvd.
Highland Village, TX 75077

South Denton
3210 Teasley Lane
Denton, TX 76210

Lewisville
1001 Edmonds Lane
Lewisville, TX 75067

Aubrey
919 Highway 377 South
Aubrey, TX 76227

Sanger
618 North 10th St.
Sanger, TX 76266

Decatur
600 West Ford Street
Decatur, TX 76234

The Colony
4190 Main Street
The Colony, TX 75056

Corinth
3005 FM 2181
Corinth, TX 76210
(Opening Spring 2017)

Headquarters
5940 S Interstate 35 E
Corinth, TX 76210

HOURS

Lobby Hours
Monday - Friday 9 a.m. - 5 p.m.
Saturday 9 a.m. - 1 p.m.

CONTACT

Toll-free: 866-387-8585
Online: www.datcu.org

Drive-Thru Hours
Monday - Friday 8 a.m. - 6 p.m.
Saturday 9 a.m. - 1 p.m.

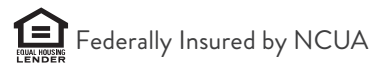
Virtual Branch
866-387-8585
Monday - Friday 8 a.m. - 5 p.m.
Saturday 9 a.m. - 1 p.m.

MAILING

(All Branches)
DATCU Credit Union
P.O. Box 827
Denton, TX 76202-0827

SENIOR MANAGEMENT STAFF

Glen P. McKenzie – President/Chief Executive Officer
Melanie Vest – Executive Vice President, Chief Financial Officer
Jon Madsen – Executive Vice President, Chief Operations Officer
James Henderson – Executive Vice President, Chief Information Officer
Janice Sheppard – Senior Vice President of Real Estate
Karen Curtis – Vice President of Special Accounts
David Frazier - Vice President Controller
Robert Hall – Vice President of Information Systems
Craig Neu – Vice President of Lending
Susan Passariello – Vice President of Marketing
Dee Dee Peterson - Vice President of Branch Operations
Pat Sherman – Vice President of Community Relations
Sonya Thompson - Vice President of Product Development



ANNUAL REPORT 2016



2016



81st ANNUAL MEETING

March 28, 2017 5:00 - 6:00 p.m.
 DATCU Headquarters
 5940 Interstate 35 E
 Corinth, TX 76210

- I. Welcome
- II. Verification of Quorum
- III. Reading of the 80th Annual Meeting Minutes
- IV. Reports
 - A. Chairman's Report
 - B. Auditor's Report
- V. Unfinished Business
- VI. New Business
- VII. Election of Directors
- VIII. Adjournment

DATCU 2016-2017 BOARD OF DIRECTORS

TERMS EXPIRE AT ANNUAL MEETING 2017

Mr. Bob Crouch
 Dr. Elizabeth Seymour
 Dr. Jamie Wilson

TERMS EXPIRE AT ANNUAL MEETING 2018

Dr. Ron Aldridge
 Mr. Lee Howell
 Judge Robert Ramirez
 Mr. James Wells

TERMS EXPIRE AT ANNUAL MEETING 2019

Mrs. Jill Jester
 Mr. Russell Kerbow
 Mrs. Susan Romero

CHAIRMAN AND CEO'S REPORT

Dear Members,

Thanks to you, our valued members, we had another outstanding year in 2016. We celebrated our 80th Anniversary, moved into our new headquarters in Corinth, and paid the largest bonus dividend to our members in history - over \$3.4 million. Together, we grew our asset size to over \$889 million and are now meeting financial needs of over 89 thousand members.

Our audit reports continue to show that we are financially sound.

This year, we will open our 11th branch location in Corinth and have purchased land on Emery Street in Denton (near Rayzor Ranch) to build our 12th location. We also renovated The Colony branch, updated our mobile app and issued EMV chip-enabled debit cards.

With your support, we were honored to receive several awards in 2016. Deposit Accounts.com ranked DATCU in the "Top 200 Healthiest Banks and Credit Unions" in America for the 2nd consecutive year. Readers of the *Denton Record-Chronicle* named DATCU as the Best Financial Institution for the 5th consecutive year. DATCU was voted Reader's Choice Winner for Best Credit Union by the *Colony Courier-Leader*, the *Lewisville Leader*, and the *Flower Mound Leader*. Residents of Flower Mound selected DATCU the Best Financial Advisor and readers in Lewisville voted us Best Mortgage Lender. Finally, residents in Southern Denton County named DATCU as "Best Credit Union" in Murray Media's *Best of Denton County Magazine* for the 3rd consecutive year.

At DATCU, we're passionate about supporting our community. Whether it is our local schools, civic organizations, first responders, or local nonprofits helping children and families, it is important to us to serve others with both monetary donations and volunteerism. A few of the nonprofits that we support include United Way of Denton County, Communities in Schools of North Texas, Health Services of North Texas, Serve Denton and Heroes of Denton County. We believe that actively engaging to help others with our time, talent, and treasure is the right thing to do as a good corporate citizen.

It is because of the confidence and trust that you have given us over the last eight decades that we have been able to grow and prosper. We're grateful for the privilege of helping enrich your lives, achieve your financial goals, and serve you. Thank you for choosing DATCU as your financial partner - you are valued and appreciated.

AUDITOR'S REPORT

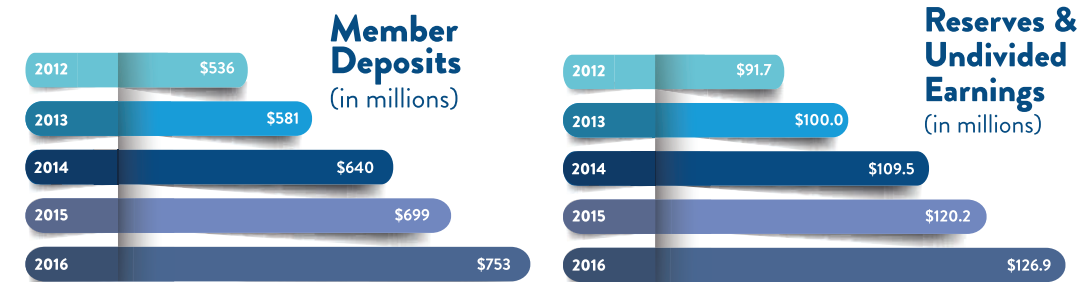
We have audited the accompanying consolidated statements of financial condition of DATCU and its subsidiary as of June 30, 2016 and 2015 and the related consolidated statements of income, changes in members' equity, and cash flows for the years then ended, and the related notes to financial statements.

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of DATCU and its subsidiary as of June 30, 2016 and 2015 and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

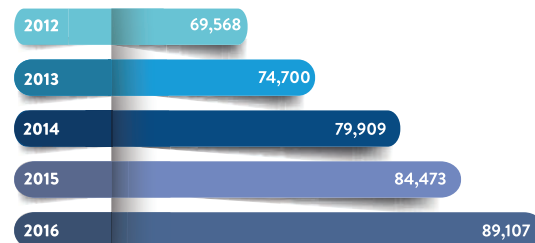
Spillar, Mitcham, Eaton & Bicknell, L.L.P. - Auditors



Asset Size (in millions)



Membership Growth



M. Susan Romero
 Board Chair

Glen P. McKenzie
 President/Chief Executive Officer

