

PRESIDENT'S REPORT

With so much gloomy economic news being reported around the country today, I am happy to announce that 2007 proved to be one of our most successful years in the history of our credit union. As our annual report shows, we saw increases in assets, loans, net income and total capital in 2007. Net income grew 82.5 % for the year increasing from \$200,185 in 2006 to \$365,132 in 2007. We experienced a third consecutive year of declines in net charge-offs as loan losses decreased to some of the lowest levels ever. Reductions in delinquencies and charge-offs contributed significantly to our increases in net income during 2007. Total assets grew to over \$30.6 million. Our Capital/Asset ratio reached 10.89% at the end of 2007—the highest rate it has been in over 16 years.

We continued to spend a considerable amount of time on our new building project at Holly Road in 2007. We obtained permission from the Texas Credit Union Department to proceed with the project. We modified our plans to meet our available budget and solicited bids from interested contractors. Unfortunately the high costs of construction forced us to modify our plans somewhat to fit within our available budget. Final plans were submitted to the City Development Services Office in November, 2007. I am happy to report that as this report is being written, permits have been received and construction is underway. With these unexpected delays, the completion date of our new Holly Road building is now set for the first quarter of 2009. The Holly Road office will become our new main office and plans are to retain our Gollihar office as a branch. Our Gollihar office has served us well over the past 18 years (since 1989) but with the assets of the credit union more than tripling additional space is needed.

During 2007 we saw growth in several new services that we introduced. The Route 66 Extended Warranty program was well received by our members. Our loan officers sold over 225 warranties in 2007. Numerous members have benefited from these extended warranties when repairing their vehicles, saving them thousands of dollars of repair costs. E-statements are growing in popularity, as many members chose to receive their statements electronically rather than by paper. We also implemented risk based pricing of loans in 2007 that enabled us to offer better loan rates to members with good credit and gives us opportunities to make more loans to members with "credit challenges" at higher but competitive rates. We continue to spend a considerable amount of time on compliance issues to see that your credit union is in compliance with federal and state laws.

In 2007 we implemented our Scholarship Program for students. To date, eleven \$500 scholarships have been awarded to students from our credit union. We have also made financial contributions and provided support to other groups that help children, youth, and adults in our community.

The financial success of 2007 has enabled our credit union to proceed with the many changes planned for 2008. We ask for your continued support as we move forward during this critical period of change. I want to thank our staff for their hard work in 2007 in making it a success. I also want to thank our Board for their support of our staff and new programs for our members. In closing, I want to thank our members for continuing to use your credit union for your financial needs.

Sincerely,



David Brooks
President

MEMBERSHIP REPORT

In 2007, total membership increased from 5,847 to 5,921 members. Our field of membership includes:

1. Employees of the City of Corpus Christi.
2. Persons receiving retirement, pension, or other benefits as a result of prior employment by the City of Corpus Christi.
3. Spouses of persons deceased while within the field of membership.
4. Family members as defined in board policy.
5. Employees of the Port of Corpus Christi Authority.
6. Employees of Medina Engineering and Surveying.
7. Members of the Pan American Golf Association.
8. Employees of Corpus Christi Foundation Repair Company.
9. Eligible groups of employees or members of companies or associations located within ten miles of the Credit Union's office.
10. Persons who live, work, or attend school and businesses in Nueces County.

ANNUAL AUDIT REPORT

A Supervisory Committee audit was performed by Credit Union Resources, Inc Financial and Technology Services Department, as of August 31, 2007, to verify the accuracy of your credit union's records in accordance with requirements set forth in the Texas Credit Union Laws and Regulations.

The auditors noted that the overall records and operations were found to be well-organized, with no material exceptions noted. Internal controls were reviewed, and recommendations provided to enhance operations. Credit Union Resources, Inc, performed a 100% negative verification of members' accounts as of September 30, 2006.

Our regulatory agency, the Texas Credit Union Department, performs annual examinations to review the credit union's financial condition and to determine if it is in compliance with state and federal rules and regulations. Examiners from the National Credit Union Administration may participate in these exams. The last examination was conducted for the period ending December 31, 2007.

BOARD OF DIRECTORS

A.L. "FRED" VELA
Chairman of the Board
LARRY OLIVAREZ
Vice-Chairman
LINDA A. RODRIGUEZ
Secretary/Treasurer

VICTOR MEDINA, *Director*
PAUL RIVERA, *Director*
CEFE VALENZUELA, *Director*
LUIS VALLS, *Director*

STAFF

Stevie Allen, *Teller Services*
David L. Brooks, *President*
Linda Contreras, *Loan Officer*
Terry De Leon, *Member Services*
Glenda Garcia, *Teller Services*
Lucy Gonzales, *Teller Services*
Christine Hinojosa, *Controller*
Janice Howland, *Loan Officer*
Millie Martinez, *Special Accounts*
Debra Miller, *Loan Officer*
Yolanda Montalvo, *Administrative Assistant/Member Services*
Candice Ortega, *Accounting Operations*
Kimberly Ramos, *Teller Services*
Ruben Padron, *Teller Services*
Cheryl Summers, *Teller Services*
Karen Work, *Vice President-Finance/Teller Operations*

SERVICES

Share (Savings) Accounts	Audio Response (Teller-Line)
GEM Checking	Guaranteed Auto Protection (GAP)
Budget Checking	Extended Warranties (Autos)
Economy Checking	Online Banking
Courtesy Pay Checking	Online Bill Pay
Money Market Accounts	E-Statements
ATM Cards (Pulse)	Drive-In Windows
Debit Cards (MasterCard)	Saturday Hours
Term Share Cert. (CDs)	Wire Transfers
Individual Retirement Accts	Pre-Authorized Drafts
Christmas Club Accounts	Credit Life & Disability Ins.
Vacation Club Accounts	Life Savings Accounts
Loans	Credit Reference
MasterCard	Newsletter
Visa Gift Card	Fax
Loan-by-Phone	Online Car Pricing Guides
Travelers Checks	CC Athletic Club Discounts
Cashier's Checks	Coin Counter
Money Orders	Discount Theme Park Tickets
Movie Tickets	Interactive Website
Toll-Free Phone Access	Western Union Transfers
Direct Deposit	Digital Check Images
Payroll Deduction	Online Calculators
	Night Depository



ANNUAL REPORT 2007

Corpus Christi City
Employees Credit Union
2140 Gollihar
Corpus Christi, TX 78416

<http://www.cccecu.com>



REPORT FROM THE CHAIRMAN

I am pleased to report another positive year of operations to our members. Your credit union continues to remain financially sound. Net income increased from \$200,185 in 2006 to \$365,132 in 2007—a 82.5% increase. Our total capital ratio improved to 10.89%. Capital provides us the financial strength needed to grow and expand our services to our members. Loans grew by 9.1% in 2007 while fortunately delinquencies and charge-offs did not. Loan losses were at an historic low for the year. Low delinquencies and loan charge-offs reduced our expenses and contributed to a larger increase in net income. Our assets were \$30.6 million at year-end 2007.


As we reported at the last annual meeting, we have been actively working on construction plans for our new building at the corner of Holly and Kostoryz Roads. Such an undertaking does not take place without a lot of hard work and planning. In 2007, we requested and received permission from the Texas Credit Union Department to proceed with an approved budget for the project. Rising construction costs forced us to modify our construction plans slightly but we selected the final design for the project as well as a general contractor for construction. Plans were submitted to the City Development Services Office in November, 2007 for final permits. As many of you are aware, we have received our permits and construction is now underway. Completion of the building is anticipated in the first quarter of 2009 and may be ready by perhaps December, 2008 with the weather permitting. I encourage our members to drive by the new location and watch the progress being made. It is our intention to operate from both the new Holly Road location and Gollihar Road office.

In 2007 we introduced several new programs. Extended Warranties were well received by our members. Members are saving money from costly auto repairs by using the extended warranties that can be purchased and financed through the credit union at prices often below dealer prices. Many members are now choosing to receive their monthly and quarterly statements electronically with e-statements. We also introduced risk based pricing on loans in 2007. This has allowed us to make loans that may have been declined previously while offering competitive loan rates to members with good credit. The Board and staff spent a considerable amount of time revising policies and working on compliance issues required by state and federal laws.

One of the most rewarding programs introduced in 2007 was our student scholarship program. Since its implementation in the Fall of 2007, eleven \$500 scholarships have been awarded applicants to assist with their college education expenses. Scholarships totaling \$5,500 have been awarded to children of credit union members. It has been rewarding to see the appreciation of such a program by students and their parents. We encourage more members to look into this program. Our credit union also contributes and partners with the Driscoll Hospital Credit Unions for Kids program: the United Way program: the City Assistance Team (CAT) socks and shoes give-a-way to needy students: the Shop With A Cop sponsorship: made PAGA scholarship contributions, and many other community and city-related events.

On behalf of your Board of Directors I would like to express our appreciation to our members for their continued support of the credit union. We ask that you refer us to other family and friends in Nueces County so that they can experience the many benefits that our credit union offers. I would like to thank the staff for their hard work this past year in serving our members. To my fellow Directors thank you for allowing me to serve as your Chairman for another year and for volunteering your time on behalf of our members.

Sincerely,



Fred Vela
Chairman

BALANCE SHEET

Assets	2006	2007
Loans to Members	19,626,707	21,412,559
Allowance for Loan Loss	(170,294)	(159,118)
Net Loans	19,456,413	21,253,441
Cash	2,746,129	1,233,356
Investments	6,160,068	7,146,966
Accrued Interest Rec.	68,919	82,201
Property & Equipment	826,742	850,203
Other Assets	81,558	80,438
Total Assets	29,339,829	30,646,605
Liabilities & Equity		
Dividends Payable	100,609	113,803
Other Liabilities	371,742	242,604
Member Deposit Accounts	26,034,417	27,092,005
Regular Reserves	549,177	549,177
Undivided Earnings	2,283,884	2,649,016
Total Liabilities & Equity	29,339,829	30,646,605

CREDIT COMMITTEE REPORT

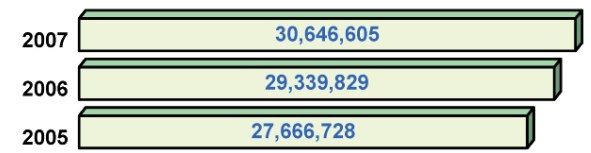
During 2007 loans increased by \$1,785,852 or 9.1%. This included financing for new and used vehicles, boats and RVs, vacations, education, home improvements, home equity, member business loans, overdrawn share-draft accounts and personal expenses. As of December 31, 2007, there were 2,349 loans outstanding totaling \$20,770,268 and another \$642,291 in MasterCard loan balances representing 336 accounts. Combined, there are 2,685 loans outstanding totaling \$21,412,559.

STATEMENT OF INCOME

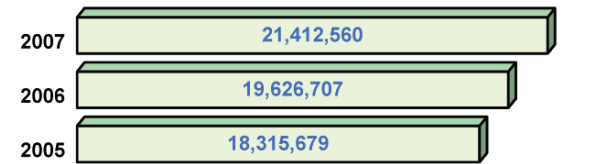
	2006	2007
Operating Income		
Interest from Loans	1,263,363	1,430,832
Income from Investments	320,184	385,958
Fee Income	501,840	565,152
Miscellaneous Income	55,788	95,039
Total Operating Income	2,141,175	2,476,981
Operating Expense		
Compensation	479,997	542,279
Benefits	152,163	166,021
Office Occupancy	76,910	72,980
Office Operations	246,000	221,329
Education & Promotion	67,647	92,136
Loan Servicing Expense	22,843	24,523
Professional & Outside Services	156,219	163,180
Members' Insurance	7,523	-3,700
Supervision/Exam	6,218	5,917
Cash Over/Short	2,483	699
Annual Meeting	8,400	8,400
Other Operating Expenses	79,193	94,827
Total Operating Expenses	1,305,596	1,388,591
Provision for Loan Losses	54,000	13,000
Provision for S/D Losses	-1,500	500
Income Before Dividends	783,079	1,074,890
Non-Operating Gain (Loss)	0	0
Dividends	582,421	708,707
Interest-borrowed Money	473	1,051
Net Income (Loss) After Dividends	200,185	365,132

FINANCIAL TRENDS

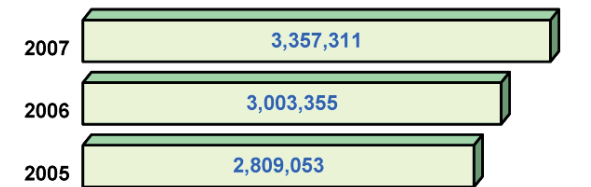
Assets



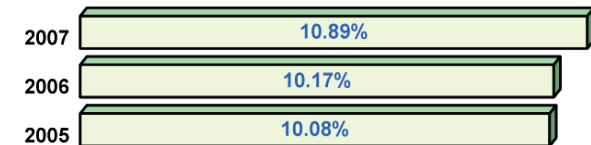
Loans



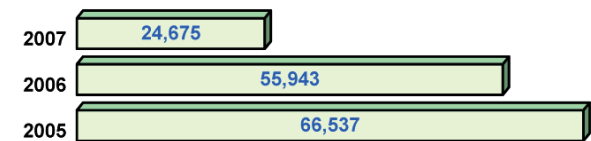
Total Capital



Capital/Asset Ratio



Net Charge-Offs



2007 DEPOSITS

