

**EARLY
ADMINISTRATIVE OFFICE**

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Early, Texas 76802
(325) 643-5563
Boyd J. "Jimmy" Chambers

BRADY OFFICE

203 South Blackburn St.
Brady, Texas 76825
(325) 597-2252
Jeff Bedwell

COLEMAN OFFICE

215 W. Elm St.
Coleman, Texas 76834
(325) 625-2165
Scott G. Ogden
Andrew Young

COMANCHE OFFICE

1414 N. Austin
Comanche, Texas 76442
(325) 356-1616
Jessica Railsback

EARLY OFFICE

1038 Early Blvd.
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Matthew Iley

HASKELL OFFICE

550 South Second St.
Haskell, Texas 79521
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Dale E. Bullinger
Kassidy Martin

SAN ANGELO OFFICE

1021 S. Koenigheim St.
San Angelo, Texas 76903
(325) 658-8545
Wade Polk

SAN SABA OFFICE

P.O. Box 130
110 North High St.
San Saba, Texas 76877
(325) 372-3700
Jeff Bedwell

DIRECTORS

Robby Halfmann,
Chairman
Kenneth Harvick,
Vice Chairman
Mike Finlay
Philip Hinds
Steven Lehrmann
Burl D. Lowery



Committed to Agriculture, Proud to Be Different

At Central Texas Farm Credit, we often talk about how Farm Credit supports rural communities and agriculture. It's our mission, and we're proud to fulfill it every day. But what does that really mean?

As a cooperative, we're owned by you and our many other stockholders. Our board members are borrowers themselves, who are elected by their fellow borrowers. They provide important direction and ensure the safety and soundness of our organization. Our board members are committed to maintaining a financially strong association to be sure that we can provide a reliable source of credit for farmers, ranchers and rural property owners. Our directors also feel strongly about supporting the next generation of farmers and ranchers and ensuring that we always have the staff in place to serve your needs. They know firsthand the ups and downs of the agricultural industry and are here for you during both good times and bad.

When we have a good year, our customer-owners benefit. Our net income is used in only two ways: It's retained as capital by our association to build financial strength that ensures future generations a reliable source of credit, and — typically — the majority of our profits are passed on to you as patronage refunds that effectively lower our average borrower's interest rate by about 1.5 percentage points. We've proudly returned over \$60 million dollars to our shareholders since 1994, including a record \$6.3 million cash patronage paid this spring based on our 2017 earnings.

Those aren't the only things that make Central Texas Farm Credit different. Our staff is willing to go the extra mile — or 100 miles, if necessary — to help you out. We'll come to your farm or business to touch base, talk about your operation and see if we can provide additional support. What's more, our deep understanding of agriculture is genuine. Most of us grew up in rural areas, and some of us still have a hand in farming or ranching, so we personally understand the business decisions you face.

We try to make a difference in your life and your ag business by offering specialized services and loan products. Some of these include special loan programs for young, beginning and small farmers, cash management products, equipment financing, refinancing, business expansions, and short-term loans for operating and equipment needs, including lines of credit and more.

Ultimately, however, what makes the Farm Credit difference is personal relationships — such as relationships that are formed when you become a customer-owner of the co-op or when our loan officers literally take their expertise to your farm or business. We are truly committed to rural America and supporting the men and women who produce our food, fiber and fuel.

Thank you for choosing Central Texas Farm Credit as your lending partner.

Boyd J. "Jimmy" Chambers
Chief Executive Officer



OUT AND ABOUT IN OUR COMMUNITY

At the Stock Shows

We at Central Texas Farm Credit love supporting our local stock shows. We buy buckles and donate them to the Early FFA for their chapter stock show, and to the Menard and McCulloch County junior livestock shows.

Central Texas staff members, Jessica Railsback, loan officer in the Comanche office, far left, and Matthew Iley, Early office branch manager, far right, presented Early FFA members with buckles for their chapter stock show.



Proud exhibitors at the McCulloch County Junior Livestock Show. Central Texas Brady Branch Manager Jeff Bedwell, in checkered shirt with blue vest and black hat, was in attendance.



Central Texas Loan Administrator Sharon Halfmann, second from right, and volunteers from Critter Shack Rescue in San Angelo prepare to set out on the Harvey Hurricane Relief Trip.

Helping Out: Hurricane Harvey

Central Texas Farm Credit team member Sharon Halfmann selflessly donated her time and resources to help others during Hurricane Harvey. Sharon, along with 12 volunteers from the animal rescue group Critter Shack Rescue in San Angelo, organized a Hurricane Harvey Relief Trip.

The results? Three horse trailers, a passenger van, and an SUV full of supplies for people and pets. The team traveled over 1,000 miles between Rockport, Port Aransas, Corpus Christi, Bay City, Wharton, Refugio, Beaumont, Mauriceville and San Angelo.

Central Texas also proudly supported San Angelo FFA members and their efforts to build and sell a trailer to benefit area Houston FFA chapters that sustained loss and damage from Hurricane Harvey. The trailer will be displayed at several major stock shows in 2018.

Finally, team members in our San Saba office delivered 20 cases of water during Central Texas TeleCommunications' water drive on Sept. 1.



San Angelo office employees represented Central Texas Farm Credit in helping build and sell a trailer to help Houston FFA chapters affected by Hurricane Harvey. From left to right are Jordan Harbin, credit analyst; William Cowley and Peyton Hinds of the San Angelo FFA; and Lisa Decker, senior loan administrator.

OUT AND ABOUT

TSCRA Convention Sponsorship

We had a boot-scootin' good time in Fort Worth at the 2018 Texas and Southwestern Cattle Raisers Association (TSCRA) Convention on March 25. Central Texas Farm Credit co-sponsored the dinner/dance with four sister Farm Credit associations (AgTexas, Capital Farm Credit, Lone Star Ag Credit and Texas Farm Credit).



Central Texas Farm Credit staff at their booth during the 2018 TSCRA Convention in Fort Worth. Pictured from left to right are Matthew Iley, branch manager in Early; Andrew Young, senior loan officer in Coleman; Jennifer Spraberry, marketing manager; Jimmy Chambers, CEO; Kassidy Martin, senior loan officer in Haskell; and Jessica Railsback, loan officer in Comanche.

Stamford Chamber of Commerce Banquet

On March 1, Loan Officer Kassidy Martin represented Central Texas Farm Credit at the Stamford Chamber of Commerce banquet, where we had the opportunity to sponsor the awards for the senior boy and girl. Congratulations to both winners, Cassie King and Caden Mathis.



Kassidy Martin, loan officer in the Haskell office, is pictured at the Stamford Chamber of Commerce banquet with senior Caden Mathis, who plans on attending Lubbock Christian University.



The Central Texas tent at the cook-off

Brady Goat Cook-Off

This past Labor Day weekend, Central Texas Farm Credit sponsored and gave T-shirts to the cooking team at the 2017 World Championship Goat Cook-Off. Attending the event were Brady office staff members Jeff Bedwell, branch manager; Kaci Kimbriel Keith, credit analyst; and Robin Johnson, senior loan administrator. Jeff also participated in the cook-off on behalf of Central Texas.



Scott Ogden, left, and Wade Polk

Winters Dove Fest

Central Texas Farm Credit was proud to sponsor the annual Winters Dove Fest in Winters, Texas, last fall. Staff members Scott Ogden, vice president and branch manager in the Coleman office, and Wade Polk, vice president and branch manager in the San Angelo branch office, attended the event. They enjoyed seeing many familiar faces and sampling great food! Brian Meeks, past branch president of the San Angelo office, even made a cameo appearance.



KUDOS TO OUR BRADY OFFICE!

Our Brady branch office received the Agribusiness of the Year award on Jan. 25 at the Brady/McCulloch County Chamber of Commerce banquet.

LAJITAS – CREDIT STAFF RETREAT

Last fall, our credit staff members traveled to Lajitas, in the Big Bend area, for a few days of bonding and team-building while keeping up with co-op business.



Central Texas credit staff and a guest at Lajitas retreat. Front and center: CEO Jimmy Chambers. Second row, Jessica Railsback, Cassidy Martin, Jeff Bedwell, Jesse Gaston, Jim Burkhead and Travis McKinney. Back row: Jordan Harbin, Zach May, FCBT Relationship Manager Chris Amend, Wade Polk, Jordan Riggs and Keith Prater.

A BIG WELCOME TO OUR NEW EMPLOYEES



Claudette Croft – Claudette Croft joined the Central Texas Farm Credit team as a customer service representative in February. She is very involved in the Coleman community as an honorary firefighter with the fire department. Claudette received an award for volunteering; she raised funds by finding local sponsors, and organized various activities such as our Breast Cancer Awareness Run, the 9-11 Memorial Service and Fill the Boot.

Claudette and her husband, Eddie, a Coleman firefighter/EMTI, have been married for 21 years. The couple has two children, Tommy and Emily, plus a family of pets — two dogs, a guinea pig and a rescued cat. She and her family are also active in their church and volunteer with Mission Arlington.



Sheri Weldon Lowe – Sheri Weldon Lowe joined the Central Texas Farm Credit Coleman branch office in February as a credit analyst associate. She attended West Texas A&M University and will continue her education in the spring of 2019. Sheri has several years of experience in the financial and banking industry and most recently was employed by Caprock Santa Fe Credit Union.

Sheri is an Amarillo native who grew up on a cow-calf operation and raised horses. She married Coleman County native Wes Lowe on April 7 and gained three children, Paige, Hunter and Emily. Sheri loves to spend time with her family and friends, hunting, fishing and doing anything outdoors.



Wanda Morgan – Wanda Morgan joined the Central Texas Farm Credit team in March as an administrative assistant in the Early office. Wanda holds a bachelor's degree in educational studies from Western Governors University, and worked in the insurance and financial services fields prior to coming to Central Texas Farm Credit.

Wanda grew up in Mills County and spent 30 years in the Dallas–Fort Worth area. She moved back to her family home in Mullin in 2016. She has two sons, Justin and Tyson; two grandsons, Ashton and Jasper; and one “furbaby” named Colby. In her spare time, Wanda enjoys exercising, reading and having fun with her family.



Julia Morris – Julia Morris joined the Central Texas Farm Credit team in the Comanche branch office as a customer service representative in November 2017. She began her career at Sunbelt Saving in 1984, and has been in the banking industry most of her life. She attended San Jacinto College while living in Houston with her husband, Toby, of nearly 37 years.

Julia has a son, Christopher, a daughter, Whitney, and two grandchildren, Kelton and Ella. She is a member of First Baptist Church of Gorman, where she sings in the choir. In her free time, Julia enjoys riding her motorcycle, scuba diving, working in her flower beds, and being with family and friends.



Janetta Smith – Brownwood native Janetta Smith joined the Central Texas Farm Credit team in March as the receptionist in the Early branch office. Janetta previously was employed by the City of Brownwood. She also worked in the industrial equipment field for 15 years.

Janetta has a son, Zane, who lives in the Dallas–Fort Worth area. She is active in Coggin Avenue Baptist Church, particularly in its outreach ministries Love Brownwood and First Blessings. The owner of two rescue dogs, she is a supporter of the ASPCA. In her spare time, she enjoys helping her parents on their farm.

EMPLOYEES' PROMOTIONS

Congratulations to our staff on their recent promotions:



Danna Boswell



Jim Ed Field



Matthew Iley



Natali Maldonado



Wade Polk



Keith Prater

Danna Boswell, loan documentation specialist, San Saba office

Jim Ed Field, senior vice president of lending and credit, Early administrative office

Matthew Iley, branch manager, Early branch office

Natali Maldonado, cash management specialist, Early administrative office

Wade Polk, branch manager, San Angelo office

Keith Prater, chief financial officer, Early administrative office

CENTRAL TEXAS RETURNS RECORD \$6.3 MILLION PATRONAGE TO MEMBERS

The board of directors of Central Texas Farm Credit recently approved the payment of a record \$6.3 million cash patronage refund to our customers, based on the co-op's solid earnings in 2017. Checks were mailed to customers in March.

The record patronage reduces the effective interest rate paid by each borrower in 2017 by an average of 1.5 percentage points. The amount members receive varies, as patronage is calculated based on their individual contribution to the association's profitability.

"We are pleased that our cooperative has the financial strength to provide this all-cash patronage refund to our customers,

LOOK WHO'S IN YOUR CORNER.

Central Texas Farm Credit is sending you a patronage refund.



who collectively own the business," said Jimmy Chambers, Central Texas Farm Credit chief executive officer. "We are committed to sharing our earnings with them, and are proud to be able to thank them for their business in this way."

As a customer-owned cooperative, we provide our member-customers with financing at competitive rates, and also return surplus earnings to them after meeting our needs for a strong capital base.

OUR YEAR IN REVIEW

ANNUAL REPORT PRESENTS THE BIG PICTURE AND THE DETAILS

For leisure reading, an annual report can't compete with a good novel, but if you want to know how Central Texas Farm Credit is doing, there's no better source than our annual report.

"It gives you insight," says Phil Guthrie, who serves on the Farm Credit Bank of Texas Board of Directors. "It will tell you how management views the world and how the company functions."

Central Texas Farm Credit posts the annual report on the association's website within 75 days of year end and also mails a copy to each stockholder.

Hit the Highlights

In recent years, annual reports have become very detailed because reporting standards have become more complex under federal regulations. However, if you don't have time to read the entire report, Guthrie recommends hitting the highlights. To read our report:

- Start with the summary page to find out if the co-op grew or made money.
- Check the auditor's report to see if an outside firm issued a clean, unqualified opinion.
- Read the first few notes to the financial statements that describe the business and its accounting policies.

"For the average reader, those are the things to look at," says Guthrie, who is the CEO of two companies and former chief financial officer of Southwest Airlines. "I see tons of annual reports, and those are the things I go to first before I do any deep dives."

Understand the Numbers

Following are key sections of an annual report. As you read the charts and graphs, keep in mind that dollars are stated in thousands, so a figure written as \$1,000 is actually \$1 million.

- The five-year summary condenses key financial indicators onto one page. At a glance, you'll see trends for net income, patronage, loans and assets, financial ratios and more. Return on assets and return on equity indicate how effectively the cooperative is generating earnings — the higher the ratios, the better.
- The management's discussion and analysis covers financial performance, risk management, economic conditions and trends from management's perspective.
- The financial statements tell how much the co-op earned, spent and had left over. They include the balance sheet, income statement, statement of members' equity, and cash flow statement.
- The notes to the financial statements — the footnotes at the back of the report — put the numbers in context and help you analyze how the co-op is doing financially.



ON THE MOVE

Our Comanche office has a new home!
The office is now located at 1414 N. Austin.