

The
Climb
To **Greater**
Efficiency

2015 Annual Report

Message from the
President/CEO and Board Chairperson
The Climb to Greater Efficiencies

What are the priorities to ensure our mission in *The Climb to Greater Efficiency*?

One is to continue in maintaining a safe and sound Credit Union. Two is to continue in reducing operating expenses, improving overall Credit Union efficiencies and controlling loan and debit card losses.

During the last fiscal year, we introduced our new checking account, with added benefits of higher overdraft protection, higher daily ATM cash withdrawals, Identity Theft protection service and cellular telephone protection. This new checking account is a tremendous benefit to our members, in that they have 24/7 identity theft monitoring for their eligible family members and eligible cell phone protection. We continued to reduce loan losses along with record low delinquencies for the fiscal year. We are very appreciative of our staff and all the members for continuing to maintain the trust and confidence in Priority One Credit Union.

What's ahead for the upcoming fiscal year? In October 2016, we will begin the replacement of our VISA Debit cards with the new Europay, Mastercard, Visa (EMV) chip cards. This new EMV chip card will have added security and fraud protection for our members and the Credit Union. We will continue to host off site area auto sales, so that members can shop for their *dream vehicle*. Our committed staff, management and volunteers will continue to provide viable products and services.

During 2016, we will be recognizing and celebrating **90 years of member service** with special events.

Remember, all eligible family members can join the Credit Union, so they too can enjoy the convenience of our Credit Union products and services. We always welcome any suggestions to improve Priority One Credit Union, *Your Financial Fitness Center*. We are committed to serving you, our valued member and we are committed in *The Climb to Greater Efficiency!*

Charles R. Wiggington Sr.
President/CEO

Diedra E. Harris-Brooks
Board Chairperson

Report of the **Supervisory Committee**

The Supervisory Committee is responsible for ensuring that the Board of Directors and management of the Credit Union meet required financial reporting objectives established to safeguard member assets.

In the past year the management has improved in all aspects of the Credit Union's operations. Relevant plans, policies, and control procedures are established and properly administered. The Credit Union accounting records and financial reports are prepared and reflect accurate operation results. Policies and control procedures are sufficient to safeguard from errors, conflict of interest and fraud.

The Supervisory Committee will strive to assist and guide the Credit Union in ***The Climb to Greater Efficiency***.

Cornelia Simmons
Chair

Report of the **Board Treasurer**

Over the course of the 2015 fiscal year, Priority One Credit Union has remained in steady growth mode and has experienced satisfactory financial performance. The Credit Union added \$0.6 million to capital, which brings the capital to ending assets ratio to 8.96%. This is up .16 basis points from the previous fiscal year and indicates a well-capitalized Credit Union. Your Credit Union also recognized a 3% increase in Total Assets as well as a 3% increase in Share Growth and 7% increase in Loan Growth.

Like most financial institutions in this atmosphere of slow to moderate economic growth, we will continue to reduce operating expenses, add to equity and expect sound proficiencies in membership, loans and conservative wise investments.

One of our greatest goals is to maintain a healthy financial balance for your Credit Union in return to better-position you for realizing your financial fitness. We have been entrusted with one of our most valuable assets--our member-owners.

As we move forward in our 90th year of service, we want to provide a welcoming comprehensive financial platform for our member-owners through our cost effective services and products.

We will continue our efforts in ***The Climb to Greater Efficiency***.

Richard Hale
Treasurer

Summary Statement of Income and Expense

	3/31/2016	3/31/2015
INTEREST INCOME		
Interest on Loans to members	\$3,610,411	\$3,665,150
Interest on Investment and cash equivalents	1,103,272	986,922
Total Interest Income	\$4,713,682	\$4,652,073
INTEREST EXPENSE		
Dividend on member's shares	\$221,670	\$244,894
Interest expense on borrowed Money & Pre-Payment	1	0
NET INTEREST INCOME	4,492,012	4,407,178
PROVISION FOR LOAN LOSSES	0	(250,000)
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,492,012	4,657,178
NON INTEREST INCOME		
Fees and Charges	2,700,978	2,566,001
Other	226,445	241,228
Total Non-Interest Income	2,927,423	2,807,229
Total	\$7,419,435	\$7,464,407
GENERAL & ADMINISTRATIVE EXPENSES		
Salaries and Benefits	\$3,707,317	\$3,515,202
Office operations	2,376,277	2,018,885
Office occupancy	318,107	400,113
Other	393,777	822,540
Loss (Gain) on Disposal of Assets	0	0
Loss (Gain) on Sale of Investment	(41,127)	0
Total	\$6,754,350	\$6,756,740
Net Income (Loss)	\$665,085	\$707,667

Summary Statement of Financial Condition

	3/31/2016	3/31/2015
ASSETS		
Cash and Equivalents	\$12,217,606	\$19,117,768
Investments	63,182,161	58,827,159
Loans to members, net of the allowance for loan losses	73,902,019	69,320,345
Unrealized Investment Gain (Loss)	(224,359)	74,547
Accrued Income Receivable	5,380,896	2,086,981
Property and Equipment	1,930,801	2,061,835
Federal Share Insurance Fund Deposit	1,357,014	1,342,987
Other Assets	795,511	1,071,483
Total Assets	\$158,541,650	\$153,903,104
LIABILITIES AND EQUITY		
Liabilities		
Member's Shares	\$143,586,405	\$139,647,743
Borrowed Funds	0	0
Accrued Expenses and other liabilities	969,235	635,530
Commitments and contingent liabilities	0	0
Total Liabilities	\$144,555,640	\$140,283,272
Member's Equity		
Unrealized Investment Gain (Loss)	(\$224,359)	\$74,547
Regular Reserve	5,938,035	5,938,035
Undivided Earnings	8,272,334	7,607,249
Total Net Equity	\$14,210,369	\$13,545,284
Total Member's Equity	\$13,986,010	\$13,619,831
Total Liabilities & Member's Equity	\$158,541,650	\$153,903,104

Board Of Directors

Diedra Harris-Brooks	Chair
Bobby Thomas	Vice Chair
Richard Hale	Treasurer
O. Glen Saffold	Secretary
Joseph Marchica	Member
Tyree Jackson	Member
Art Now	Member

Supervisory Committee

Cornelia Simmons	Chair
Anna Smith	Secretary
Hazel Brown-Harvey	Member
Lorenzo Ford	Member
I.D. Williams	Member

Senior Management

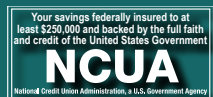
Charles R. Wiggington, Sr	President/CEO
Rodger Smock	Executive Vice President
Patricia Loiacano	VP Lending/Compliance
Simona Hollins	Controller
Gema Pleitez	AVP Operations
Randy McBride	Director Information Technology

Mission

To help our member-owners and employees achieve financial fitness.
We are committed to offering quality products and services that help you win with money.

Priority One Credit Union

Your Financial Fitness Center



Federally Insured by NCUA