



Your Financial Fitness Center

2016 Annual Report



**No
Stopping
Us
Now**

Message from the
President/CEO and Board Chairperson
No Stopping Us Now

What are the priorities to ensure our mission in ***No Stopping Us Now***, after 90 years of service?

Our first priority is to continue maintaining a safe and sound Credit Union. The second priority is to continue reducing operating expenses, improving overall credit union efficiencies and controlling loan and debit card losses.

During the last fiscal year, we experienced higher than normal debit card losses. We have now placed anti-skimming software at our high volume exterior ATM's. This software disables the skimming devices and alerts the credit union. As planned, the new Euro pay, MasterCard and VISA (EMV) chip cards were not rolled out in 2016.

We have 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 is ahead for this fiscal year?

In June 2017, we will begin the replacement of our VISA Debit cards with the new Euro pay, MasterCard and VISA (EMV) chip cards. This new EMV chip card will have added security and fraud protection for our members and the credit union. During the last quarter of our fiscal year, we have experienced less debit card fraud claims.

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.

Remember, all eligible family members can join the credit union; they too can enjoy the convenience of our credit union products and services. We always welcome any suggestions to improve Priority One, ***Your Financial Fitness Center***. We are committed to serving you, our valued member and we are committed to ***No Stopping Us Now***.

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 Priority One Credit Union meet the financial objectives and establish practices and procedures to safeguard member assets.

As the members' representative, the Supervisory Committee's primary function is to make internal audits that assure corporate records are prepared accurately; and internal controls, policies and procedures are maintained and followed.

Our audits show that the Board of Directors have established sufficient policies and control procedures to protect against error, conflict of interest, self-dealing and fraud.

The Supervisory Committee will do our part with **No stopping Us Now** after 90 years of service.

Cornelia Simmons
Chair

Report of the **Board Treasurer**

Due to such a loyal membership, dedicated employees and pragmatic decision-making by the Board of Directors, fiscal year 2016 was a successful year for Priority One Credit Union. Total assets increased by \$4.3 million for the year, ending at \$162.9 million. Net Income increased by more than \$285,000 for the year, ending at \$950,511. In our continuous commitment to provide the best possible products and services to our membership, we paid over \$196,000 in dividends this fiscal year to our member-owners.

The Credit Union's net worth remained strong at 9.40% at the end of the 2016 fiscal year. This is up .44% from the previous fiscal year end. This ratio exceeds the floor limit of being "well-capitalized" as indicated by the National Credit Union Administration (NCUA).

As we continue to maneuver through the environment of slow to moderate economic growth, we will continue to reduce operating expenses, improve efficiency, add to equity and realize growth in membership, loans and conservative wise investments. We are full speed ahead in achieving financial growth for our member-owners.

There is **No stopping us now** after 90 years of service.

Richard Hale
Treasurer

Summary Statement of Income and Expense

	3/31/2017	3/31/2016
INTEREST INCOME		
Interest on Loans to members	\$3,480,548	\$3,610,411
Interest on Investment and cash equivalents	1,156,389	1,103,272
Total Interest Income	\$4,636,938	\$4,713,682
INTEREST EXPENSE		
Dividend on member's shares	\$196,976	\$221,670
Interest expense on borrowed Money & Pre-Payment	1	1
NET INTEREST INCOME	4,439,961	4,492,012
PROVISION FOR LOAN LOSSES	(153,833)	0
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,593,794	4,492,012
NON INTEREST INCOME		
Fees and Charges	2,852,221	2,700,978
Other	269,677	226,445
Total Non-Interest Income	3,121,898	2,927,423
Total	\$7,715,692	\$7,419,435
GENERAL & ADMINISTRATIVE EXPENSES		
Salaries and Benefits	\$3,547,409	\$3,707,317
Office operations	2,587,361	2,376,277
Office occupancy	229,632	318,107
Other	451,424	393,777
Loss (Gain) on Disposal of Assets	(24,246)	0
Loss (Gain) on Sale of Investment	(26,398)	(41,127)
Total	\$6,765,181	\$6,754,350
Net Income (Loss)	\$950,511	\$665,085

Summary Statement of **Financial Condition**

	3/31/2017	3/31/2016
ASSETS		
Cash and Equivalents	\$14,357,048	\$12,217,606
Investments	67,662,964	63,182,161
Loans to members, net of the allowance for loan losses	72,509,988	73,902,019
Unrealized Investment Gain (Loss)	(891,440)	(224,359)
Accrued Income Receivable	5,205,149	5,380,896
Property and Equipment	1,869,954	1,930,801
Federal Share Insurance Fund Deposit	1,429,885	1,357,014
Other Assets	772,992	795,511
Total Assets	\$162,916,540	\$158,541,650
LIABILITIES AND EQUITY		
Liabilities		
Member's Shares	\$147,320,551	\$143,586,405
Borrowed Funds	0	0
Accrued Expenses and other liabilities	1,326,549	969,235
Commitments and contingent liabilities	0	0
Total Liabilities	\$148,647,100	\$144,555,640
Member's Equity		
Unrealized Investment Gain (Loss)	(\$891,440)	(\$224,359)
Regular Reserve	5,938,035	5,938,035
Undivided Earnings	9,222,845	8,272,334
Total Net Equity	\$15,160,880	\$14,210,369
Total Member's Equity	\$14,269,440	\$13,986,010
Total Liabilities & Member's Equity	\$162,916,540	\$158,541,650

Board Of Directors

Diedra Harris-BrooksChair
Bobby Thomas..... Vice Chair
Richard Hale..... Treasurer
O. Glen Saffold..... Secretary
William Brinkley..... Member
Tyree Jackson Member
Art Now..... Member

Supervisory Committee

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

Executives

Charles R. Wiggington, SrPresident/CEO
Rodger Smock Executive Vice President
Patricia Loiacano.....Vice President Lending/Compliance
Robert West Vice President Corporate Services
Simona Hollins.....Controller
Celinda Grande Assistant Vice President Operations
Gema Pleitez Assistant Vice President Support Services
Randall 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