



Your Financial Fitness Center

2017 Annual Report



FORWARD MOMENTUM

Message from the
President/CEO and Board Chairperson

FORWARD MOMENTUM

What are the priorities we must pursue to ensure we continue our **Forward Momentum** after 91 years of service?

We must continue to maintain a safe and sound Credit Union, reduce operating expenses, increase revenue (take on more risk), improve overall credit union operational efficiency and control loan and debit card losses.

During the last fiscal year, we did reduce loan losses and experienced record low delinquencies. We also continued to add to equity, and rolled out our new Euro pay MasterCard and Visa (EMV) chip cards that contributed to the decrease in card losses.

We are very appreciative of our staff and of all our members for continuing to maintain trust and confidence in Priority One Credit Union.

What is ahead for this fiscal year?

Our committed staff, management team and volunteers will continue offering our member-owners “quality products and services that will help you win with money.”

In October 2018, we will be rolling out our Visa Credit Card Program, which will give members the opportunity (once approved) to consolidate consumer debt and have more purchasing flexibility. And to increase membership and promote participation in the credit union, we will be advertising our products and services to our three (3) community charter areas using Every Door Direct Mail.

Remember, all eligible family members can join the credit union. They too can enjoy the convenience and security our products and services have to offer.

We always welcome any suggestions you may have to help us improve “Your Financial Fitness Center”. As our valued member, we are committed to serving you

and to ensuring **Forward Momentum** is our shared experience.

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 *Forward Momentum* after 91 years of service.

Cornelia Simmons
Chair

Report of the Board Treasurer

Fiscal year 2017 proved to be another year of growth for Priority One Credit Union. The POCU management team has been persistent in improving efficiencies and responding proactively to the ever changing economic environment to ensure financial stability. Our commitment to maintaining a safe and sound fiscal responsibility is unwavering.

Over the course of the 2017 fiscal year, Priority One Credit Union has maintained a positive financial performance. We have controlled assets growth to end the year at \$162.8 million. We've sustained healthy Net Income, ending the year at \$763,089. As a result of the overall income, the credit union's net worth remained strong at 9.78%. This is up .38% 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 fluctuating economic atmosphere, the staff and management team is dedicated to meet the needs of our most valuable asset, our member-owners. We will continue to reduce operating expenses, improve efficiency, add to equity and realize growth in membership, loans and conservative wise investments. Our *Forward Momentum* will be instrumental in achieving financial growth over the next fiscal year.

Richard Hale
Treasurer

Summary Statement of Income and Expense

For Fiscal Years Ended

3/31/2018

3/31/2017

INTEREST INCOME

Interest on Loans to members	\$3,481,373	\$3,480,548
Interest on Investment and cash equivalents	1,262,115	1,156,389

Total Interest Income	\$4,743,488	\$4,636,938
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INTEREST EXPENSE

Dividend on member's shares	\$184,551	\$196,976
Interest expense on borrowed Money & Pre-Payment	28	1

NET INTEREST INCOME	4,558,909	4,439,961
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PROVISION FOR LOAN LOSSES	156,888	(153,833)
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NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	4,402,021	4,593,794
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NON INTEREST INCOME

Fees and Charges	2,822,718	2,852,221
Other	319,731	269,677
Total Non-Interest Income	3,142,449	3,121,898

Total	\$7,544,470	\$7,715,692
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GENERAL & ADMINISTRATIVE EXPENSES

Salaries and Benefits	\$3,629,212	\$3,547,409
Office operations	2,482,288	2,587,361
Office occupancy	290,288	229,632
Other	376,595	451,424
Loss (Gain) on Disposal of Assets	6,163	(24,246)
Loss (Gain) on Sale of Investment	(3,165)	(26,398)

Total	\$6,781,381	\$6,765,181
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Net Income (Loss)	\$763,089	\$950,511
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Summary Statement of Financial Condition

For Fiscal Years Ended

3/31/2018

3/31/2017

ASSETS

Cash and Equivalents	\$14,149,006	\$14,357,048
Investments	67,645,354	67,662,964
Loans to members, net of the allowance for loan losses	74,275,946	72,509,988
Unrealized Investment Gain (Loss)	(1,914,923)	(891,440)
Accrued Income Receivable	4,797,385	5,205,149
Property and Equipment	1,710,954	1,869,954
Federal Share Insurance Fund Deposit	1,452,930	1,429,885
Other Assets	763,689	772,992

Total Assets **\$162,880,341** **\$162,916,540**

LIABILITIES AND EQUITY

Liabilities

Member's Shares	\$147,076,962	\$147,320,551
Borrowed Funds	0	0
Accrued Expenses and other liabilities	1,794,333	1,326,549
Commitments and contingent liabilities	0	0

Total Liabilities **\$148,871,295** **\$148,647,100**

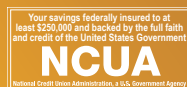
Member's Equity

Unrealized Investment Gain (Loss)	(1,914,923)	(\$891,440)
Regular Reserve	5,938,035	5,938,035
Undivided Earnings	9,985,934	9,222,845

Total Net Equity **\$15,923,969** **\$15,160,880**

Total Member's Equity **\$14,009,046** **\$14,269,440**

Total Liabilities & Member's Equity **\$162,880,341** **\$162,916,540**



Federally Insured by NCUA

Board Of Directors

Diedra Harris-Brooks	Chair
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

Senior Executives

Charles R. Wiggington, Sr	President/CEO
Patricia Loiacano	Vice President Risk Solutions
Robert West	Vice President Employee Services & Training
Simona Hollins	Vice President Finance
Celinda Grande	Assistant Vice President Operations

Executives

Gema Pleitez	Assistant Vice President Support Services
Randall McBride	Director Information Technology

25+ Years of Service

Hector Correa	Patricia Loiacano	Gema Pleitez
	Charles R. Wiggington, Sr	

10+ Years of Service

Colleen Greaves	Jennifer Hernandez	Cecibel Ponce
Esmeralda Sandoval	Lillian Valladares	Robert West
Serene Hurst	Lorena Aguilar	Maria Cadena
Marta Rodriguez	Sonia Villa	Ramona Medina
	Crystal Roa	

5+ Years of Service

Lino Alvarado	Barbara Cox	Randall McBride
Michele Barragan	Diane Huffman	Daniel Ballesteros
Vilija Leskauskaite	Phyllis Martin	Brenda Moreno
	Jamie Steinberg	

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.