



Our Time to Shine



2 0 1 7 A N N U A L R E P O R T

MISSION STATEMENT

At BOPTI Federal Credit Union, we've adopted the philosophy of *"Once a Member, Always a Member."* This means that whether you change jobs, move out of the area, transfer or retire, you will still retain your membership rights with us. It is our continuing mission to provide you, our member, with exceptional service, as we are committed to offering you the best financial products at the lowest cost and to paying dividends on deposits at more than competitive rates, at all times. We thank you for your trust and look forward to a long and lasting relationship.

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HOURS: 6 am-4 pm Monday-Friday • www.boptifcu.com



REPORT OF THE PRESIDENT

2017 proved to be another great year for BOPTI Federal Credit Union. Assets grew \$1,257,318 - ending the year at \$72,166,615. Outstanding loans increased \$2,559,015, and net income for the year, after all expenses including dividends, was \$780,539. This amount was transferred to reserves, bringing credit union total reserves to \$12,018,022 or 16.65% of assets. Our very strong performance continues.

BOPTI FCU has a unique perspective. We're not a one-size-fits-all organization, and that is what sets us apart. Currently, we serve employees at 39 Bureau of Prisons Institutions throughout the country. While many credit unions have moved to a community-based membership, BOPTI still serves only Bureau of Prisons employees, Public Health Service employees and their families. We are proud to maintain this distinction and look forward to a long relationship with our current and future members.

The credit union made the transition to the new building in February 2017, and it has been wonderful. If you haven't been able to visit us yet, please do so - we would love to show off the new, fresh look of the credit union! Also, all Visa® debit cards have been reissued with EMV chip technology. These new cards contain an embedded microchip that provides strong transaction security features not previously possible with traditional magnetic strip cards. Our Mobile Deposit App went live in 2016, and usage has grown tremendously over this past year. This app allows a member to deposit a check to their account the same business day by taking a picture of the check and submitting it electronically to the credit union. It works great and is becoming very popular.

I would like to thank all the volunteers on the Supervisory Committee and Board of Directors as well as all staff members for their continued hard work this past year. Also, I thank you, and all our members, for your continued support. We truly appreciate you and would appreciate you sharing the credit union with your family and co-workers. BOPTI FCU is successful because of you, our member-owners, and your trust in us to provide for your financial needs.

Sincerely,
Frank Calderon, President

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is made up of three volunteers who are appointed by the Board of Directors. It is the responsibility of the Supervisory Committee to safeguard member assets through review and audit of the credit union's financial statement and internal functions.

For many years, Gerry Freeman of Freeman Auditing and Consulting Services has performed the compliance risk and financial audits of the credit union. Unfortunately, when Gerry was in the credit union office this past April, he suffered a massive stroke and was unable to finish the 2017 audits. A new CPA firm, W Gregory Stoullil, was retained to perform the audit, and we are pleased to report that the results indicate that the financial statements represent fairly and accurately the results of the operations and financial position of the credit union. There were no material weaknesses in this year's audits.

As the President's Report noted, the credit union's assets increased \$1,257,318 in 2017 to the present \$72,166,615. Retained earnings (reserves) increased \$780,539 for the year and reserves now represent 16.65% of assets. This demonstrates substantial financial strength and puts BOPTI among the strongest credit unions in the nation.

In 2017, there were 1,709 loans approved and funded, totaling \$13,321,960. The outstanding loan portfolio increased \$2,599,015 for the year. Dividend rates throughout the year remained at levels surpassing most other financial institutions.

I would like to recognize and thank my fellow Supervisory Committee members, Courtney Williams and Ken Russell, for their dedication throughout the year.

Respectfully,
Jenny Castro, Chair

STATEMENT OF INCOME

For the year ending December 31, 2017

INTEREST INCOME

| | |
|-------------------------|--------------|
| Interest on Loans | \$ 1,763,346 |
| Interest on Investments | \$ 858,174 |
| Total Interest Income | \$ 2,594,520 |

INTEREST EXPENSE

| | |
|----------------------------------|--------------|
| Dividends Paid | <\$ 736,325> |
| Net Interest Income | \$ 1,858,195 |
| Provision for Loan Losses | <\$ 97,002> |
| Interest Income Net of Provision | \$ 1,761,193 |
| Non-Interest Income | \$ 149,277 |
| Total (Net) | \$ 1,910,470 |

OPERATING EXPENSES

| | |
|---------------------------|----------------|
| Compensation and Benefits | \$ 598,365 |
| Operations | \$ 451,964 |
| Occupancy | \$ 37,623 |
| Other Expenses | \$ 28,229 |
| Total Operating Expenses | <\$ 1,129,941> |
| Net Income | \$ 720,529 |

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2017

ASSETS

| | |
|--------------------|---------------|
| Member Loans (Net) | \$ 24,934,858 |
| Cash | \$ 754,241 |
| Investments | \$ 45,730,040 |
| Equipment | \$ 16,375 |
| Building | \$ 154,500 |
| Other | \$ 576,601 |
| Total Assets | \$ 72,166,615 |

LIABILITIES, DEPOSITS AND EQUITY

| | |
|-----------------------------------|---------------|
| Member Deposits | \$ 59,791,795 |
| Equity (Reserves) | \$ 12,018,022 |
| Other Liabilities | \$ 356,798 |
| Total Liabilities/Deposits/Equity | \$ 72,166,615 |

LEADERSHIP

BOARD OF DIRECTORS

Frank Calderon, President
David C. Moore, Vice President
Sandra White, Director
Jeremy R. Jones, Director
Tom Morris, Secretary/Treasurer

STAFF

Tom Morris, Manager/CEO
Jeremy R. Jones, Assistant Manager
Linda Word, NCCO/Compliance Officer
Anthony Morris, Operations/CLE
Merlene Casey, Collections

SUPERVISORY COMMITTEE

Jenny Castro, Chair
Courtney Williams
Ken Russell