

Liabilities and Equity		
Liabilities	2017	2016
Members' shares	\$569,444,533	\$535,043,047
Unfunded Investment Payable	6,235,284	0
Accounts payable and accrued expenses	3,652,499	3,904,668
<b>Total liabilities</b>	<b>\$579,332,316</b>	<b>\$538,947,715</b>

Equity		
Regular reserves and retained earnings	\$70,248,051	\$67,908,178
<b>Total liabilities and equity</b>	<b>\$649,580,367</b>	<b>\$606,855,893</b>



## Board of Directors

Willa J. Glover, CHAIR - Sheriff's Department (retired)  
 Barbara Oliver, VICE CHAIR - LAC+USC Med. Ctr. (retired)  
 Michael D. Steinberger, SECRETARY - Pomona College  
 Joseph R. Millner, Jr., TREASURER - LAC Treasurer & Tax Collector (retired)  
 John Benedict - Sheriff's Department  
 James D. Likens - Pomona College (retired)  
 Marisa Lopez - LAC Department of Human Resources

## Supervisory Committee

Carolyn Bernardez, CHAIR - LAC Department of Public Social Services  
 Sixta Navarrete - LAC+USC Medical Center

## Senior Management

James J. Miller - President/CEO  
 Lourdes Ruano - SVP/CFO Finance & Administration  
 Michael Wilkins - SVP, Member Services

Income Statement		
Interest Income	2017	2016
Total Interest on Loans	\$14,825,468	\$13,388,164
Total Interest on Investments	3,639,354	2,725,027
<b>Total Interest Income</b>	<b>\$18,464,822</b>	<b>\$16,113,191</b>

Interest Expense		
Total Dividends on Member Savings	1,185,880	994,391
<b>Net Interest Income</b>	<b>17,278,942</b>	<b>15,118,800</b>
Provision for Loan Losses	2,772,932	2,274,004
<b>Net Interest Income after Provision</b>	<b>14,506,010</b>	<b>12,844,796</b>
Non-Interest Income	7,177,736	6,715,251
Operating Expenses	18,352,999	17,363,416
<b>Total Net Income</b>	<b>\$3,330,747</b>	<b>\$2,196,631</b>

Assets		
Cash and cash equivalents	\$43,916,909	\$64,404,708
Investments	273,144,289	235,098,975
Loans to members, net	317,819,556	293,273,921
Accrued income receivable	1,695,791	1,480,456
Property and equipment, net	4,550,210	4,666,736
NCUSIF deposit	5,373,499	5,236,617
Other assets	3,080,113	2,694,480
<b>Total assets</b>	<b>\$649,580,367</b>	<b>\$606,855,893</b>



## IN MEMORIAM



Carrol Leonard

Former Board of Directors Chairperson, Supervisory Committee member, and longtime credit union member Carrol Leonard passed away on July 16, 2017 after a long and courageous battle with cancer.

Carrol was a valued member of the First City Family who served with us since 2000. She was also one of the kindest individuals I have had the honor and opportunity to work with. As a key leader of the Sheriffs' Relief Association she also served First City selflessly for many years, contributing to our ongoing success.

First City will forever be in Carrol's debt and she will be greatly missed by her family, friends, colleagues, and First City family.

Jim Miller  
 President / CEO

# ANNUAL REPORT 2017

# CHAIRPERSON'S REPORT

2017 was a historic year for First City Credit union, as we marked First City's 80<sup>th</sup> Anniversary! Compared to our founding in 1937, with only \$149 in deposits and 35 members, 2017 ended with 55,000 members and \$650 million in assets.

Our promise to provide members with personal service, trust, convenience, and value continued along with prudent financial management. In fact, First City was ranked the 14th healthiest credit union in the nation out of more than 6,000 federally insured credit unions by DepositAccounts.com. We have also maintained a 5-star credit union rating by Bauer Financial for more than 17 straight years – the highest rating available for a financial institution based on financial strength and management.

## New Leadership

2017 saw the addition of two new senior managers to our team, providing an expanded vision for maintaining financial soundness and member service.

In May, First City announced the selection of Lourdes Ruano as the credit union's new Senior Vice-President and Chief Financial Officer. Lourdes joined First City with more than 30 years in the credit union industry overseeing multiple areas, last serving as CFO with SkyOne Federal Credit Union.

In August, Michael Wilkins joined our team as the credit union's new Senior Vice-President of Member Services. Mike joined our team with more than 25 years in the credit union and banking industry. He has worked in multiple areas of the financial industry over the course of his career, most recently serving as the Senior Vice-President of Retail with California Credit Union.

## Future Enhancements

Our management team focused on service and improving each member's experience. We planned and designed the new Antelope Valley branch to set a new standard for future First

City branch offices. Opening in early 2018, the branch has the newest technologies, amenities, and design, improving the overall member experience.

2017 also saw the design and implementation of our Telephone Service Center partnership with PSCU services to improve service and reduce on-hold wait times. We began work on enhancements that will simplify our online banking and bill pay registration and sign-in process, making it more user-friendly. In 2018 we also will begin offering ACH origination for our member loan payments, and introduced a "Pay Ahead" program allowing members access to their payroll deposit earlier than normal. Finally, we introduced electronic signatures to our loan application process, providing a seamless electronic loan application and funding flow.

## Thank you

Lastly, as a not-for-profit cooperative, we must remember that our volunteers play a critical part in the Credit Union's management, planning, and accomplishments. My Board and Supervisory Committee member peers are a knowledgeable and dedicated group who generously give their time and talents to the Credit Union. Prioritizing member needs is a principal of every aspect in the credit union's operations.

On behalf of First City's board of directors and credit union staff, thank you for your support and trust. We look forward to completing plans in 2018 that will enhance the value of your membership.

Willa J. Glover  
Chairperson, Board of Directors



# TREASURER'S REPORT

It is my privilege and honor to present the financial results for 2017 to you. In the past year, we continued the tradition of financial soundness and safety here at First City Credit Union. We appreciate our members continuing trust in us as we celebrated our 80<sup>th</sup> year. This milestone achievement included service improvements, free financial seminars, and other events to fulfill our mission of maintaining sound and ethical practices to merit your confidence and trust.

Your continued trust has allowed First City to grow, achieving the benchmark of \$650 million in assets. Our loan portfolio also showed strong growth, demonstrating our ability to provide members the opportunity to finance the purchase of a new home, buy a new car, or consolidate loans. We maintain extremely safe reserves of capital, an important measurement of our financial strength. Allow me to present the financial highlights of our results for 2017:

- Net Income for the year was \$3.3 million. Which is \$800,000 better than budget and the highest net income since 2011.
- ROA (return on assets) was 0.52% versus the budgeted ROA of 0.40%.
- Assets grew 7% and ended at \$650m surpassing our projected \$634 million goal.
- Loan growth was over 8% with new loans funded of \$132 million. This is a record for us!
- Our Net Worth ratio was 11.04%, well above the well capitalized requirement of 7%.

Thank you as always for the support and trust you have placed in your credit union. We are looking forward to making First City financially successful for you, our valued membership.

Joseph R. Millner, Jr.  
Treasurer, Board of Directors



# 2017 AT A GLANCE

