



ANNUAL
REPORT

2016





REPORT FROM THE CHAIRMAN

As we begin the celebration of our 50th Anniversary this year, it's appropriate to look into the rearview mirror, to look back into our history and understand how Prince George's Community Federal Credit Union has evolved over generations of members, through the hard work of management and staff, and the steady guidance and direction of many board directors.

Each generation faced challenges that included uneasy economies, evolving financial needs, and the explosion of technology. Every challenge has required innovative thinking and the hard work of dedicated volunteers so that we could arrive at our favored position in the financial lives of our members. Prince George's Community Federal Credit Union is today the culmination of all those challenges and victories: who we are at this 50th Anniversary is all that we have been. *Join us in the celebration of our 50th anniversary.*

In 1967, former Prince George's Community Federal Credit Union board director and founder Virginia Stallings along with three other county employees started what was then Prince George's County Government Employees Credit Union. Their mission, which still guides us today, was simple: to help the underserved. During Ms. Stallings' tenure, the credit union grew to 15,000 members, \$150 million in assets, and became a full-service financial institution serving all of Prince George's County. By "always looking out for the little guy," as she would say, we are now \$160 million in assets with 16,000 members, serving the Prince George's community.

Throughout 2016, our fiscal growth has remained strong, growing slow and steady as it should, the result of responsible planning, realistic objectives, and laser-focused attention to members' needs. By considering our members in everything we do, we strengthen our brand and fulfill our core mission of providing superior member service.

We continue to devote considerable resources to community involvement, another way we distinguish ourselves from other financial institutions.

Our community involvement produces three valuable benefits:

1. It encourages loyalty among members, because they really do want to know that we're helping to make their communities a better place to live.
2. It provides employees an avenue to give back, which builds morale and helps strengthen teamwork.
3. It displays our social responsibility. Consumers, who ultimately do choose to become our members, consider community involvement when deciding which financial institution to trust.

Looking back at the last 50 years provides a successful roadmap for the next 50, based on a commitment to our ECO culture: to Engage, Connect, and Overdeliver in the service we provide you.

We engage members in a conversation, to understand their financial situation and what they need to succeed, through vehicles like "Talk to the President" on our website, daily interaction with members in branches, and professional member-satisfaction surveys.

We connect to members as well as our community by providing financial programs that help people at all stages of life. These programs include online and in-person seminars on a range of topics, monthly business events that encourage education and networking, as well as support with community partners to extend our efforts into the local schools and prison system. A financially savvy member is critical to a strong and stable community.

We overdeliver by going beyond what you expect, to ensure that you're more than satisfied with every product, every service, and every contact you have with our organization.

Gold is the precious metal that symbolizes our 50th anniversary, chosen for its value, durability, and strength, qualities that well represent the 2017 version of Prince George's Community Federal Credit Union. We enter this 50th anniversary year as a strong financial institution with the pieces in place for strong and steady growth. We also reaffirm our commitment to member service, and to giving back to the communities we serve to make them stronger and more vital.

Our 50-year success also requires acknowledgement of our hard-working staff and managers, the guided direction of our Board of Directors, and, most importantly, our Members, who have helped us achieve the solid foundation needed for Prince George's Community Federal Credit Union to celebrate another successful 50 years.

Thank you all.

Darryl Jones, Sr.

Darryl A. Jones Sr.
Board of Directors, Chairman

PRESIDENT'S REPORT

Longevity and staying power
equal our success.

Our 50th anniversary this year brings into sharp focus the durability and strength of this organization. It also makes this the perfect time for our Board of Directors, management team, and staff to rededicate ourselves to providing the kind of superior financial institution you need to achieve financial success—today, tomorrow, and for the next 50 years.

Our anniversary is also the perfect time to thank you—our members—for your commitment to Prince George's Community Federal Credit Union. Without your loyalty, we would have been unable to achieve this milestone, and unable to provide the products and services to help you grow financially.

In 2016, we made membership and loan growth major goals for the organization. We focused on several strategies and techniques to deliver quality products and services to you in the most cost-effective and timely manner possible. This was seen by the development of our new credit cards and the improvement of our mobile app with the ability to capture and deposit checks. By upgrading systems, we were able to make these products and services more convenient to use.

We watched the success of our newly
developed credit card product grow to
\$2 million in balances by the end of the year.

It's safe to say that this success is an indication that our members trust that we provide competitive loan rates and great terms, which means they often turn first to us when they need to borrow. Loan growth was also the result of the launch of our fixed-rate Visa® Elite, Visa® Platinum and Visa® Secured credit cards with excellent member-focused benefits. Although introduced in an extremely crowded credit card market, our Visa credit cards offer so many benefits that our Members embraced it wholeheartedly and were anxious to carry this card in their wallet.



Membership also grew 2.54% in 2016 mostly because you are promoting the value of this organization to your family, friends, and work colleagues.

Also, more and more members are finding lifetime value in membership. It's gratifying to know that our hard work pays dividends in the lives of our members. More members demand more usage of all of our products and services which forces us to continually stay abreast of your needs and keep pace and/or improve all of our financial services to you.

Celebrating You—Our Members

Our Golden Anniversary is all about celebrating our members because you have made the choice to engage and invest in our success. Join us this year for a number of events and activities to showcase our appreciation to you!

- **Testimonial videos** – help to tell the story of this organization and how important we have been in the financial lives of our Members.
- **Member Appreciation Days** – highlight our member-centric focus and communicate our philosophy that serving members is the reason we have enjoyed continued success for 50 years.
- **Community Day** – member-focused event in August is just one way we give back. It continues to be the highlight event of the year. Come and enjoy games, food, and fun, as well as document shredding services. It also provides an excellent opportunity to learn more about the products and services Prince George's Community Federal Credit Union has to offer.
- **Sweepstakes drawing** – a chance to win the top cash prize at our Community Day celebration. We encourage you to tell your family, friends, co-workers and neighbors. (*To learn more, visit www.PrinceGeorgesCFCU.org/Celebrate*).



Throughout the last 50 years, we have faced and overcome many challenges, each of which has made us a stronger credit union, better able to provide the safety and security you need in a financial institution. At some time during the last 50 years, you too may have faced a financial challenge that you have overcome with our help. It's a "people helping people" partnership based on trust—a partnership that will endure for another 50 years, and beyond.

Your Board, management team, and staff thank you for your membership and encourage you to extend the gift of membership to family, friends, and those with whom you work, because with them we are better together.

Respectfully,

Robert Schroeder
President & CEO

PRINCE GEORGE'S COMMUNITY
FEDERAL CREDIT UNION

Celebrating
50
years
of success!

OUR HISTORY
1967-2017

Founded to serve
county employees

Assets reached \$1.6M

Introduced ATM cards

Largo Branch opens

Assets climb
to \$100M

Membership open to all of
Prince George's County

Bowie Branch opens

Assets over \$160M
serving 16,000+ Members

1967

1975

1987

1994

1999

2006

2011

2017

BOARD OF DIRECTORS
2016-2017



Darryl Jones
Chairman



Maurene McNeil
Vice Chair



Cindy Prestandrea
Treasurer



Mike Dougherty
Secretary



Charlie Deegan
Board Member



Sean Eames
Board Member



Darryl Shelton
Board Member



Bill Frazier
Board Member



Steve Kaplan
Board Member

TREASURER'S REPORT

As we celebrate the 50th anniversary of Prince George's Community Federal Credit Union, we are pleased to report that this organization continues to be a strong and viable force working for the financial success of this community.

In 2016, we held true to our mission of helping our Members achieve financial success. By expanding product offerings, as well as improving asset and loan quality, we increased our credit union's earnings and reserves.

Our overall earnings and reserves continue to grow and are far above the National Credit Union Administration's national average. Our total assets are now in excess of \$157 million.

Our capital continues to be exceptionally strong, enabling the credit union to meet the borrowing needs of our members by granting over \$42 million in new consumer and business loans. The majority of that growth stemming from our newly developed Visa® credit cards (\$3.3 million), home equity loans (\$9.5 million), and unsecured loans and lines of credit (\$11 million). Business loans decreased slightly due to organic runoff; however, they continue to be a major contributor to our healthy portfolio.

Our competitive pricing on our various savings products continues to be an attractive feature for members. Last year we paid over \$500,000 in dividends, and are currently loaning out nearly 78% of our deposits, a strong indication that members continue to trust Prince George's Community Federal Credit Union to help them achieve their financial dreams.

Reflecting on our remarkable journey, we have undergone tremendous change and growth. We realize that our success and strength, however, would not be possible without the support we receive from our members. So, as we move into the next 50 years, we encourage you to continue to aim for your dreams of owning a home, sending a child to college, saving for retirement, starting a business, and more. And as you dream, we will be here for you as your financial partner for life, always listening, presenting the very best financial solutions to move you closer to your goals.

Thank you to our staff, our volunteer Board, and Committee members, for their dedication to making this organization great. We look forward to another wonderful 50 years.

Sincerely,



Cindy Prestandrea
Treasurer

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee consists of five volunteer members of the credit union appointed by the Board of Directors. The committee's primary responsibility is to safeguard members' assets by overseeing the financial internal controls and policies related to credit union operations. The primary duties of the Supervisory Committee is to ensure that the credit union is operated in a safe and sound manner in accordance with our bylaws, charter, policies, procedures, and federal and state regulations; the Supervisory Committee oversees internal and external audits, and ensures that the credit union complies with audit recommendations.

The Supervisory Committee retained the certified public accounting firm of CliftonLarsonAllen LLP to conduct a comprehensive annual audit. A condensed unaudited financial statement is included in this Annual Report. A complete set of audited financial statements is available upon written request. An examination was also performed by the National Credit Union Administration, and daily monitoring and review of the credit union are performed by an internal auditor.

Prince George's Community Federal Credit Union had a successful year in 2016. We are financially strong and continue to operate in a safe and sound manner while complying with all applicable rules and regulations outlined by NCUA.

As we celebrate 50 years of service in 2017, the Supervisory Committee would like to thank the Board of Directors and the credit union staff for their dedication and hard work in managing a great financial organization.

Respectfully,



Milt Crump
Chairman

Committee Members:

Francis DiSalvo
Michael Hatton
Alan Richman
Brenda Sigaran

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CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

As of December 31, 2016

ASSETS

Cash & Cash Equivalents	13,011,003
Deposits in Other Financial Institutions	5,700,000
Securities – Available-for-Sale	251,088
Securities – Held-to-maturity	16,346,992
Other Investments	902,797
Loans, Net	109,253,286
Accrued Interest Receivable	375,307
Premises and Equipment, Net	9,017,439
NCUSIF Deposit	1,386,770
Other Assets	1,404,379
Total Assets	\$157,649,061

LIABILITIES AND MEMBER'S EQUITY

Liabilities

Members' Share and Savings Accounts	139,734,752
Accrued Expenses and Other Liabilities	1,219,543
Total Liabilities	\$140,954,295

Members' Equity

Regular Reserve	1,423,229
Undivided Earnings	15,270,449
Accumulated Other Comprehensive Income (Loss)	1,088
Total Members' Equity	\$16,694,766

Total Liabilities and Members' Equity	\$157,649,061
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STATEMENT OF INCOME

INTEREST INCOME

Loans	5,774,354
Securities & Interest Bearing Deposits	249,741
Total Interest Income	6,024,095

INTEREST EXPENSE

Members' Share and Savings Accounts	500,846
Net Interest Income	5,523,249

PROVISION FOR LOAN LOSSES

Net Interest Income After Provision for Loan Losses	5,383,571
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NON-INTEREST INCOME

Service Charges and Fees	1,994,345
Other Non-Interest Income	1,150,839
Net Loss on Disposition of Assets	(302,989)
Total Non-Interest Income	2,842,195

NON-INTEREST EXPENSE

General and Administrative:	
Employee Compensation and Benefits	3,149,796
Office Occupancy and Operations	2,463,812
Other Operating Expense	1,253,950
Total Non-Interest Expense	6,867,558

Total Net Income	\$1,358,208
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These condensed unaudited financial statement do not constitute a complete presentation. The complete set of audited financial statements, including the statements of cash flows and changes in members' equity, and notes to the financial statements, are available at the credit union office during normal hours of operation.

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301.627.2666 | 800.952.7428
WWW.PRINCEGEORGESFCU.ORG

Beltsville Branch

6985 Muirkirk Meadows Dr.
Beltsville, MD 20705

Bowie Branch

15201 Hall Rd.
Bowie, MD 20721

Largo Branch

9201 Basil Ct.
Largo, MD 20774

Upper Marlboro Branch

14741 Governor Oden Bowie Dr., RM-L210
Upper Marlboro, MD 20772

Federally insured by the NCUA

Equal Housing Lender



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