



Moving *Forward*



2016 ANNUAL REPORT

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

BOPTI Federal Credit Union continued moving forward in 2016. Assets grew \$4,497,485 or 6.8% for the year, topping \$70 million in assets for the first time! This adds to prior year growth of 7%. Member deposits gained \$3,940,895 (7.1%) to a total of \$59,412,687, largely due to the continued high dividend rates paid. Net income for the year, after all expenses, was \$620,161 - bringing total reserves to \$11,237,483 or 15.8% of total assets, more than double the 7% considered to be "adequately capitalized" by our regulators.

As noted in last year's Annual Report, the credit union has been working toward getting a new building in a new location to house our operations. The process has been slow, and in January of last year we received a permit from the Bureau of Prisons to relocate the main office to a new building on Institution property. The new building was finished in mid-September, and we expect to be operating from our new home by the time of the Annual Meeting. The move date is not yet confirmed, but we are hopeful. We planned to offer an ATM at the new building, but as it turns out, this is prohibitively expensive and is not likely to come to fruition.

2016 saw a new service addition to the credit union's technology services: Mobile Deposit. This is an app for both Apple® and Android™ mobile devices that allows a member to take a picture of a check, send it to the credit union and have the funds credited the same day. This service went live on July 1st and has proven to be quite popular, and usage should continue to grow as more and more members become aware of it. While technology is important and even necessary, BOPTI continues to believe in the personal touch, as member/staff interactions have always been a part of your credit union, and we will continue to focus on that 62-year-old tradition.

In closing, I would like to thank all of the credit union's volunteers, Supervisory Committee members, directors serving on the Board of Directors and staff members for this past year of dedication and hard work to keep the credit union performing at an exceptional level. But most of all, thank you, our members, because without you there would not be a BOPTI Federal Credit Union!

Sincerely,
Sandra White, President

SUPERVISORY COMMITTEE REPORT

The credit union's Supervisory Committee is made up entirely of volunteers who are appointed by the Board of Directors. It is the responsibility of the Supervisory Committee to safeguard member assets through fair and accurate financial reporting review.

Each year, the Supervisory Committee secures the services of Freeman Auditing and Consulting Services to perform a compliance risk audit as well as a financial audit of the credit union. Results of the audits indicate that the financial statements present 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 noted in the President's Report, credit union assets increased 6.8% in 2016 - adding to 2015's 7% gain. Retained earnings (reserves) increased \$620,161 for the year and now stand at 15.8% of total assets. This demonstrates substantial financial strength and puts BOPTI among the strongest credit unions in the nation.

In 2016, credit union loan officers approved 1,685 loans - 321 more than in 2015. Total loans approved amounted to \$12,919,764. The outstanding loan portfolio increased \$1,218,849 for the year. Dividend rates throughout the year remained at levels surpassing most other financial institutions in the country.

Long-time Chairman of the Supervisory Committee Frank Calderon submitted his resignation effective with the January 2017 meeting, but he will remain as a member of the Board of Directors. Jenny Castro has taken over as Chair of the Committee. Fellow members of the Committee are Kenneth Russell and Courtney Williams.

Respectfully,
Frank Calderon, Chair

STATEMENT OF INCOME

For the year ending December 31, 2016

INTEREST INCOME

Interest on Loans	\$ 1,663,378
Interest on Investments	\$ 766,659
Total Interest Income	\$ 2,430,037

INTEREST EXPENSE

Dividends Paid	<\$ 709,827>
Net Interest Income	\$ 1,720,210
Provision for Loan Losses	<\$ 165,705>
Interest Income Net of Provision	\$ 1,554,505
Non-Interest Income	\$ 140,942

OPERATING EXPENSES

Compensation and Benefits	\$ 564,982
Operations	\$ 418,618
Occupancy	\$ 63,456
Other Expenses	\$ 28,229
Total Operating Expenses	<\$ 1,075,285>
Net Income	\$ 620,162

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2016

ASSETS

Member Loans (Net)	\$ 22,335,842
Cash	\$ 1,413,487
Investments	\$ 46,384,050
Equipment	\$ 13,875
Building	\$ 130,000
Other	\$ 632,042
Total Assets	\$ 70,909,296

LIABILITIES, DEPOSITS AND EQUITY

Member Deposits	\$ 59,412,687
Equity (Reserves)	\$ 11,237,483
Other Liabilities	\$ 259,126
Total Liabilities/Deposits/Equity	\$ 70,909,296

LEADERSHIP

BOARD OF DIRECTORS

Sandra White, President
David Moore, Vice President
Jeremy R. Jones, Director
Frank Calderon, 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, Collector

SUPERVISORY COMMITTEE

Frank Calderon, Chair (outgoing)
Jenny Castro, Chair (new)
Courtney Williams
Ken Russell