





*Colin Baxter*  
CHAIRMAN



*James Wileman*  
PRESIDENT/CEO

*Serving more  
than 84,000  
members*

# A MESSAGE TO OUR MEMBERS

2017 marked Credit Union 1's 65th year of service to Alaska. While we began as a small Anchorage teachers' credit union back in 1952, we've now grown to serve and support over 84,000 members across this incredible state! As you'll find in the following report, every element of our organization aims to foster thriving, happy communities by putting people like YOU first.

One of the most significant ways that Credit Union 1 helps uplift Alaska is by lending money. Whether we're helping you afford your next car, a much-needed new home or another form of security for your family, the funds we provide to Alaskans help inspire positive change in our members' lives. In 2017, the #1 way that we lent money to assist our members was via Home Equity loans, which increased by 37.9%. Our real estate portfolio also grew \$18.1 million, or 7.0% over 2016. While credit cards and other unsecured loans decreased by 2.1%, our consumer loans saw a 0.3% increase.

*Thanks to the frontline efforts of  
our employees from Ketchikan  
to Nome, we were able to save  
Alaskans over \$7.8 million  
dollars in 2017 by lowering  
our members' payments and  
lending money toward their life  
goals in a more affordable and  
compassionate way!*

Credit Union 1's unique Member Assistance Department took outstanding measures to support Alaskans who were struggling financially in 2017. Thanks to their efforts, we're happy to report a delinquent loan ratio of only .88% as of December 31, 2017. Loan charge offs as a percentage of average outstanding loans was 1.93% last year, which is an increase of 0.45% from 2016; however, total net charge offs decreased 1.7% from the previous year. As a not-for-profit organization, 100% of income at Credit Union 1 is recycled toward people-first priorities such as keeping our loan interest rates low, so that the help you need is accessible.

In addition to our people-first perspective on lending money, Credit Union 1 was also happy to see a 1.04% increase in One for All Rewards point redemptions in 2017. We're proud to show a unique understanding of our members' diverse saving and spending situations by rewarding you for ALL of your positive financial habits – which is another aspect of Credit Union 1 that sets us apart! As of 2017, 47.37% of all points earned by our members have been used toward cash rebates, loan interest rate discounts, certificate premiums – even charitable donations to Alaskan non-profit organizations.

In 2018, you will notice some important new initiatives at our credit union. We're renewing our 65+ year commitment to the principles of #CU1LUV, which are to lead change, uplift others and value people. Together, we're raising Alaska to a new level of love for one another through volunteerism, fundraising, lending money and reaching out a hand to our neighbors when they need it most! You're a vital part of these ongoing efforts, and we look forward to further serving you in the year ahead. Thank you for your membership!

*Our Mission* To help members achieve their financial goals by focusing on excellent service and value.







# SUPERVISORY COMMITTEE REPORT

Credit Union 1's Supervisory Committee is appointed by our Board of Directors and is responsible for ensuring that the financial statements of the credit union are accurately and fairly presented by management. The committee also ensures that operational practices and procedures are sufficient to safeguard our members' assets. These duties are required by federal and state regulations. State of Alaska statutes summarize the committee's responsibilities as follows:

“ The Supervisory Committee shall conduct an annual audit of the accounts of the credit union and submit a report of the audit to the Board of Directors and a summary of the audit to the members at the next annual members' meeting of the credit union. The Supervisory Committee may conduct supplementary audits as it considers necessary or as ordered by the commissioner, and submit reports of the supplemental audits to the board of directors. ”

To fulfill these obligations for 2017, the Supervisory Committee hired the national professional services firm of CliftonLarsonAllen, LLC to perform an independent audit of our financial statements and confirmation of member accounts. The results of the audit, conducted as of and for the year ending September 30, 2017, indicate that the financial statements of Credit Union 1 are fairly stated.

Additionally, the credit union's internal auditor reviews and evaluates the systems of management's control and reports the results to the Supervisory Committee and management on an ongoing basis. Credit Union 1 is regulated by the State of Alaska and insured by the National Credit Union Administration (NCUA), and the credit union is also subject to examination by both entities on an annual basis.

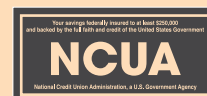
*Yuliya Mitchell*  
**CHAIR**

*Noel Rea*  
**SECRETARY**

*Ross Risvold*  
**MEMBER**

*Diamond Redmond*  
**MEMBER**

*Jeff Wood*  
**MEMBER**





# TREASURER'S REPORT

As of December 31, 2017, Credit Union 1's total assets had grown 2.9% to \$1,021,267,203. This growth corresponded with a 2.6% increase in member deposits, to \$880,974,666. Net income for 2017 was \$4.9 million, and because we are entirely owned by our members, 100% of this income is used to provide lower loan interest rates, higher dividends, more rewards and fewer fees for Alaskans like you!

## HISTORICAL ASSETS

2013	\$884,641,301
2014	\$923,562,354
2015	\$977,041,878
2016	\$992,212,478
2017	\$1,021,267,203

Income earned by a financial institution is often measured as a percentage of total assets. For 2017, Credit Union 1's return on assets was 0.50%. These earnings have helped build equity within the institution and secure our ability to serve the long-term needs of our members.

At the end of 2017, the credit union's equity (or "capital") was 11.95% of total assets. As such, Credit Union 1 is designated as "well capitalized" by the National Credit Union Administration (NCUA). This number is of unique importance because it allows the credit union to expand its services, upgrade facilities, maintain a strong workforce and enhance its products and services in future years.

Furthermore, and of particular importance to Alaska, our equity also insulates and protects the credit union during periods of economic downturn. When local and national economies fluctuate, our credit union is well-positioned to navigate these changes while providing the financial support that our members rely on in times of need.

*Jennifer Bernard*  
TREASURER

# FINANCIAL REPORT

UNAUDITED IN THOUSANDS

## ASSETS

	2017	2016
Cash	\$9,388	\$14,187
Investments	\$188,317	\$171,462
Loans (Net)	\$750,199	\$733,115
Fixed Assets (Net)	\$35,458	\$36,096
Other (Assets)	\$37,905	\$37,352
<b>Total</b>	<b>\$1,021,267</b>	<b>\$992,212</b>

## TOTAL LIABILITIES AND MEMBERS' EQUITY

	2017	2016
Members' Shares	\$880,975	\$858,544
Liabilities	\$18,470	\$15,908
Members' Equity	\$121,822	\$117,760
<b>Total</b>	<b>\$1,021,267</b>	<b>\$992,212</b>

## INCOME STATEMENT

	2017	2016
Loans	\$38,101	\$37,901
Investments	\$2,276	\$1,497
Interest Income	\$40,377	\$39,398
Dividends & Interest Expense	\$-2,702	\$-2,543
Net Interest Income Before Provision for Loan Loss	\$37,675	\$36,855
Provision	\$-9,858	\$-10,413
Net Interest Income	\$27,817	\$26,442
Operating Income	\$25,435	\$25,220
Operating Expense	\$-48,347	-\$48,161
<b>Total Net Income</b>	<b>\$4,905</b>	<b>\$3,501</b>



## Member Appreciation

At each of our annual member appreciation events in 2017, we hosted a silent auction (and matched the funds raised) to help important organizations in our branch communities. We're serious about inspiring positive change in our members' lives, and we do so in lots of ways!



## One for All Alaska Fund

The credit union's special One for All Alaska Fund also saw great success in 2017 by raising funds for local causes that are important to our fellow Alaskans. In total, this fund raised over \$80,000 for communities across our state last year!



# \$315,000

The amount of charitable contributions made by our organization and generous members.



# 5,600

The number of community service hours donated by CU1 employees.



## Our #CU1LUV Commitment

In the coming year, Credit Union 1 is resolved to do even more good for Alaska. We care about your unique goals and dreams, because as fellow Alaskans ourselves, we understand a part of what you value. That bond between us is #CU1LUV! Thank you for your ongoing support toward another record-breaking year of philanthropy.



## **BOARD OF DIRECTORS**

Colin Baxter, Chair  
Steve Cavin, Vice Chair  
Damien Stella, Secretary  
Jennifer Bernard, Treasurer  
Joe Towslee, Director  
Marietta "Ed" Hall, Director  
Andre Horton, Director

## **SUPERVISORY COMMITTEE**

Yuliya Mitchell, Chair  
Noel Rea, Secretary  
Ross Risvold, Member  
Diamond Redmond, Member  
Jeff Wood, Member

## **EXECUTIVE MANAGEMENT**

James Wileman, President/CEO  
Rachel Langtry, Chief Operating Officer  
Davina Napier, Chief Lending Officer  
Chrissy Bell, Chief Culture Officer