



# PRESIDENT'S REPORT

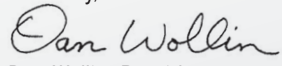
PCM Credit Union has succeeded as a cooperative, a financial institution, and as a social organization. Despite that success, we face disruption on all sides, from banking competitors with deeper pockets to digital upstarts with better programmers. In this new era of banking, we must continue to increase the visibility of our offerings while seizing opportunities for innovation.

We can demonstrate we are doing just that with our new benefits like our mobile friendly responsive website, online auto buying resource serviced by GrooveCar, Credit Sense credit score monitoring, Financial Guard investment guidance, and tax planning services through Focused Tax Solutions. All are innovative examples of services that make you a better consumer. Local decision making focused on your financial well-being results in tangible improvements in the finances of our members.

Without a doubt, your credit union completed its busiest and most successful year ever. With all the exciting improvements and a new facility in Marinette underway, we expect 2017 to be just as busy and successful. I want to thank our staff and volunteers for their commitment to make PCM the best, and together we thank you for all your support and the opportunity to serve you.

We are “exceeding the vision” of investing in you and growing together. Please make sure you check out our website, Facebook page, emails and newsletters for new promotions and product offerings that are all designed to enhance your life. When it comes to your financial health, we have your back.

Best wishes for a happy and healthy 2017!

Sincerely,  
  
Dan Wollin, President



# CHAIRMAN'S REPORT

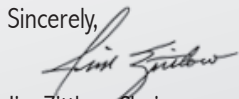
Fellow members, it is my privilege to present to you our 59th Annual Report. 2016 was another great year to be a part of PCM Credit union. The advantages of being a member created the following financial highlights:

- A record asset increase of \$20,840,747 to \$215,765,195
- A record 421 net increase in membership to 11,975
- A record increase in loans of \$18,747,385
- A record increase in deposits of \$18,615,220
- A record 3,302 loans were disbursed, totaling \$72,011,733
- A record low loan loss ratio of .07%
- A record low loan delinquency average of .39%
- A record total rebate of \$683,380 was distributed, a great example of the uniqueness of our cooperative business model that puts you at the top in order of importance. Since 2004, the total given back is \$4,268,658.

One of the principles of a financial cooperative is to return excess income back to its membership. It is one of the main differences between a credit union and a for-profit bank. PCMCU is honored to be one of the few credit unions able to do this.

Callahan and Associates of Washington D.C. again ranked us number one in the country for returning value to its members. This designation, along with the records listed, demonstrates that we are “Exceeding The Vision” of members gaining personal financial success. It also affirms that PCM borrowers and savers are treated equally.

We look forward to the opportunities and challenges ahead of us. The partnership with each of you, our owners, will enable PCM to continue our mission of meeting and exceeding your financial needs in 2017 and beyond.

Sincerely,  
  
Jim Zittlow, Chairperson

# statement of financial condition

As of December 31, 2016

ASSETS - What We Own	(\$) 2016		(\$) 2015	
Personal Loans	33,992,260	15.75%	25,805,835	13.27%
Real Estate Loans	127,586,908	59.13%	116,460,656	59.87%
Home Equity Loans	10,761,070	4.99%	11,894,115	6.11%
MasterCard Credit Cards	4,585,495	2.13%	4,017,742	2.07%
Total Loans to Members	176,925,733	82.00%	158,178,348	81.32%
Less Allowance For Loan Loss	(614,355)	(0.28%)	(798,772)	(-0.41%)
Cash and Investments	34,397,876	15.94%	32,061,959	16.48%
Building and Equipment	4,387,832	2.03%	4,475,674	2.30%
Other Assets	668,109	0.31%	597,575	0.31%
TOTAL ASSETS	215,765,195	100.00%	194,514,784	100.00%
LIABILITIES - What We Owe	(\$) 2016		(\$) 2015	
Regular Shares	43,046,640	19.95%	39,016,117	20.06%
Super Shares	26,506,185	12.28%	17,267,196	8.88%
“Top Ten” Shares	34,608,870	16.04%	30,152,184	15.50%
Share Drafts	18,911,149	8.77%	18,474,429	9.50%
Share Certificates of Deposit	31,084,916	14.41%	31,779,795	16.34%
Individual Retirement Accounts	27,989,914	12.97%	26,834,229	13.79%
Christmas Club	199,872	0.09%	208,377	0.11%
Other Liabilities	2,042,915	0.95%	1,503,316	0.77%
Total Liabilities	184,390,461	85.46%	165,235,643	84.95%
Reserves—Members Equity	31,374,734	14.54%	29,279,141	15.05%
TOTAL LIABILITIES AND RESERVES	215,765,195	100.00%	194,514,784	100.00%
INCOME		(\$) 2016	(\$) 2015	
Loan Income	7,323,740	80.07%	6,955,719	79.77%
Investment Income	670,358	7.33%	659,519	7.56%
Other Income	1,152,347	12.60%	1,105,166	12.67%
TOTAL INCOME	9,146,445	100.00%	8,720,404	100.00%
DISTRIBUTION OF INCOME		(\$) 2016	(\$) 2015	
Salaries and Related Expenses	2,757,704	30.15%	2,612,637	29.96%
Education and Promotions	307,373	3.36%	347,709	3.99%
Office Occupancy	276,446	3.02%	266,124	3.05%
Office Operations	1,058,207	11.57%	969,409	11.11%
Professional and Outside Services	633,072	6.92%	577,200	6.62%
Provision for Loan Losses	(63,100)	(0.69%)	(123,700)	(1.42%)
Other Expenses	34,247	0.38%	59,961	0.69%
TOTAL OPERATING EXPENSES	5,003,949	54.71%	4,709,340	54.00%
DIVIDENDS PAID TO MEMBERS	1,392,328	15.22%	1,068,737	12.26%
NET INCOME BEFORE REBATE	2,750,168	30.07%	2,942,327	33.74%
MEMBER REBATE	(378,672)	(4.14%)	(383,350)	(4.40%)
REWARDS CREDIT CARD REBATE	(304,708)	(3.33%)	(263,113)	(3.02%)
NET INCOME TO RESERVES	2,066,788	22.60%	2,295,864	26.33%
MEMBERSHIP		11,975	11,554	
LOANS DISBURSED		\$72,011,733	\$57,552,619	
NUMBER OF LOANS DISBURSED		3,302	2,262	



**pcu**  
CREDIT UNION