

360 FEDERAL CREDIT UNION ANNUAL REPORT



2018

DEDICATED TO ENHANCING
OUR MEMBERS' EXPERIENCE.



Federally Insured by NCUA

CHAIRMAN'S REPORT



2018 was another busy and productive year, thank you for the dedication and hard work from our member focused employees. We had 1,467 new members join the Credit Union 2018. What an accomplishment!

As a member owned entity we are committed to helping members achieve their financial goals. We had another successful year with our Community Savings Challenge. We saved 115 members \$460,670 in loan interest, that is an average of \$4,000 per member! As part of the Community Savings Challenge we donated \$4,500 to three local charities that were chosen by our members — Connecticut Community for Addiction Recovery, Alex's Lemonade Stand and Fidelco. We also had a record number of Lunch & Learns and Bank at Works in 2018. Our Lunch & Learn program provides personal finance education to members and non-members on topics such as Identity Theft, Social Security, and Understanding Your Credit Score. Our Bank at Work program allows members and non-members the flexibility to apply for a loan, open a

membership or ask questions all at their place of employment. As always, our community events, donations and sponsorships are too numerous to mention all, but some examples include: educational scholarships, financial literacy for adults and youth, Shred-It and Electronic recycling events, and employee jeans day with a different charity for each month chosen by our employees.

With our member experience in mind we updated our branches with a fresh new look, began piloting our interactive teller machines which will launch in Q1 2019, and upgraded our online banking/mobile apps. In 2019 we will continue to enhance our member experience with a new prototype branch opening in Vernon, CT and introduce member surveys that will provide us feedback for continuous improvement.

Lastly, I want to thank the Staff, Board of Directors, Supervisory Committee and other Volunteers for 360FCU's continued success in 2019.

Mark Angelica
Chairman, Board of Directors

PRESIDENT'S REPORT



2018 was a year in which we continued to strengthen and grow our core business. Our lending team closed over 2,300 loans to our Members in excess of \$45MM. Growth is key to the success of 360 Federal Credit Union (360FCU). The initiatives that we have in place for 2019 will help us to achieve that goal. Our plans for expansion include new branches, introducing business products and enhanced technology. By the end of the 2nd quarter 2019 we will open our first branch in Tolland County, in Vernon, CT. The Vernon branch will offer both individual and business member share accounts and lending products. The new branch will be designed with the latest interactive technology services. In addition, the new business product line initiatives will enable 360FCU to further serve our Members and their businesses in the community, while diversifying 360FCU's products and assets.

Financially, 360FCU has further strengthened through the appropriate management of Income, Expenses and Assets. We ended FYE 12/31/2018 with a Capital Ratio of 9.12% as compared to a Capital Ratio of 8.95% for FYE 12/31/2017. A Capital Ratio of 7% is considered to be well capitalized by federal regulators and we continue to be well above that level. 360FCU also returned to profitability for FYE 12/31/2018 after two consecutive years of net losses due to the addition of certain loan loss provisions. The financial progress made during 2018 has positioned 360FCU for continued consumer member growth along with the implementation of our growth initiatives.

Our staff remains committed to the needs of the members through numerous events such as: Lunch and Learns, Bank at Works, Appreciation Days, Wellness Fairs and numerous other functions.

Lastly, I want to thank all of our Members for their continued trust and support as we serve your financial needs today and well into the future.

Duane L. Crisco
President/CEO



(L to R): Peter Skinner (alternate); Rosey Wemmell; Frank Porter, *Chairman*; Karen Bauer and Pat Husereau (alternate; not pictured)

CREDIT COMMITTEE REPORT

As Chairman of your Credit Committee, I am happy to present you with the Committee's report for 2018.

Our entire portfolio, which includes loans for vehicles, homes, personal loans and credit cards, increased by \$9.9 million, or 6.2%. We closed 2,340 loans and mortgages for \$46 million.

As of December 31st, we held 7707 loans and mortgages, and 5,867 VISA accounts, for a gross total of \$164 million.

On behalf of the Committee, I would like to thank the Board, Volunteers, Management and Staff of the Credit Union, and all of our valued members. Every year our committee looks forward to seeing you!

Thank you.

Frank Porter
Chairman



(L to R): Jerry Faszczka; Mark Senecal; and Ken Lafrennie, *Chairman*.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is an independent committee that reports directly to the Board of Directors. The committee consists of 3-5 members tasked with the responsibility of protecting the Credit Union's assets and safeguarding the members' accounts. We act independently on behalf of our membership. Currently serving on the committee are volunteers Ken Lafrennie, Jerry Faszczka, Mark Senecal and Luis Valdez Jimenez. The Supervisory Committee establishes an annual plan to conduct periodic audits that will monitor and assure regulatory compliance and financial stability. We employed the accounting firms of Shatswell MacLeod who along with an internal compliance officer provided audit support and control. Additionally, the independent accounting

firm of Nearman, Maynard, Vallez CPAs and consultants performed an annual audit of our financial statements. Also, annually the Credit Union undergoes a safety and soundness examination by the National Credit Union Administration (NCUA). Nearman, Maynard, Vallez, CPAs & Consultants have once again given our Credit Union a favorable review. It is our opinion that the 360 Federal Credit Union remains financially strong and well managed and that the Board of Directors is providing excellent direction and Control. I would like to thank the Supervisory Committee, Board of Directors, Management, Staff and Volunteers who have worked diligently to maintain our level of excellence. Going forward, our team of professionals will continue to monitor the financial condition and soundness of the Credit Union to assure we maintain the high standards we have established for our valued members and ourselves.

Ken Lafrennie
Supervisory Committee Chairman

BOARD OF DIRECTORS



(L to R): Jerry Faszczka, *Secretary*; John Tiroletto, *Treasurer*; Lois Daly, *Director*; Chinh Bui, *Vice Chairman*; Mark Angelica, *Board Chairman*; John Roche, *Director*; Travis Ramsdell, *Director*; Lloyd Oakes, *Director*; and Frank Porter, *Director*.

SENIOR MANAGEMENT TEAM



(L to R): Duane Crisco, *President/CEO*; Jackie Miller, *Vice President of Technology/CIS*; and Karen Bauer, *Chief Operating Officer*. Not pictured: Kim Trimble, *Vice President of Human Resources*; Patrick Husereau, *Vice President of Finance*.

2018 FINANCIAL REPORT

ASSETS	DECEMBER 31	
	2018	2017
Cash and cash equivalents	\$1,910,322	\$2,649,474
Investments:		
Held-to-maturity	35,606,254	38,081,700
Other	16,468,445	18,617,199
Federal Home Loan Bank (FHLB) stock	357,000	335,700
Loans receivable, net of allowance for loan losses	160,533,895	155,817,493
Accrued interest receivable	531,754	495,811
Premises and equipment, net	3,785,424	3,659,166
National Credit Union Share Insurance Fund deposit	1,980,733	1,999,625
Assets acquired in liquidation	306,000	852,335
Other assets	1,766,912	1,427,396
Total Assets	\$223,246,739	\$223,935,899

LIABILITIES AND MEMBERS' EQUITY	DECEMBER 31	
	2018	2017
Liabilities:		
Members' share and savings accounts	\$199,459,579	\$201,865,390
Accrued expenses and other liabilities	3,328,827	3,696,821
Total liabilities	\$202,788,406	\$205,562,211
Commitments and contingent liabilities		
Members' Equity:		
Regular reserve	4,284,915	4,284,915
Undivided earnings	16,079,651	15,801,260
Accumulated other comprehensive income (loss)	91,898	(1,714,356)
Equity acquired in merger	1,869	1,869
Total members' equity	\$20,458,333	\$18,373,688
Total Liabilities and Members' Equity	\$223,246,739	\$223,935,899

MANAGEMENT TEAM

President/CEO
Duane L. Crisco

Chief Operating Officer
Karen Bauer

Vice President of Finance
Patrick Husereau

Vice President of Technology/CIS
Jackie Miller

Vice President of Human Resources
Kim Trimble

Director of Sales
Michelle Chase

Director of IT
Larry Flannery

Marketing Manager
Jennifer Comes

Electronic Services/Contact Center Manager
Natalie Davis

Branch Manager, Enfield Office
Nancy Marryat

Facilities and Security Manager
Peter Skinner

Lending & Loss Prevention Manager
Rosey Wemmell

360FCU is coming to Vernon!



421 Talcotville Road Vernon, CT