



MEMBERS FIRST. PARTNERS FOREVER.

2016 ANNUAL REPORT



infirstfcu.org

LEADERSHIP Report

Every year brings with it a sense of hope to achieve personal goals, take advantage of new opportunities, and become better at what we do. It is our pleasure to report to you that 2016 was an exceptional year for your credit union, financially and in member growth. Although the competitive landscape can be challenging, we strive every day and with every opportunity to provide our members with the best value in the marketplace.

Your credit union exists today because you made a decision to be a member-owner in a not-for-profit financial cooperative, instead of a customer at a bank. We are thankful for this partnership and know that you chose InFirst because we offered something special.

Our continued growth allows your credit union to help you and other members reach their goals and achieve their dreams. This is why we offer financial guidance, education, one-on-one coaching and innovative products to meet you wherever you are in your financial journey.

During 2016, we accomplished several major projects and received three industry awards. The credit union opened a new full service branch in King George, Virginia, including drive-thru lanes and safe deposit boxes. We installed a video teller machine in a cave 250 feet underground to serve the employees of our primary sponsor, the Office of Personnel Management, and issued new VISA credit and debit cards with "chip" technology to reduce fraud and improve plastic card security. Your credit union was the recipient of a CyberSecurity Grant by the NCUA, the winner of the CUNA 2016 Diamond Award for our InFirst Federal Credit Union logo, and the recipient of the Gold Award for producing over \$15,000,000 in first mortgage loans through our partner, Credit Union Mortgage Association.

With our comprehensive portfolio of products and services, a desire to always meet your financial needs, and a brand that conveys that we are at the forefront of technology, celebrate the essence of your credit union. Make InFirst Federal Credit Union your first choice in financial services today and your family's first choice for a lifetime: Members First. Partners Forever.

On behalf of the volunteer Board of Directors and the entire InFirst Federal Credit Union team, thank you for your support and trust as we build on over eight decades of helping members afford life.

*William E. Shackelford, **Chair***

*Martha W. Wye, **President & CEO***

BOARD OF DIRECTORS

William E. Shackelford
Chair

Arthur D. Scrutchins
Vice Chair

Lynn C. Ross, Ph.D.
Secretary

Richard G. Thissen
Treasurer

Alan D. Rothenberg
Assistant Treasurer

Jon W. Dowie
Director

Bette D. Cabot
Director

SUPERVISORY COMMITTEE Report

The Supervisory Committee is composed of independent volunteers who are primarily responsible for ensuring that the financial condition of InFirst Federal Credit Union is accurately stated and presented.

The Committee's major responsibilities are to you, the members. The Committee ensures compliance with NCUA guidelines and regulations, monitors the financial reporting by management, oversees the role of the Internal Audit department, and makes sure that your credit union responds to the concerns of the members.

During 2016, the Committee engaged the services of Robert L. Mann, LLC, Certified Public Accountant, to perform the annual Supervisory Committee Audit of the Credit Union pursuant to Section 715 of the National Credit Union Administration regulations. There were no findings as a result of this audit.

The NCUA examination conducted during 2016 found your credit union to be a safe, sound financial institution. An independent firm specializing in technology security performed internal and external intrusion detection audits. The credit union received an excellent report for its technology security systems and processes. The credit union finished financially strong and continues to be well capitalized at 9.79%.

All of these accomplishments show our continued commitment to provide extraordinary value and service to each of you, the member-owners. These steps ensure that the members' needs are being addressed, while providing assurance that InFirst Federal Credit Union's financial condition is accurately stated and presented.

Sincerely,

John R. Clements, Chair

Delores C. Browder

Sara B. Rearden

LOCATIONS

Alexandria

6462 Little River Turnpike
Alexandria, VA 22312

Monday - Friday: 9:00 a.m. - 3:00 p.m.

King George / Dahlgren

16384 Consumer Row
King George, VA 22485

LOBBY - DRIVE - THRU HOURS

Monday - Thursday: 9:00 a.m. - 5:00 p.m.

Friday: 9:00 a.m. - 6:00 p.m.

Saturday: 9:00 a.m. - 1:00 p.m.

Federal Communications

Commission - FCC Building

445 12th Street SW, Room MA-B515
Washington, D.C. 20554

Monday - Friday (Restricted Access):

10:00 a.m. - 2:30 p.m.

U.S. Office of Personnel

Management - OPM Building

1900 E Street, NW, Room G449
Washington, D.C. 20415

Monday - Friday (Restricted Access):

10:00 a.m. - 2:30 p.m.

FINANCIAL Report

ASSETS

	2015	2016
Loans	\$111,683,996	\$125,496,662
Allowance for Loan Losses	(\$847,210)	(\$821,341)
Allowance for Negative Overdrafts	(\$12,657)	(\$17,755)
Cash in Banks	\$6,540,458	\$10,798,353
Investments	\$42,423,331	\$26,034,792
Land & Building	\$2,058,658	\$3,594,340
Furniture & Fixtures	\$439,682	\$869,511
CUMA/Co-Op/CU24/PSCU	\$204,398	\$204,897
Share Insurance Fund	\$1,347,096	\$1,370,055
Other Assets	\$1,847,574	\$2,707,878
Accrued Income	\$387,344	\$374,633

Total Assets

\$166,072,670

\$170,612,025

LIABILITIES & NET WORTH

	2015	2016
IRA Accounts	\$2,683,879	\$2,713,022
Share Draft/Checking	\$31,235,969	\$31,234,344
Certificates	\$47,035,563	\$53,230,282
Money Market Accounts	\$25,389,360	\$26,209,824
Share/Savings	\$32,697,224	\$34,124,920
Accounts Payable	\$301,548	\$428,274
Notes Payable	\$11,501,748	\$7,001,168
Withholding Taxes	\$7,133	\$19,841
Accrued Expenses	\$220,453	\$273,379
Other Liabilities	\$283,551	(\$482,647)
Reserves	\$9,105,469	\$9,105,469
Unrealized Gain (Loss) on Securities	(\$487,370)	(\$239,041)
Accumulated OCI	(\$1,183,008)	(\$818,926)
Undivided Earnings	\$7,281,151	\$7,812,116

Total Liabilities & Net Worth

\$166,072,670

\$170,612,025

INCOME

	2015	2016
Income on Loans	\$4,997,366	\$5,439,185
Income on Investments	\$810,506	\$788,214
Other Income	\$1,327,661	\$1,481,090
Total Expenses	(\$5,772,396)	(\$6,149,330)
Dividends Paid	(\$975,777)	(\$1,007,702)
Regular Reserves (Net)	\$0	\$0
Gain (Loss) Disposition of Assets	\$27,165	(\$20,492)

Net Income

\$414,525

\$530,965

MANAGEMENT

Martha W. Wye

President & CEO

Patricia A. Irwin

Chief Operations Officer

Carolyn M. Insoe

Chief Financial Officer

Jeffrey I. Parish

Chief Marketing Officer

Tameka C. Brown

Vice President of Human

Resources

Michael E. Mutchler

Vice President of Lending

Janice K. O'Brien

**Vice President of Member
Engagement**

Victoria L. Cho

**Vice President of Business
Development**

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