



The Mission of the Interior Federal Credit Union is to provide excellent service to our members and meet their diverse and changing financial needs and interests.

REPORT FROM THE CHAIRMAN AND PRESIDENT/CEO

We are pleased to report that 2017 was another strong year for the Interior FCU. In 2017, our assets grew from \$172.3 million to \$185.6 million (an increase of 7.72%.) This exceeded our target growth rate for 2017 and aided our five year strategic goal of being at \$200M in assets by 2019. This strong growth was a function of increases in the number of members, loans, and shares, all of which exceeded our goals for 2017. We are proud to now serve over 15,000 members nationwide, providing service through our online and mobile channels, our 24-hour phone center, our shared-branch and ATM network, and our two DC-based branches.

Our competitive rates continued to attract both loan and deposit dollars. For example, we successfully maintained our auto loan rates as low as 1.99% APR for most of the year, and completed several pre-approval campaigns which allowed members to easily obtain funds for their purchasing needs. Our members continued to receive dividends at rates that exceed industry-wide rates paid by other credit unions, community, and commercial banks. The rates attracted an additional \$9,010,215 in deposits. Members earned a total of \$895,655 in dividends on their deposits. Our net income for 2017 was \$845,947, which is traditionally used to make improvements to our business operations, and also improve and/or offer new products and services for our members. All of the financial goals that were set by the Board of Directors were exceeded, including the revenue goals. The Credit Union continues to maintain its very strong financial position. The independent audit firm of Orth, Chakler, Murnane and Company, CPAs, conducted our major financial audits and once again confirmed that we are in excellent condition.

The Credit Union was a 2017 recipient of an award from the Digital Defense Excellence in Network Security for the fourth year in a row. This award program recognizes organizations that displayed the highest level of network security and is a clear reflection of our efforts to ensure our credit union remains secure.

Additionally, we've added to the robust list of services that we provide to our members. Highlights include: The ability for members to open and fund share certificates online, a mobile account opening system, a responsive design to the online platform, jumbo certificates (\$100,000+), expanded terms for recreational vehicle and boat loans which can be financed as long as 144 months, youth accounts (Little Buffalos and Teens), and custodial accounts where funds are saved for minors until they reach the age of majority.

The Board of Directors are honored to serve our members and appreciate the trust they have placed in us. The Senior Management Team and staff truly deserves the credit with keeping everything running very efficiently, effectively and thus prosperous. Our goals remain to be financially sound, secure on information technology, continued high customer satisfaction, competitive rates when compared to other credit unions and banks, and finally to provide our members with financial services that best serves your needs and desires.

On behalf of the Board of Directors, Senior Management Team, and staff, we thank you for your continued support. We look forward to serving you in 2018.

Sincerely,

John Nyce
Chairman

Mike Merryman
President/CEO



Treasurer's Report

STATEMENT OF FINANCIAL CONDITION As of December 31, 2017 and 2016

	2017	2016	Increase/(Decrease) During 2017
Assets			
Total Loans to Members	\$153,056,566	\$141,873,842	\$11,182,724
Investments	\$29,373,883	\$28,040,976	\$1,332,907
Other Assets	\$3,167,835	\$2,363,398	\$804,437
Total Assets	\$185,598,284	\$172,278,216	\$13,320,068
Liabilities			
Payables	\$10,169,501	\$8,537,028	\$1,632,473
Other Liabilities	\$105,861	\$92,714	\$13,147
Total Liabilities	\$10,275,362	\$8,629,742	\$1,645,620
Equity			
Member & Non Member Deposits	\$156,652,373	\$145,954,159	\$10,698,214
Reserves	\$18,670,548	\$17,694,315	\$976,233
Total Equity	\$175,322,922	\$163,648,474	\$11,674,448
Total Liabilities & Equity	\$185,598,284	\$172,278,216	\$13,320,068

INCOME STATEMENT As of December 31, 2017 and 2016

	2017	2016	Increase/(Decrease) During 2017
Income	\$9,008,781	\$8,233,901	\$774,880
Operating Expenses	(\$7,267,179)	(\$6,891,941)	\$375,238
Income from Operations	\$1,741,602	\$1,341,960	\$399,642
Dividends to Members	(\$895,655)	(\$792,580)	\$103,075
Gain on Investments	0	0	0
Net Income	\$845,947	\$549,380	\$296,567

Leadership Team

BOARD OF DIRECTORS

John Nyce	Chairman
Mark Davis	Vice Chairman
Karen Baker	Secretary
Brenda Rodriguez	Treasurer
Chris Colvin	
Monica Taylor Lane	
Glenda Owens	
Peter Probst	
Gary Weitzner	

SENIOR MANAGEMENT

Mike Merryman	President/Chief Executive Officer
Lionel Turner	Executive Vice President
S. Michael Grimail	Chief Financial Officer
Mike Barnett	VP Lending/Collections
Kimberly McCallum	VP Human Resources/Marketing
Vicky Girot	VP Member Services

Supervisory Committee's Report

Margaret Lliteras Chairperson
Gary Weitzner
David Barta

An Opinion Financial Audit was conducted and eight internal reviews were also performed:

- Branch Security and Operations
- Employee and Officials Accounts
- Consumer Loans
- Real Estate Loans
- Asset Liability Management Control Review
- Wire Transfer Controls
- Deceased Member Accounts
- Business Loan Participations

Loan Review Committee's Report

Monica Taylor Lane Chairperson
Rene Amacker
Melanie Navarro

2,726 Loan Applications Processed
1,803 Loans Approved = \$26,625,938
923 Loans Denied = \$ 9,990,972

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