

MT. MORAN, WYOMING

# 2019 ANNUAL REPORT



## A MESSAGE FROM THE CHAIRMAN AND CEO

Welcome to the new decade! We are pleased to say that Interior FCU had another banner year in 2019. Our asset size continues to grow and in fact grew at a record pace of 13.3%, ending at over \$233M. We achieved this by maintaining very competitive rates, both in our various savings/investment options as well as our loan rates. Being member-owned and a not-for-profit financial institution, all the successes we achieved are passed directly back to you, our members, in the form of low fees and great rates and service. We appreciate your loyal support, and we will continue to do all that we can to meet and exceed your financial needs in a responsible and secure way.

The primary reasons for the success of the credit union is from the adherence to three strategic objectives: Excellent Member Value, Superior Financial Position with High Asset Quality and Strong Security. Interior FCU offers some of the best rates in the country along with high member service scores in many areas while maintaining a strong financial record. Interior FCU ended the year with a net worth ratio of 9.10%. The National Credit Union Administration considers a credit union well-capitalized at 7%. Our share, loan, and asset growth have been well above industry standards, and our liquidity remained very strong. There were no significant findings during any of the audits in 2019. The credit union adheres to strict security compliance and works with best-in-class security providers to provide a safe and secure banking experience for our members.

We are particularly proud of the programs that supported members who suffered some very difficult financial hardship at the beginning of 2019 due to the Federal Government Shutdown. Interior FCU was able to assist thousands of members with 0% lines of credit, no-fee skipped payments on existing loans, and penalty-free withdrawals from restricted savings programs.

Interior FCU is a nationwide financial institution serving members across the country. To serve and grow this nationwide membership, there has been significant focus on upgrading our online, mobile, and security technologies. We continue to invest in these areas which ensure that accessing and conducting your banking needs is convenient and secure.

Some of the key accomplishments achieved in 2019 were:

- Celebrated 84 years in business
- Reached \$233 million in assets
- Launched the ACHIEVE Financial Wellness Program and developed more budgeting tools.
- Welcomed Trout Unlimited to our field of membership
- Account features have been added:
  - More digital wallets are available, Samsung® Pay, Google Pay™, Fitbit™, and Garmin Pay™
  - Member-to-member transfers via the mobile app
  - Pay credit union loans from other financial institutions from the mobile app
  - Statements are now easier to view on the mobile app, and 12 months are available when you enroll in e-statements.
  - “Card Controls” for debit cards, allowing members to turn their debit card on and off and much more.
- Received the Digital Defense 2018 Best Overall Network Security Program (Small Network Division) Award.

These accomplishments were only possible due to the support from our members and the dedication of the staff and Board members. Looking to 2020, we will move to the latest in debit card technology with “contactless” debit cards; activating a new debit card will change to a simpler process; there will be more ways for members to oversee their credit card via “Card Controls”; and there will be new ways to transfer funds externally. As always, Interior FCU will continue to review our current offerings to enhance and make them even more convenient, cost effective and secure for our members.

Finally, we are proud of the collaborative efforts that exist between our Board of Directors, staff, and members. We can all take pride in our contributions to the success of Interior FCU. Our commitment to you, the member, is to continue our successful pattern of growth while continually making advancements in technology and diversifying our products and services that meet your ever-changing financial needs. We remain committed to our mission: **To provide excellent service to our members and meet their diverse and changing financial needs and interests.** Our desire is to serve our members well and to thank you for allowing us to do that!

Sincerely,

**John Nyce**, Chairman of the Board  
**Michael Merryman**, President/CEO

## TREASURER'S REPORT

The Board of Directors and Management have made a commitment to ensuring the long-term success of Interior Federal Credit Union. Ensuring that members received tremendous value is a part of our primary concern. This is why we continue to provide competitive dividends and curtail our fees to encourage and sustain our membership. We strive to remain a safe and sound financial institution with a strong financial profile.

Sincerely,

**Brenda Rodriguez**, *Treasurer*

## SUPERVISORY COMMITTEE'S REPORT

The Supervisory Committee is responsible for monitoring the financial safety and soundness of Interior Federal Credit Union. We also measure compliance with the various financial and regulatory requirements. The Committee appointed the independent audit firm Doeren Mayhew, CPAs and Advisors, which directly reports to the Supervisory Committee. During the monthly Board meetings, we reviewed these internal audit services, internal control and risk management processes, and examinations by regulatory agencies. The following nine internal reviews were conducted in 2019:

1. Employee and Officials Accounts Review
2. DC Branch Security and Operations Review
3. Reston Branch Security and Operations Review
4. General Ledger Account Reconciliation Review
5. Wire Transfer Controls Review
6. Investment Controls Review
7. Shares, Certificates and IRAs Review
8. Truth-in-Savings Act Review
9. Dormant Account Control Review

In the opinion of the Committee, Interior FCU has operated in accordance with applicable federal and state regulations.

Respectfully Submitted,

**Margaret Lliteras**, *Chairperson*

**Gary Weitzner**

**David Barta**

## LOAN REVIEW COMMITTEE'S REPORT

The Loan Review Committee is responsible for creating, evaluating, and recommending changes to loan and collections policies. It is responsible for approving or disapproving disputed loan requests. Loan results include:

**3,636** Loan Applications Processed  
**2,127** Loans Approved for \$20,377,478  
**1,509** Loans Denied for \$10,194,072

Loan Officers are responsible for approving and denying loans; therefore, a smaller number of loans are reviewed by the Loan Committee.

Sincerely,

**Monica Taylor-Lane**, *Chairperson*

**Rene Amacker**

**Melanie Navarro**

### 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**

### ASSOCIATE DIRECTORS

**Shawn Buckner**

**Elyas Abi-Antoun**

## MAILING ADDRESS

12201 Sunrise Valley Drive  
Room BA208 MS700  
Reston, VA 20192-0002

## NCUA INSURANCE

Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government, National Credit Union Administration, a U.S. Government Agency.

## STATEMENT OF FINANCIAL CONDITION

As of December 31, 2019 and 2018

Assets	2019	2018	Increase/(Decrease) During 2019
Total Loans to Members	\$180,581,836	\$167,475,151	\$13,106,685
Investments	\$50,266,146	\$35,415,897	\$14,850,249
Other Assets	\$2,429,723	\$2,959,897	(\$530,174)
Total Assets	\$233,277,705	\$205,850,945	\$27,426,760
<b>Liabilities</b>			
Payables	\$13,767,474	\$10,073,977	\$3,693,497
Other Liabilities	\$137,255	\$109,939	\$27,316
Member & Non-Member Shares	\$199,283,818	\$176,225,073	\$23,058,745
Total Liabilities	\$213,188,547	\$186,408,989	\$26,779,558
<b>Equity</b>			
Regular Reserves	\$2,722,167	\$2,722,167	\$0
Undivided Earnings	\$17,366,991	\$16,719,789	\$647,203
Total Equity	\$20,089,158	\$19,441,956	\$647,203
Total Liabilities & Equity	\$233,277,705	\$205,850,945	\$27,426,761

## INCOME STATEMENT

For the Years Ending December 31, 2019 and 2018

	2019	2018	Increase/(Decrease) During 2019
Income	\$11,826,994	\$10,483,289	\$1,343,705
Operating Expenses	(\$8,848,220)	(\$8,103,369)	\$744,851
Income from Operations	\$2,978,774	\$2,379,920	\$598,854
Dividends to Members	(\$2,199,570)	(\$1,343,324)	\$856,246
Gain on Investments	\$0	\$0	\$0
Net Income	\$779,204	\$1,036,596	(\$257,392)