

TREASURER'S REPORT

| Consolidated Statements of Financial Condition |               |               |
|--|---------------|---------------|
| December 31, 2016 and 2015                     |               |               |
| ASSETS   | 2016          | 2015          |
| Loans to Members                               | \$215,945,062 | \$246,474,705 |
| Allowance for Loan Losses                      | \$(1,774,702) | \$(2,043,600) |
| Investments                                    | \$111,263,242 | \$68,363,924  |
| Other Assets                                   | \$44,201,970  | \$45,024,329  |
| TOTAL ASSETS                                   | \$369,635,571 | \$357,819,358 |
|  |               |               |
| LIABILITIES AND MEMBERS' EQUITY                | 2016          | 2015          |
| Members' Deposits                              | \$328,587,812 | \$316,166,859 |
| Other Liabilities                              | \$2,311,049   | \$900,072     |
| Unrealized Gain/(Loss) on Investments          | \$(2,244,350) | \$(83,597)    |
| Undivided Earnings                             | \$40,981,061  | \$40,836,023  |
| TOTAL LIABILITIES AND MEMBER EQUITY            | \$369,635,571 | \$357,819,358 |
|  |               |               |
| Consolidated Statements of Revenue and Expense |               |               |
| For the Years Ended December 31, 2016 and 2015 |               |               |
| REVENUE  | 2016          | 2015          |
| Interest on Loans                              | \$10,431,848  | \$10,774,457  |
| Interest on Investments                        | \$1,360,327   | \$1,083,893   |
| Other Revenue                                  | \$4,225,379   | \$3,661,260   |
| Gain on Sale of Investment                     | \$211,098     | \$76,831      |
| TOTAL INCOME                                   | \$16,228,652  | \$15,596,441  |
|  |               |               |
| EXPENSE  | 2016          | 2015          |
| Operating Expense                              | \$12,531,020  | \$12,456,976  |
| Provision for Loan Losses                      | \$1,670,000   | \$2,431,807   |
| Net Income Before Dividends                    | \$2,027,632   | \$707,658     |
|  |               |               |
| Total Cost of Funds                            | \$1,171,132   | \$1,140,712   |
| NET INCOME                                     | \$856,501     | \$(433,054)   |

Julian L. White  
Treasurer

BOARD OF DIRECTORS

James C. Horne, Jr. – Chairman  
William D. Thomson – Vice Chairman  
Julian L. White – Treasurer  
Nancy L. Stephens – Secretary  
Jeffrey Edwards – Director  
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William E. Poorbaugh – Director  
Mary L. Sanderford – Director  
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Lauren Napolitano  
Michael Swink

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SUPERVISORY COMMITTEE

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Michael Swink  
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Dolly Snead

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James Blau – Vice President of Risk Management  
Chester Gilmore – Vice President of Retail  
George P. Kite III – Vice President & Chief Financial Officer  
John West – Vice President of Operations

OUR VISION  
IS OUR PASSION



4605 Commerce Road, Richmond, VA 23234  
804.274.1200 | CallFederal.org



2016 ANNUAL REPORT



Federally insured by NCUA



# OUR VISION

Call Federal provides passionately local banking  
by opening doors to your financial health.

Fellow Members,

Allow me once again to thank you for being such a valuable part of Call Federal Credit Union. I take tremendous pride in this opportunity to share with you the achievements and successes of the past year, while giving a nod to the great things to come. I am happy to report that our organization is strong as ever, continuing to grow in ways that ensure the sustainability of this financial cooperative.

We continue to leverage our earnings to the benefit of our members. As a not-for-profit institution, this allows us to provide competitive rates on our loans and savings products, while also offering a number of convenient services and perks for free or very low cost. Thanks to the hard work of our dedicated staff, we were able to do all these things and exceed our budgeted net income by 67% in 2016, a key indicator of the sustainability I mentioned above.

Our shared vision to provide passionately local banking by opening doors to your financial health manifested itself in the following ways last year:

## PASSIONATELY LOCAL

As in years past, our Call Federal staff embodied the social purpose of credit unions – people helping people – throughout Richmond. The team completed over 430 hours of service for 21 organizations, including Habitat for Humanity and Junior Achievement. In addition to giving their time, our staff coordinated bake sales, lemonade stands and jeans days to raise over \$2,000 for nonprofits like the Children's Hospital of Richmond and the American Cancer Society. Over the holidays, each branch also worked with local groups to collect toys, clothes, hats and mittens, as well as our annual food drive to collect canned goods for FeedMore.

## OPENING DOORS TO FINANCIAL HEALTH

Our continued focus on increasing the financial well-being of our members took another step forward in 2016, as over 800 people participated in workshops on a variety of topics, including improving credit, creating spending plans and coping with big financial changes. We were also very proud to have three Call Federal team members complete an in-depth program through CUNA, a national trade organization for credit unions, to become Certified Credit Union Financial Counselors. These folks will serve as a resource to other staff and members alike, and we look forward to increasing the number of certified counselors in 2017.

As always, it is a pleasure serving as your Chairman. In the coming year, I encourage each and every one of you to remain active with Call Federal, share your ideas and give suggestions on the ways we can better serve you, your needs and your financial goals.

Respectfully,

  
James C. Horne, Jr.  
Chairman, Board of Directors

## OUR VISION IN ACTION

### 2016 HIGHLIGHTS

#### Membership

- 2,213 new members joined the Call Federal family in 2016.
- We ended the year 30,198 members strong.
- Thanks to everyone who voted us one of the area's Best Credit Unions in a *Richmond Magazine* poll.

#### Financial Achievement

- We ended the year with a net worth ratio of 11.09%, nearly double the regulatory requirement of 6%.
- The credit union's total assets at the end of 2016 were \$369 million.
- Call Federal's financial strength once again earned the highest rating, 5 Stars, from BauerFinancial, Inc., an independent rating firm for banks and credit unions.

#### New Products and Services

- Each branch added the capability to instantly issue Visa® debit cards for new and existing members.
- We completed construction on our second retail-style location on Iron Bridge Road in Chester; the branch is open as of January 2017.
- For the increased security of our members, all credit card holders received EMV "chip" enabled cards. In addition, all new Visa debit cards issued will include the EMV "chip."

#### Community Involvement

- We are ranked among the area's Top 20 Most Generous Companies by Richmond BizSense.
- Call Federal awarded a total of \$10,000 to four outstanding student-members through the Alice S. Pearce Scholarship program.
- We continued our participation as the title sponsor for the Call Federal Marathon Jr., a fun run for kids 12 and younger that benefits Kids Run RVA, an initiative of Sports Backers.
- During the Children's Hospital of Richmond "36 Hours for Kids" Radiothon, we matched \$2,500 and volunteered answering the phones during the event's final three hours.



## SUPERVISORY COMMITTEE REPORT

Call Federal Credit Union's Supervisory Committee verifies that the credit union's policies, procedures and internal controls protect our members' assets. The Supervisory Committee is a group of member volunteers appointed by the Board of Directors. The Committee oversees internal compliance and engages an independent auditor to ensure accurate reporting and effective practices and controls.

The independent auditor's report, issued by Robert L. Mann, CPA for the period covering August 1, 2015 to July 31, 2016, indicated a stable financial condition and sound operational procedures. There were no material errors found in the accounting records, and the overall analysis of the credit union's policies, procedures and controls was positive.

Examinations by the National Credit Union Administration (NCUA) were performed in February 2016 covering the period ending December 31, 2015. As a result of the February 2016 examination, a report was issued indicating there are no major areas of concern.

The Supervisory Committee is pleased to report these positive findings and to serve the membership. Financial statements are available upon request and are posted in the lobby of the Commerce Road location.

Respectfully,



Anita C. Dunn  
Chairman, Supervisory Committee