



STRIDING FORWARD

Together



A better environment for your money.®

2015 ANNUAL REPORT

Federally Insured by NCUA

Report of the Chairman of the Board & President/CEO

STRIDING FORWARD *Together*

In some important respects, the U.S. economy appeared to regain its footing in 2015. The consensus among economists was that the nation made significant strides forward in its recovery from the Great Recession. Workers' wages rose some, thankfully. In addition, businesses extended their record streak of consecutive months of job growth. As a consequence, the years 2014 and 2015 turned out to be the top two-year period of employment growth since 1999.

Nonetheless, many Americans continued to struggle in 2015. Paying the bills and making adequate provision for the future were still a stretch for plenty of people.

As a credit union, one of our missions is to do what we can to aid members who are dealing with adversity. One way we sought to meet that responsibility this past year was to arrange for knowledgeable financial counselors to provide our members with advice on a wide range of financial matters.

Many members who completed our annual Service Satisfaction Survey told us they would like to see us offer financial counseling. We thought the BALANCE program would fill the bill nicely. We liked the fact that BALANCE doesn't take a cookie-cutter approach. You have your own individual needs; BALANCE will give you an individualized solution to the financial challenges facing you.

Last year, with BALANCE's help, we added new personal finance content to our website. We hope members find it useful. However, there are sure to be situations where some need one-on-one guidance. If you ever do, remember that the counseling BALANCE provides is free and confidential, and you can call BALANCE toll-free.

Many EPFCU members called on us for assistance in the form of loans this past year. It was a busy year for our loan department. As always, we kept our rates low, the better to keep credit affordable for you whenever you need it. Count on us to do the same in 2016.

As you look forward to the times ahead, please know that we remain dedicated to helping you realize your financial goals.

Thank you for allowing us to serve you.

Respectfully submitted,



Gregory E. Boutin
Chairman, Board of Directors



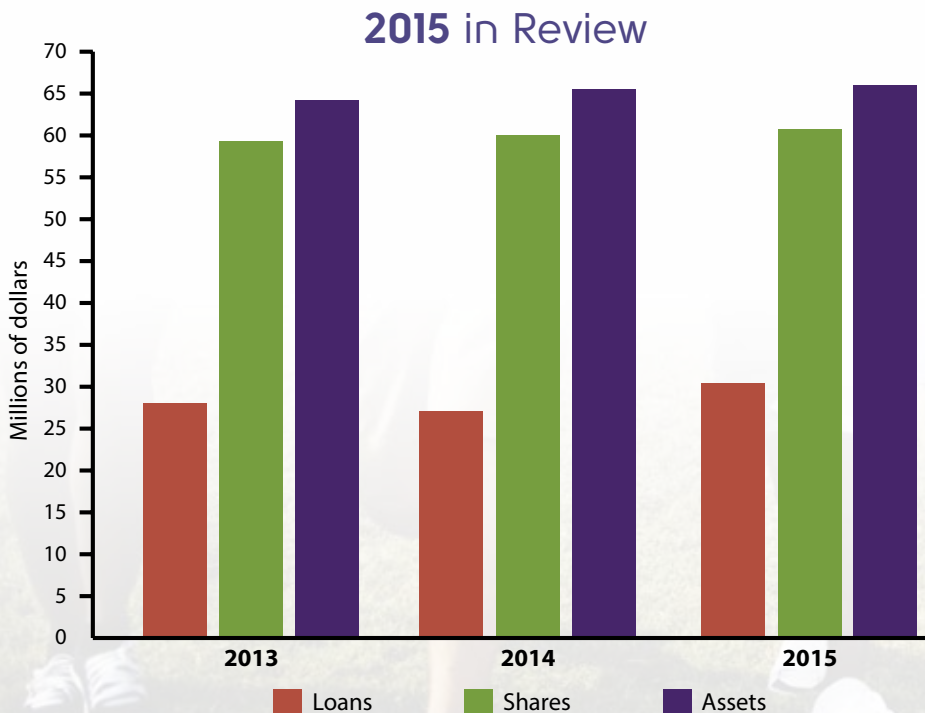
Kirsten H. Williams
President/Chief Executive Officer

Statements of Financial Condition

December 31, 2015 and 2014

	2015	2014
ASSETS		
Cash and cash equivalents	\$ 4,899,286	\$ 4,654,645
Investments:		
Available-for-sale, at fair value	28,508,089	32,320,911
Other investments, at cost	314,749	300,360
Loans to members, net of allowance for loan losses	30,862,277	26,775,576
Accrued interest receivable	123,214	131,634
Prepaid expenses and other assets	547,148	343,715
Premises and equipment, net of accumulated depreciation and amortization	149,270	219,956
NCUSIF deposit	600,868	605,367
	<u>\$ 66,004,901</u>	<u>\$ 65,352,164</u>
LIABILITIES AND MEMBERS' EQUITY		
Liabilities:		
Members' deposit accounts	\$ 60,521,941	\$ 60,041,364
Accounts payable and accrued expenses	436,378	403,774
Total liabilities	<u>60,958,319</u>	<u>60,445,138</u>
Members' Equity:		
Members' equity, partially restricted	<u>5,046,582</u>	<u>4,907,026</u>
	<u>\$ 66,004,901</u>	<u>\$ 65,352,164</u>

The condensed financial statements presented herein do not constitute a complete set. The complete set including the statements of members' equity and cash flows and notes to the financial statements, is available in the credit union office.



Statements of Comprehensive Income

For the Years Ended December 31, 2015 and 2014

	2015	2014
INTEREST INCOME		
Member loans	\$ 1,653,630	\$ 1,532,354
Investment securities	452,253	524,860
Total interest income	<u>2,105,883</u>	<u>2,057,214</u>
INTEREST EXPENSE		
Members' shares and savings accounts	207,920	280,073
Borrowed funds	430	122
Total interest expense	<u>208,350</u>	<u>280,195</u>
Net interest income	1,897,533	1,777,019
LESS PROVISION FOR LOAN LOSSES	<u>(58,682)</u>	<u>2,542</u>
Net interest income, after provision for loan losses	<u>1,956,215</u>	<u>1,774,477</u>
NON-INTEREST INCOME		
Fees, charges and other income	934,293	980,494
Net Gain on Sale of Securities	6,284	9,408
Total non-interest income	<u>940,577</u>	<u>989,902</u>
NON-INTEREST EXPENSE		
Employee compensation and benefits	1,361,863	1,270,814
General and administrative	1,229,434	1,120,799
Professional services	96,007	89,205
Federal operating fees	11,949	11,903
Association dues	19,684	21,362
Net Loss of Sale of Assets	16,958	7,872
Total non-interest expense	<u>2,735,895</u>	<u>2,521,955</u>
Net income	<u>160,897</u>	<u>242,424</u>
OTHER COMPREHENSIVE INCOME (LOSS)		
Net unrealized gains (losses) on investment securities arising during the year	(15,057)	445,286
Reclassification for gains included in net income	(6,284)	(9,408)
Total other comprehensive income (loss)	<u>(21,341)</u>	<u>435,878</u>
Comprehensive income	<u>\$ 139,556</u>	<u>\$ 678,302</u>

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Supervisory Committee Report

One of the duties of the Supervisory Committee is to retain an outside accounting firm to perform an annual audit of all financial records. Our federal regulator, the National Credit Union Administration, also audits the credit union at least once annually. In addition, our committee is responsible for conducting random, unannounced cash audits.

One of the duties of the committee is to contract for an annual audit. DeLeon & Stang conducted the audit as of December 31, 2015. We are pleased to announce that the credit union received an unqualified opinion. Because of the requirements for full disclosure and the length of the reports as a result of all the necessary disclosures provided in the footnotes to the financial statements, this report is not included in this annual meeting package. The complete audit report with the financial statements as of December 31, 2015 and 2014 has been posted on the credit union's website (epfcu.org).

We are in compliance with federal regulations and operate well within accepted guidelines. Your credit union remains a safe harbor for your savings and a reliable resource for your borrowing needs.

Adam Y. Veney, Chairperson

Clifford Daly

Samuel F. Brown

Joey Lowery

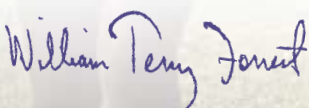
Lorna Washington

Treasurer's Report

During the past year, EP Federal Credit Union has maintained a solid asset base of over \$65 million. The credit union paid \$207,920 in dividends to members and granted over \$6,800,000 in new loans. The credit union ended 2015 with a net income of \$146,508 and maintained its "well capitalized" rating under the provisions of the Credit Union Membership Access Act.

For 2016, we anticipate a continuation of the current economic climate reflecting financial instability. We will continue to aggressively promote competitive loan programs to spur loan demand, as well as assist members experiencing financial hardship during these difficult financial times.

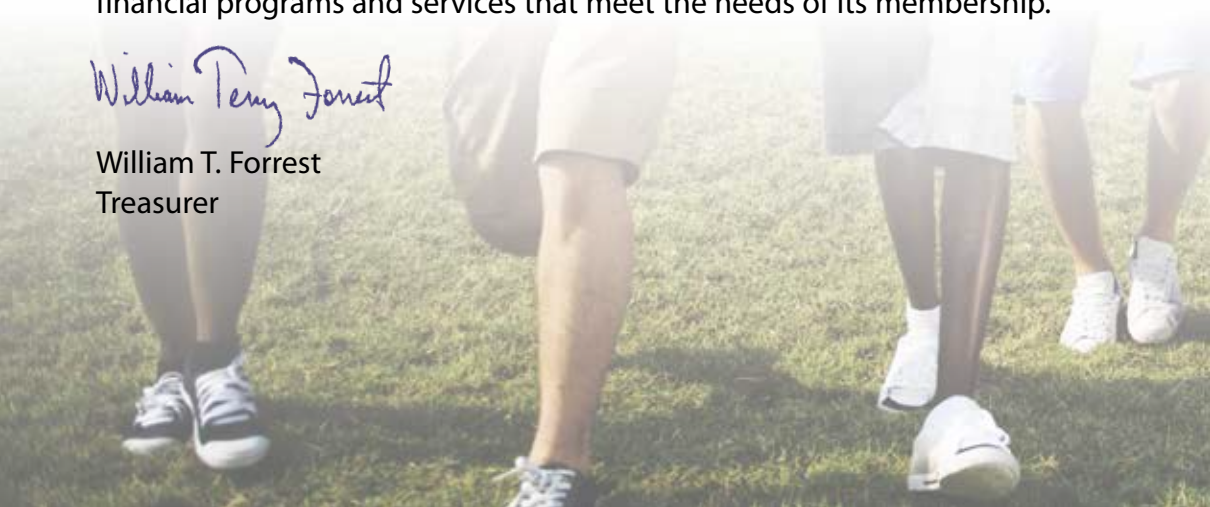
Thus, I look forward to 2016 being a year in which the credit union remains a solid financial institution, providing quality and cost-effective financial programs and services that meet the needs of its membership.



William T. Forrest

William T. Forrest

Treasurer



Board of Directors

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William W. Wills, Vice Chairman
William T. Forrest, Treasurer
Joanne W. Simms, Secretary
Wes Beach
Thomas C. Harris
Gwendolyn W. House
Joel C. Taub
Adam Y. Veney

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Joseph M. DeBose, Jr.

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Regina D. Ragland
Tamalyn D. Smith

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Samuel F. Brown
Clifford Daly
Joey Lowery

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Executive Officer
Shannon Lavender, Executive Vice
President
Delta Berry, Loan Officer
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CUA
Broderick Clark, Member Services,
Main
Cathy Coronejo, Member Services, RRB
Sabrina Hockaday, Lending Manager
Tiaa Jackson, Member Services, Main
Katrina Johnson, Branch Manager, RRB
Danielle Anthony, Director of Financial
Operations
Ramona Fuller, Member Services, Texas
Sylvia Morgan, Director of Branch
Operations
Marvin Wooten, Member Services,
Main
Bernice Thomas, Branch Manager, CUA
Marita Varias, Accounting Assistant
Akinru Whatley, Business
Development Officer
Brian Smith, Member Services, RRB

Branch Locations

Main Office

13th & C Streets, SW — Room 215A
Washington, DC 20228

Ronald Reagan Building

1300 Pennsylvania Avenue, NW
Mezzanine Level — Room 300
Washington, DC 20004

Catholic University Campus

620 Michigan Avenue, NE
Leahy Hall — Room 180
Washington, DC 20064

Ft. Worth, Texas

9000 Blue Mound Road — Room 137
Fort Worth, TX 76131

Nationwide Shared Branches in Your Neighborhood

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