



ANNUAL REPORT 2022

Thanks To Our Valued Members

2021 marked **70 years** of 1st Advantage Federal Credit Union serving, supporting, and aiding our valuable members of Hampton Roads! Despite the unprecedented times over the past two years, 2021 was also a time of positivity, growth, and celebration for 1st Advantage. We are just as steadfast today in improving the financial well-being of our members & colleagues as when we first opened our doors nearly seventy years ago. We are pleased to report that this year was another successful year for your Credit Union.

Because of our dedicated members and their trust in us, 1st Advantage continues to remain financially strong. Our growth has nearly exceeded **\$911 million** in total assets, a **\$93 million** increase from last year. Our net worth to total asset ratio at fiscal year-end increased to **12.08%**, significantly surpassing our federal regulator's requirement to be considered well capitalized. 1st Advantage remains safe, sound, and secure.

1st Advantage was honored to have been awarded two **COVA Best of Readers' Choice Awards**, achieving the best credit union as well as the best mortgage and financial company on the Peninsula designations. We were also recipients of two **Diamond Awards**, presented by CUNA, for the third year in a row.

As we continue to grow, we recognize the importance of continuing to look for ways to help make banking with 1st Advantage easier and more convenient. In 2021, we celebrated our merger with **Riverside Health System** and the grand opening of our newest branch, located in the Regional Medical Center. We also relocated our Hidenwood Branch to the CNU Village Shopping Center in Newport News. This will allow us to continue providing financial services to our Hidenwood members and now serve CNU students, staff, and employees.

As a community credit union, we take great pride in uplifting our neighbors and communities. This year, 1st Advantage has donated over **\$80,000** to families and communities alike in support and appreciation, as well as awarded over **\$12,000** in scholarships to Hampton Roads high school students. Each scholarship winner received **\$3,000** to help fund their continued education.

As we reflect on our shared accomplishments in 2021, we are thankful for our members' continued support and loyalty over the past **70 years** that help make this all possible. Throughout every stage of your life, we're here with helpful tools and advice you need. Please consider 1st Advantage first when a financial need arises. We look forward to new opportunities to better serve our members and the Hampton Roads community for many more years to come.



Paul W. Muse
President/CEO

A handwritten signature in black ink that reads "Paul W. Muse".



Sylvester McClellan
Chairman

A handwritten signature in black ink that reads "Sylvester McClellan".

1st Advantage Federal Credit Union Foundation

At 1st Advantage Federal Credit Union our passion for serving extends beyond financial products. Our commitment and dedication to our local community dates back to the founding of the credit union in 1951. The credit union and its colleagues have a rich history of giving back to the local areas we serve through volunteering, donations and scholarships.

To honor its heritage, the 1st Advantage Federal Credit Union Foundation supports every branch of the military in the local community, guided by their motto, "Serving those who serve."

Our Military Focus:

- ▶ Children
- ▶ Veterans
- ▶ Families in need

To find out more about our foundation, visit
www.1stAdvantage.org/Foundation



Foundation Hosts Virtual Baby Shower for Local Military Families



The 1st Advantage Foundation is committed to giving back to our local military community. Throughout the month of December, the Foundation was able to collect over 200 baby items to help stock local military base baby pantries that support E1-E6 service members and their families. In addition, the 1st Advantage Foundation was able to donate 75 household items to the Portsmouth & Richmond Fisher Houses. These items will help make families of patients comfortable during their stay.

Items collected included:

Baby Pantry Items:

- Unopened diapers (all sizes)
- Pull-Ups (sizes 2-4)
- Unopened baby wipes
- Baby bath soaps & lotions
- Diaper rash cream
- Thermometers



Investing In Our Local Communities

Nearly 13 years ago 1st Advantage Federal Credit Union launched their annual 1st AIDE (Assistance, Inspiration, Dedication and Experience) Day, an initiative inspired by their commitment to the credit union philosophy of “people helping people.” Each year, with the guidance of local non-profits, several large projects are created and executed by colleagues, all of which fulfill an immediate need for the organizations

1st Advantage colleagues continued their 1st AIDE Day tradition while still prioritizing each other’s health and safety amid the uncertainty of the COVID-19 pandemic. This year the projects were spread out over a week and done individually, while in years past all colleagues would gather on Columbus Day and complete projects together.

Accomplishments included:

- ▶ Created 402 surgery bears for Children’s Hospital of the King’s Daughters
- ▶ Donated 638 toiletry items to the Peninsula Rescue Mission
- ▶ Assembled and donated 1,000 toiletry bags to the Riverside Behavioral Health Center
- ▶ Made 170 blanket wraps for Ivy Baptist Church Homeless Ministry
- ▶ Made 137 dog and cat blankets for the Peninsula SPCA
- ▶ Sent 500 personalized thank you cards to members in recognition of the Credit Unions 70th anniversary
- ▶ Painted and distributed 382 kindness rocks throughout the Hampton Roads



\$80,000

Invested in the local community in 2021

Providing Digital Education to the Community

EVERFI

At 1st Advantage Federal Credit Union supporting our communities also means supporting our students.

Together with EVERFI, a leading education technology company, we were able to bring a digital-based financial education program to 2,637 students for a total of 6,936 hours of learning across 12 local schools. The program enabled students to practice and develop healthy financial habits through real-world scenarios and engaging educational interactions.

Prior to the start of the program, students took a financial education assessment. At the end of the program, another assessment was given and showed that students had increased their scores by 37%! Our learners saw the most gains in the areas of credit & debt, insurance, and budgeting.

1st Advantages’ partnership with EVERFI has allowed students to learn important financial skills at no cost to the district, schools, or teachers. Our goal remains to give as many students as possible access to this crucial financial education program. The combination of knowledge, confidence, and

healthy habits sets learners up for financial well being now and in the future. These skills will undoubtedly serve students well in their journey to financial success.

2020/2021 SCHOOL YEAR



REACH

2,637 Students

12 Schools



IMPACT

6,936 Hours
of Learning

37% Knowledge
Gain

Statements of Financial Condition

ASSETS	2021	2020
Cash and cash equivalents	\$189,777,672	\$110,984,940
Investments:		
Equity Securities	\$45,065,031	\$2,460,256
Available-for-sale	\$64,758,102	\$72,892,021
Other	\$19,211,736	\$8,649,067
Federal Home Loan Bank (FHLB) stock	\$425,700	\$655,900
Loans held-for-sale	\$433,631	\$2,716,821
Loans receivable, net of allowance for loan losses	\$560,081,611	\$562,404,887
Accrued interest receivable	\$1,975,757	\$2,537,289
Premises and equipment, net	\$16,175,803	\$16,224,314
National Credit Union Share Insurance Fund Deposit	\$7,270,101	\$6,109,519
Automated Clearing House (ACH) receivables		\$26,340,550
Assets Acquired in Liquidation	\$212,500	\$1,908,178
Other assets	\$6,305,818	\$5,006,911
Total Assets	\$911,693,462	\$818,890,653
LIABILITIES AND MEMBERS' EQUITY	2021	2020
Liabilities		
Members' share and savings accounts	\$800,102,537	\$710,049,598
Dividends payable	\$33	\$702,004
ACH payables		\$3,705,848
Accrued expenses and other liabilities	\$14,113,716	\$11,371,188
Total liabilities	\$814,216,286	\$725,828,638
COMMITMENTS AND CONTINGENT LIABILITIES		
Members' Equity		
Regular reserve	\$8,824,404	\$8,824,404
Undivided earnings	\$85,361,453	\$81,230,029
Accumulated other comprehensive income (loss)	\$865,435	\$1,579,618
Equity acquired in merger	\$2,425,884	\$1,427,964
Total members' equity	\$97,477,176	\$93,062,015
Total Liabilities and Members' Equity	\$911,693,462	\$818,890,653



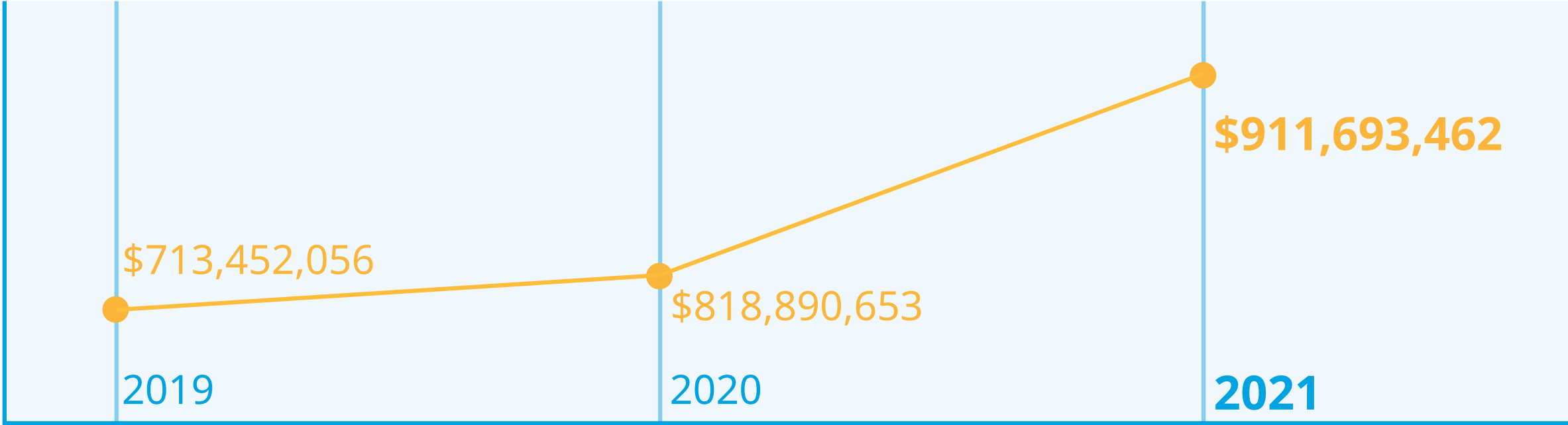
Statements of Income

INTEREST INCOME	2021	2020
Interest on loans receivable	\$27,464,610	\$30,013,386
Interest on investments	\$1,292,531	\$1,872,098
Interest Income	\$28,757,141	\$31,885,484
Interest Expense		
Dividends on members' share and savings accounts	\$2,368,722	\$4,373,052
Interest on borrowed funds	\$2,368,722	\$4,373,052
Net Interest Income	\$26,388,419	\$27,512,432
Provision for Loan Losses	\$2,399,622	\$3,293,492
Net Interest Income After Provision for Loan Losses	\$23,988,797	\$24,218,940
Non-Interest Income		
Fees and service charges	\$5,834,749	\$5,493,058
Card income	\$5,041,526	\$4,551,652
Miscellaneous income	\$698,108	\$463,138
Insurance commission income	\$476,452	\$486,234
Equity Investment	\$139,149	\$51,924
Gain on Disposition of premises and equipment, net	\$800	
Non-interest income	\$12,190,784	\$11,146,006
	\$36,179,581	\$35,364,946
Non-interest Expense		
Compensation and employee benefits	\$17,122,021	\$15,386,898
Other operation expense	\$4,864,540	\$4,672,228
Loan servicing expense	\$4,580,968	\$5,013,212
Occupancy expense	\$1,748,438	\$1,762,641
Professional and outside services	\$2,606,825	\$2,202,608
Education and promotion expense	\$983,506	\$1,048,734
Loss on disposition of assets acquired in liquidation, net	\$141,859	\$17,846
Loss on disposition of premises and equipment, net		\$53
	\$32,048,157	\$30,104,220
Net Income	\$4,131,424	\$5,260,726

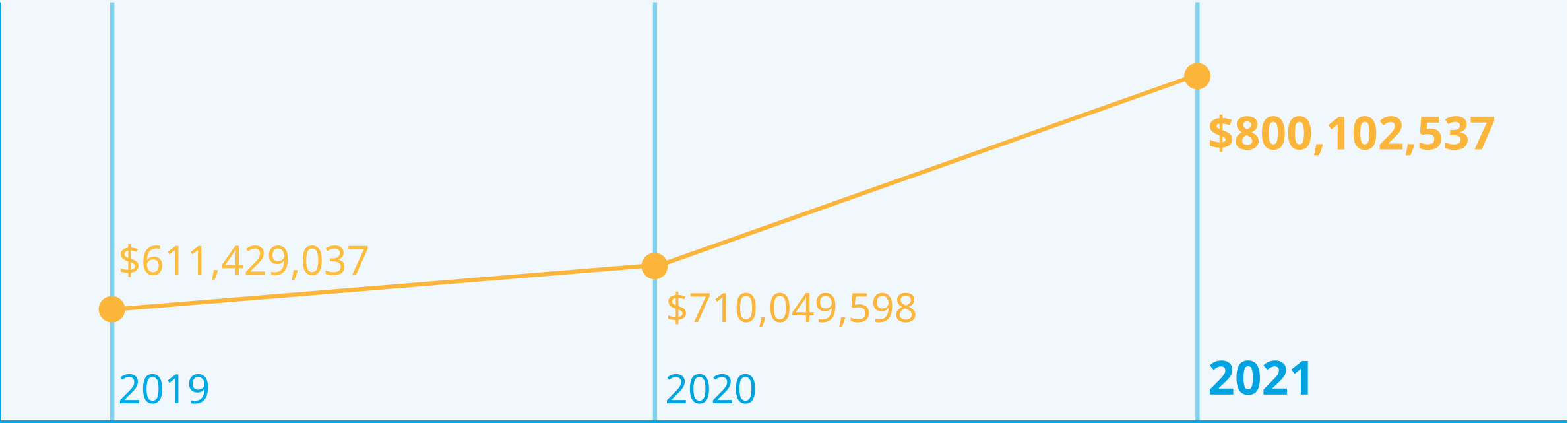
The Supervisory Committee is responsible for the annual audit of the financial statements of the Credit Union. A copy of the audited financial statements, including foot notes and supplemental schedules, as of June 30, 2021, is available upon request from: **1st Advantage Supervisory Committee**, P.O. Box 2327, Newport News, VA 23609-0327

Financial Highlights

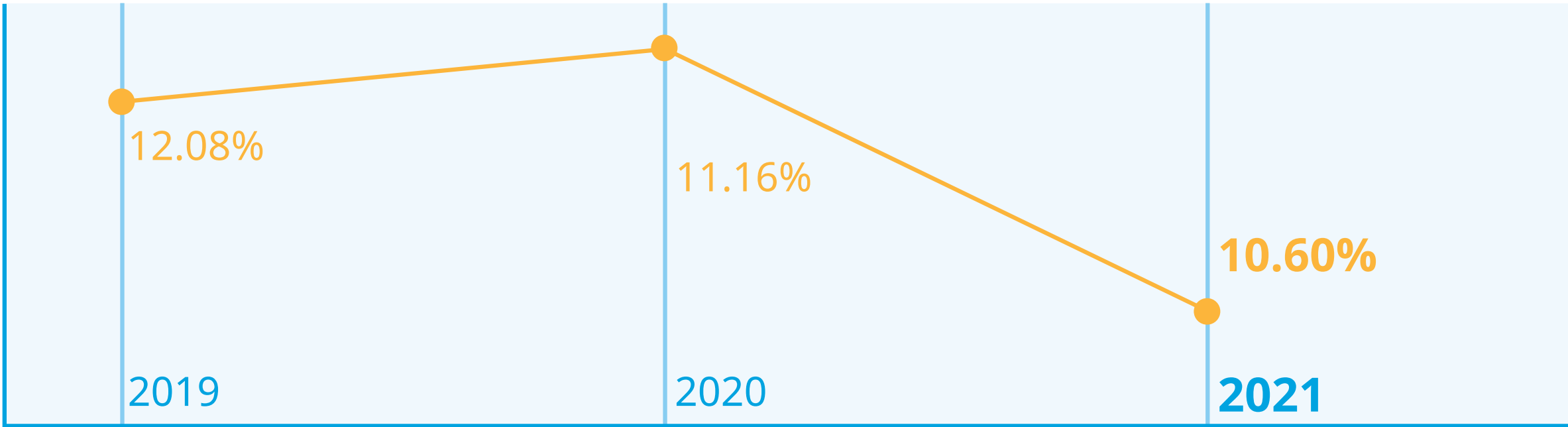
Assets



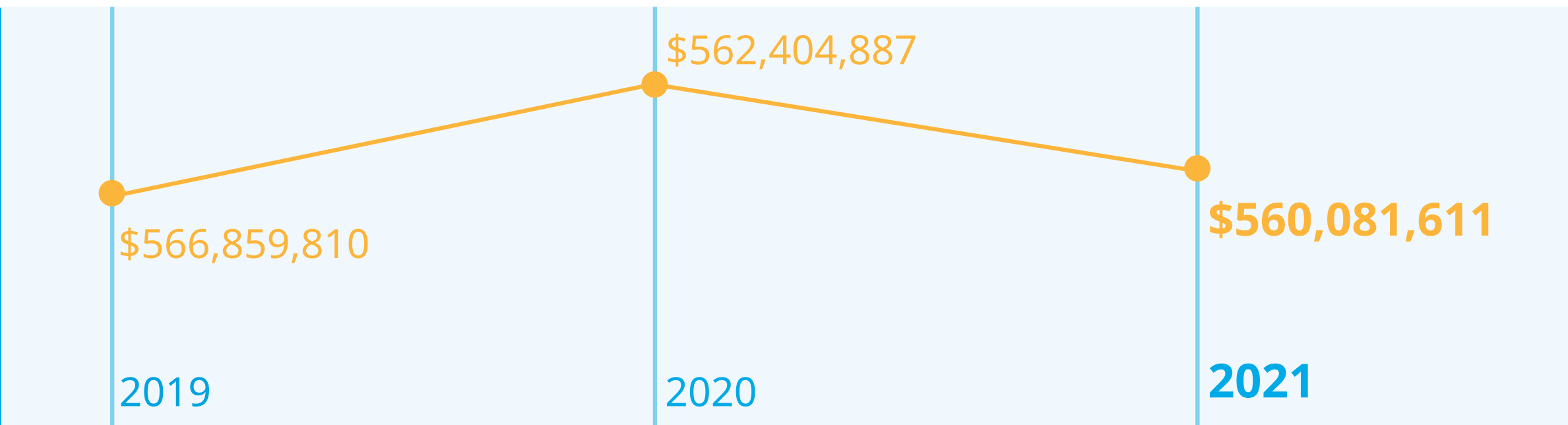
Deposits



Net Worth



Loans Outstanding



Volunteer Board of Directors



Paul W. Muse
President/CEO



Sylvester McClellan
Chairman



Andrae Via
Vice Chairman



Laurence Smail
Treasurer



Brenda B. Dawson
Secretary



Paul J. Adamo
*(LTC, USA Ret)
Director*



Barbara Ballard
Director



Michael J. Doucette
Director



Larry Tonneson
Director



William Ramsey
Director

Fred E. Blough
Director Emeritus
Tom O. Cameron
*(LTC, Ret)
Honorary Director Emeritus*
Betty L. Wiggins
Honorary Director Emeritus

Supervisory Committee
Josephine Krantz
Chairperson
Nicholas A. Nunes
Denise Peterson
Jacqueline Wynn

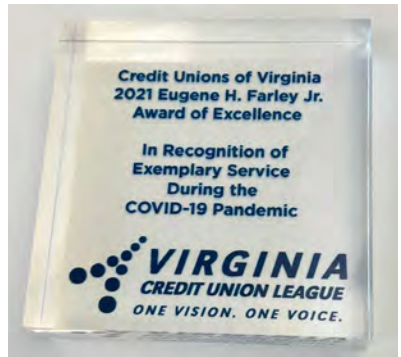
2021 Awards & Certifications



Coastal Virginia Magazine
Best of Readers' Choice 2021



2021 Diamond Awards
Categories Best:
Brand Awareness for out TV
Commercials
Annual Report



Credit Unions of Virginia
2021 Eugene H. Farley Jr.
Award of Excellence

In Recognition of
Exemplary Service During
the COVID-19 Pandemic



Virginia Values Veterans (V3) is a
groundbreaking program administered by
DVS that works with companies as well as
state and local governmental agencies
across the Commonwealth to promote the
recruitment, hiring and retention of military
veterans in the Virginia workforce.



We're proud to have earned BauerFinancial
Inc.'s (BFI) 5-Star Rating, an honor reserved
for credit unions that receive an excellent
or superior rating for 11 consecutive
quarters



Branch Locations

Gloucester

6511 G. Wash. Mem. Hwy.

Hampton

5003 W. Mercury Blvd.
2014 Coliseum Dr.

Newport News

1317 Patton Ave.
(Joint Base Langley-Eustis)
12891 Jefferson Ave.
12490 Warwick Blvd., Ste. B
500 J Clyde Morris Blvd,
Tower, Lower Level
(Riverside Regional Med. Ctr.)
12368 Warwick Blvd., Unit 112

Richmond

1201 Broad Rock Blvd.
(McGuire VA Med. Ctr.)

Williamsburg

224 Commons Way
4800 Courthouse St.
400 Sentara Cir., Ste. 102
(Sentara Wmbg. Med. Ctr.)

Yorktown

110 Cybernetics Way
6035 G. Wash. Mem. Hwy.
Shupper Road, Building 2006
(Naval Weapons Station)

Virginia Beach

4525 Columbus St.

Lets get social!



1st Advantage
Federal Credit Union

Federally
Insured
by
NCUA

