



**Next  
Mark**  
CREDIT UNION

# 2021 ANNUAL REPORT



Federally Insured by NCUA

# PROMISE

## OUR COMMITMENT TO OUR MEMBERS

We empower progress for all individuals

# VALUES

## WHAT WE BELIEVE IN



### Integrity

It's simple – we tell the truth. We do what's right.  
We treat everyone with respect.



### Performance

Our team shares an optimistic, winning spirit.  
We are agile, focused, and unwilling to settle.



### Creativity

We think outside the box to redefine what's  
possible. We enable new realities for members.



### Passion

We go beyond and find a way to help our members  
succeed. We listen, empathize, and respond to  
their changing needs.

**LET'S ACCELERATE NEXT®.**





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**LET'S ACCELERATE NEXT<sup>®</sup>**



# JOINT REPORT OF THE CHAIRMAN AND PRESIDENT/CEO

## New beginnings.

2021 began with hope of new beginnings as our communities started to feel a sense of normalcy. We all became re-acquainted with travel, movie theaters, and shopping malls, and reunited with family and friends. NextMark re-opened our branches and reconnected with members and co-workers. We capitalized on volunteer and give-back opportunities, and focused on helping our community thrive again. Throughout the year, NextMark's number one priority was ensuring that our members' changing financial needs were met. We listened, and demonstrated empathy and understanding, and we fostered a safe and collaborative environment for you and our employees. Our dedicated staff remained committed to our values while promoting flexibility and optimism with every interaction.

Despite economic challenges, we maintained financial soundness and cooperative strength. We continued to offer financial relief solutions for those who were negatively impacted by the pandemic – such as PPP loans and loan payment deferments. Our share savings deposits grew by 14% over 2020, to \$124 million, resulting in a total share deposits increase of 6%, to \$382 million. We ended the year with \$514 million in total assets, a 2% increase over 2020.

## Growth through innovation.

Although it wasn't always easy, these challenging times helped us grow. As members continued to transition to a more digital banking environment, innovation and digital transformation became a high-level priority. Throughout 2021, we introduced enhancements to our digital channels with a focus on the user experience. Our new online chat feature enabled members to partake in live text and video

chats, including screen-shares, making it a more personalized experience. Similarly, we enhanced our loan origination system to streamline the applicant's journey while saving time. Lastly, our fraud and cyber security teams regularly evaluated and deployed new tools to protect member data from vulnerability. We understand that innovation is a top-priority competence toward increasing market-share and boosting relevance, and our experience, innovation, and technology teams will continue to identify cutting-edge solutions to improve our members' experience.

## We value feedback.

In order to obtain authentic feedback about our products and services, we invited members to "secret shop" us at various touchpoints so we can identify wins and capitalize on opportunities. Members have been so proactive in submitting Google Reviews on our business page that we more than doubled online reviews in 2021, while boosting our rating to 4 stars. We appreciate the feedback and invite you to submit yours, as well.

## Helping communities thrive.

Giving back to our community through volunteering was certainly challenging in 2021, because most of our community partners were still enforcing safety restrictions that limited our in-person opportunities. Nevertheless, that did not stop us from identifying ways to give back. In 2021, NextMarkers volunteered their time at clothes donation warehouses, food pantries, and other support organizations. We also made more than \$45,000 in charitable donations.



## A fantastic future, faster.

As we transition to our new normal, our focus remains becoming more easily accessible, both digitally and in-person. We continue to explore new branch locations outside of Fairfax County. However, we re-wrote our branch expansion strategy to accommodate the new way most members transact business with us post-pandemic. Therefore, digital transformation will play a big role in the look and feel of our branches. Speaking of branches, we look forward to remodeling our Fairfax and Springfield branches – an objective we had to put off due to the pandemic. Although branch operations will be impacted during the projects, we assure you that we will remain accessible and responsive.

Our goal is to guide you on your financial journey, no matter what life stage you are in. We know you have options when it comes to banking, and we appreciate you choosing NextMark to guide you on your path toward financial independence. Thank you for allowing us to help you succeed, and for referring us to your family and friends.

**Roberta “Bobbie” Deegan**

*Chairman*

**Joseph Thomas, Jr.**

*President/CEO*

A black and white photograph of a family moving into a new home. A man is carrying a box, a woman is holding a baby, and two children are walking towards the camera. They are standing in front of a house with a large open doorway. A yellow L-shaped graphic is in the top right corner. A small orange square with the number 3 is on the right side. A large orange banner is at the bottom.

New beginnings.

# FINANCIALS

## Statement of Financial Condition

ASSETS	2021	2020
Loans To Members	\$ 358,415,894	\$ 391,678,672
Allowance for Loan Losses	\$ (3,683,803)	\$ (3,579,737)
Cash on Hand	\$ 1,353,986	\$ 1,458,272
Investments and Deposits	\$ 133,519,425	\$ 90,404,012
Fixed Assets (NET)	\$ 4,730,431	\$ 4,759,796
Other Assets	\$ 19,833,022	\$ 19,313,924
<b>Total Assets</b>	<b>\$514,168,955</b>	<b>\$504,034,940</b>
LIABILITIES, SHARES AND EQUITY		
Accounts Payable and Other Liabilities	\$ 61,987,823	\$ 75,424,632
<b>Total Liabilities</b>	<b>\$ 61,987,823</b>	<b>\$ 75,424,632</b>
SHARES		
Savings and Club Accounts	\$ 124,681,853	\$ 109,443,936
Share Draft Accounts	\$ 66,222,617	\$ 57,728,057
Share Certificates	\$ 109,395,549	\$ 119,640,577
IRA Deposits	\$ 23,386,378	\$ 23,399,673
Money Market Accounts	\$ 58,781,368	\$ 50,853,206
<b>Total Shares</b>	<b>\$382,467,764</b>	<b>\$361,065,450</b>
EQUITY		
Statutory Reserves	\$ 857,083	\$ 857,083
Undivided Earnings	\$ 69,045,707	\$ 65,066,965
Unrealized Gain (Loss) on AFS Securities	\$ (189,422)	\$ 1,620,811
Secondary Capital	\$ 0	\$ 0
<b>Total Equity</b>	<b>\$ 69,713,369</b>	<b>\$ 67,544,859</b>
<b>TOTAL LIABILITIES, SHARES AND EQUITY</b>	<b>\$514,168,955</b>	<b>\$504,034,940</b>

# FINANCIALS

## Statement of Income and Expenses

INCOME	2021	2020
Income on Loans	\$ 15,530,984	\$ 18,471,504
Income on Investments	\$ 1,177,085	\$ 1,500,496
Other Income	\$ 3,218,174	\$ 2,615,315
<b>Total Income</b>	<b>\$ 19,926,244</b>	<b>\$ 22,587,315</b>
OPERATING EXPENSES		
Compensation and Benefits	\$ 6,998,598	\$ 6,692,183
Office Occupancy	\$ 513,779	\$ 502,876
Marketing	\$ 135,274	\$ 153,461
Office Operations	\$ 2,800,659	\$ 2,730,494
Supervision/Exam	\$ 116,846	\$ 130,823
Loan Servicing	\$ 710,219	\$ 1,141,350
Outside and Professional Services	\$ 546,549	\$ 473,853
Other Expenses	\$ 186,088	\$ 215,759
<b>Total Operating Expenses</b>	<b>\$ 12,008,011</b>	<b>\$12,040,799</b>
Provision for Loan Losses	\$ 0	\$ 750,000
Dividend and Interest Expense	\$ 3,939,490	\$ 5,613,064
<b>Net Income</b>	<b>\$ 3,978,742</b>	<b>\$ 4,183,452</b>

HOME EQUITY LOAN PRODUCTION  
**\$91.5M**  
 LOANS ISSUED  
**659**

FIRST MORTGAGES PRODUCTION  
**\$44.8M**  
 LOANS ISSUED  
**100**

AUTO LOAN PRODUCTION  
**\$8M**  
 LOANS ISSUED  
**279**

CREDIT CARD PRODUCTION  
**\$1.06M**  
 CARDS ISSUED  
**76**

## NEXTMARK - Board of Directors

Our member-elected volunteer Board of Directors works tirelessly to ensure NextMark operates in a safe and sound manner.



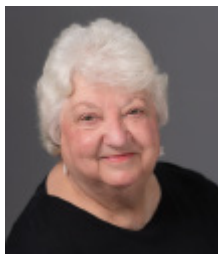
Roberta "Bobbie" Deegan  
Chairman



James E. Sandifer  
Treasurer



John C. "Jake" Lay  
Emeritus



Martha L. Collier  
Secretary



Gilbert Osei-Kwadwo  
Member



Brian C. Waymire  
Member



## Report of the Supervisory Committee

It is the responsibility of NextMark Credit Union's Supervisory Committee to supervise an annual audit of the financial records of the credit union, verify members' accounts and report the results to the Board of Directors and the members. The committee ensures that internal controls are effectively maintained and members' interests are protected. Many of our functions are performed in accordance with an annual audit plan and are directly performed or supervised by the internal auditor.

NextMark continued to adjust operations to meet the needs of our membership during the COVID-19 Pandemic. The credit union continued to experience an increase in non-face-to-face interactions and greater utilization of our many technological solutions. With such increased online usage and reliance on technology, the Supervisory Committee renewed its focus on cybersecurity and on ensuring that any resultant increase in security risks are well managed.

The committee contracted with Doreen Mayhew, CPAs, a firm of certified public accountants, to perform a Supervisory Committee audit. After reviewing the reports and records, it is the unanimous opinion of the Supervisory Committee that NextMark Credit Union is a financially solid credit union and is being operated safely and soundly. This is in no small part the direct result of the commitment, stewardship, and the hard work of all of the credit union's staff, management, and Board.

***To contact the Supervisory Committee,  
please write to:***

**NextMark Credit Union  
Supervisory Committee  
P.O. Box 3713, Fairfax, VA 22038.**

***Respectfully submitted,***  
David Reed, Chairman  
Nick Blaskoski  
Shirley Buckley  
George Kamis  
Millie Mundy



David Reed  
Supervisory Committee  
Chairman



## Making An Impact In Member's Lives.

The credit union philosophy of people-helping-people is part of who we are. Our members count on us to make their money work to its full potential. We are made of our members, we exist to advocate for them, to go to bat for them, and to give them the tools to accelerate next on their financial journey.

WE HELPED  
**279**  
MEMBERS PURCHASED VEHICLES



WE HELPED  
**100**  
MEMBER WITH FIRST MORTGAGES



WE EMPOWERED  
**659**  
MEMBERS WITH A HOME EQUITY LOAN  
OR LINE OF CREDIT



In 2021, we outfitted **279 members** members with vehicles so they could get to work, go to family gatherings, take vacation, and go on road trips.

We walked along side members to make their dreams become realities by disbursing **100 first mortgages** to local families who were either purchasing a home for the first time, looking for more space for their growing family, or downsizing as empty nesters.

We empowered **659 members** to remodel their homes, make renovations, pay for unforeseen expenses, or even purchase second homes through a Home Equity Loan or Line of Credit.

### ***Performance, Creativity, Integrity, & Passion***

No matter what the financial need was, NextMark was there to help our community members get to their Next!

# IMPACTING MEMBERS' LIVES

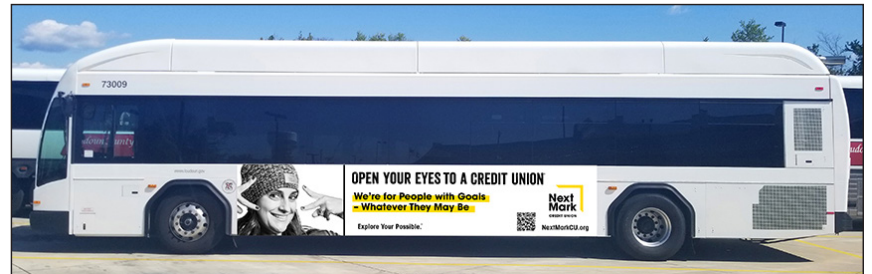


# Building A Culture Through Connection.

## Raising brand awareness in our communities.

"Open your Eyes to a Credit Union", a national industry-funded initiative, is helping raise awareness of credit unions to consumers across the country. We continue to demonstrate our support by launching our own internal and external campaigns with the help of our employees.

We photographed our amazing NextMarkers in the campaign's signature poses of "Open your Eyes to a Credit Union", and are including these images in our marketing efforts. As you may have noticed, our email signatures, branch posters, and may have even caught a glimpse of one of our four employees who are featured on advertising banners on local Transit Buses that commute from Loudoun County to Falls Church. This has caused awareness of our brand in a new field of membership geographic areas. It has also created ways for NextMarkers to connect internally during a time when most worked remotely.





## In the Community.



Outside of guiding our members to accelerate in their financial lives, we are always on the lookout for opportunities to help our communities thrive. Whether we are making snack packs for children in need, sorting through clothes donations, stocking food shelves, or hosting shred events, giving back to our community is inherent in who we are.



**50+**  
**VOLUNTEER HOURS**



LEAVE US A  
**Google**  
★★★★★ REVIEW

NextMark values feedback. We take time to celebrate success and focus on opportunity for improvement. We would appreciate it if you took a minute to submit a Google Review. For every NEW review we receive, we will donate \$10 to a local non-profit that helps our community thrive.

**Scan the QR Code** above to get started on your review.



NextMarkCU.org  
(703) 218-9900

Explore your  
Possible®

## BRANCHES

### FAIRFAX BRANCH

4201 Members Way  
Fairfax, VA 22030

### GOVERNMENT CENTER BRANCH

12000 Government Center Pkwy.  
Fairfax, VA 22035

### HERRITY BRANCH

12055 Government Center  
Pkwy.  
Fairfax, VA 22035

### SPRINGFIELD BRANCH

6506 Loisdale Rd.  
Springfield, VA 22150

For the most current branch information and hours please visit: [NextmarkCU.org/locations-atms](https://NextmarkCU.org/locations-atms)