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# 2022 ANNUAL REPORT

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“ Without continual growth and progress, such words as improvement, achievement and success have no meaning. ”

**Benjamin Franklin**  
Statesman, Inventor

# Who We Are

Established in 1935, Justice Federal Credit Union is a non-profit financial cooperative that provides a broad range of personal banking and digital services to nearly sixty-three thousand Members within the justice and law enforcement community.

We are committed to helping our Members and their families move forward on their financial journey by providing competitive rates on loans when you need to borrow, and deposits to save for the future.

Our team of Certified Financial Counselors offer valuable financial counseling to help Members build better spending and saving habits, and strengthen their financial wellness.

We are digitally enabled and ready for the future. Across our operations, we are reimagining outdated business practices. We are purposely disrupting processes to ensure lasting digital innovation while making the most out of new burgeoning technologies. We are continuously improving – delivering speed and scale to enable progress for our Members, unlocking the power of our people, leveraging data and analytics, harnessing the potential of emerging technologies – and driving leading loyalty, growth, and efficiency to make banking easier.

# Chair's Message

The events of the past year were challenging—the war in Ukraine, inflation, and the lingering effects of the pandemic, to name a few, all played a role in our quality of life and our financial decision-making but 2022 was also the year that we all started to get back to “normal.”

Despite the continuing challenges, there were many bright spots for the Credit Union in 2022.

First and foremost, despite economic uncertainty, the Credit Union delivered strong financial results. Remaining in a safe and sound condition and maintaining a solid balance sheet is foundational to ensuring that the Credit Union is, and always will be, fiscally ready and able to support our Member needs.

"We recognize that no two Members are precisely alike – each has their own unique goals and aspirations, which we are pleased to help them realize."

Even with uncertain economic conditions and the continued effects of the pandemic and their far-reaching impact on our families, our communities, and the economy at large, we continued to stand by our Members with unwavering dedication and resilience to support them during these turbulent times.

As we move into 2023, what I look forward to most is continuing our commitment to delivering an exceptional Member experience. The Member experience is one of the most important differentiators between Justice Federal and our competitors. It's our best opportunity to relate to our Members in a way that is unique to our brand, and consistent with the values that are most important to us and our Members.

We recognize that no two Members are precisely alike—each has their own unique goals and aspirations, which we are pleased to help them realize. We recognize as well, that offering outstanding and personalized experiences that can help our Members achieve their goals is one of our best tools for gaining and retaining Members.

Despite ever-changing economic conditions, we will continue to effectively serve our Member needs as they arise and will remain focused



on strengthening our Member relationships in 2023. I am confident that we are poised to create more value and a more dynamic Member experience as we remain dedicated to making our Members financial dreams come true, today, and tomorrow.

## **An effective board**

On behalf of you, the Members, we extend our thanks to all the employees of Justice Federal who contributed to our successful performance in 2022. And on behalf of the board, we extend our thanks to you, our fellow Members, for the trust you continue to place in us to represent your interests. The year ahead promises to be one full of opportunity. We are confident that we have the right strategy and the right team to pursue the right opportunities that will strengthen our Credit Union and support your financial needs.

Warm Regards,

Ellen Warwick  
CHAIR OF THE BOARD OF DIRECTORS

# President's Report

2022 marked a significant year of progress in our proud 87-year history, as we continued a path of continuous improvement for our Members and the communities we serve – while building a high-performing, digitally enabled, future-ready credit union.

Our competitive performance in 2022 was driven by our leading winning culture, and an empowered team aligned to achieve our strategic priorities. With their focus on helping our Members make real financial progress throughout a dynamic operating environment, our team is partnering to deliver exceptional experiences that deepen member loyalty.

As global economic momentum slows in the post-pandemic recovery, Justice Federal has a critical role in helping our Members thrive and strengthen their progress for the future.

Our economy has faced headwinds throughout 2022, impacted by a dramatic escalation of geopolitical tensions beyond our borders, weakening financial conditions, and continued supply-chain disruptions. Looking forward, to curb high inflation growth, tightening monetary policy is anticipated to dampen demand, weakening GDP growth. For Justice Federal, this reinforces the imperative to sustain our efficiency performance that positions us to drive value for our Members.

## Executing on our strategy for the long run

Our Credit Union delivered very good revenue performance again this year. We continued to execute our strategy to strengthen and grow with targeted investments in technology to drive efficiency, speed, and scale, as well as talent to deliver the Member experience.

With growth in loans and deposits, and expanding net interest margins, we met our commitments to positive operating leverage, improved efficiency and achieved above-target return on assets.

Our leading risk management approach and dynamic management of capital and resources enable us to grow our organization and support our Members in the years ahead.

## Innovation, our Digital First journey

We continue to be at the forefront of delivering products and solutions



to help our Members address their changing financial needs, especially during uncertain times. And that's innovation that matters.

“The secret is here in the present. If you pay attention to the present, you can improve upon it. And, if you improve on the present, what comes latter will also be better.”

**Paulo Coelho**  
Novelist, Lyricist

Innovation starts with insight and seeing challenges in a new way. Our breadth, depth, and scale, combined with our passion for continuous improvement created powerful opportunities to help our Members transform disruption into a meaningful impact with lasting value.

We are ahead of the curve with our digital transformation. The implementation of digital banking and remote deposit capture enabled us to seamlessly serve our Members during the Pandemic while others in the industry scrambled to address the challenge. Our investments have driven growth, loyalty, and efficiency, enabled by new ways of working.

Through our efforts of continuous improvement, we leaned into our obsession to create a best-in-class Member experience, consistently focusing on meeting Members where they are with leading digital experiences to help them make real financial progress.

We identified opportunities to upgrade our systems and improve the efficiencies of our processes. Whether applying for membership, opening, or adding a share account, or applying for a loan, our goal is to ensure a frictionless Member experience.

Our Digital First mindset inspires us to seek continuous improvement to optimize our operations, stay competitive, ensure long-term growth, and improve Member loyalty.

## Continuous improvement

Continuous improvement isn't about setting a high pace. It's about finding a rhythm that works for our organization. It's about changing our mindset to a systematic way of finding better ways to do things. Above all, it's about working better together as One Team.

Our employees are the best representation of our Credit Union, and supporting their personal and professional growth has a measurable impact on our performance. To attract and retain the best people, we offer competitive wellness, learning, and career development programs.

The positive ratings of our 2022 High Performance Organization (HPO) survey indicate a high level of pride and employee engagement exists across the Credit Union which fosters success. The survey further reveals a strong sense of teamwork and acknowledges that coworkers, fueled by engagement and commitment, step up when needed. It has become the way everyone works within the Credit Union, an integral part of everyday working life. It is a mindset, an attitude, which translates into a new way of working. It is our culture. It demonstrates that we have “the right people in the right jobs.”

AMERICAN BANKER

2022 **Best Credit Unions  
to Work For**

Our performance culture now ranks among the best financial institutions surveyed nationwide. Justice Federal was ranked as “One of the Best Credit Unions to Work For in 2022.” This honor,

bestowed upon us is a result of an employee feedback survey conducted independently by the American Bankers Association.

The passion and commitment of Team Justice is apparent in all the ways we serve our Members. Last year, we increased our outreach within the justice and law enforcement community to address financial wellness. Working side by side with our partners, we shined a light on the importance of financial health, as they addressed the benefits of health and mental wellness on the job at symposiums and training sessions nationwide. Offering these presentations is just one of the many ways we demonstrate to our Members that we are here to help shape their financial future so they and their families can thrive for generations to follow.

## Moving Forward

As we move forward, we continue to further our commitment to invest in our market to further our brand awareness and communicate our value proposition.





The Credit Union's performance over the past five years, both in absolute terms and relative to its peers, has been strong—and 2022 proved to be another good year.

Since 2018, we have outpaced our peers by 27% in Member growth. Whether we are networking within the justice community or furthering our reach within the state and local law enforcement community, we are proud to be recognized as a Strategic Partner, a leader, and a go-to financial resource—to help empower all those who serve with the financial knowledge needed to meet today's challenges and plan for their future.

The factors that have contributed to our success for the past 87 years will continue to propel our growth through uncertain economic conditions. With a dedicated team seeking continuous improvement, we continue to open doors to opportunities that support the financial progress of our Members. The strength of our solid operational performance will see us through the changing economic environment, as we execute on our strategy, and deliver consistently strong returns for our Members.

Sincerely,

**Mark L. Robnett**  
PRESIDENT & CHIEF EXECUTIVE OFFICER

# Supervisory Committee Report

Under the Federal Credit Union Act, your Supervisory Committee—appointed by the Justice Federal Credit Union Board of Directors—is responsible for providing assurance that Justice Federal's operations are conducted in a safe and sound manner in accordance with the Federal Credit Union Act and the regulations of the National Credit Union Administration (NCUA).

The Supervisory Committee is represented at all Board of Directors meetings and attends key meetings with the Board and Senior Management. We also meet with NCUA examiners and external auditors to monitor and evaluate internal controls that help ensure that your assets are safeguarded and that Justice Federal is operating effectively and efficiently. The Certified Public Accounting firm Doeren Mayhew assists the Supervisory Committee with the external audit. As one of the nation's leading CPA firms, Doeren Mayhew is comprised of cross-functional professionals delivering industry-focused expertise to more than 350 financial institutions across the nation.

The 2022 Financial Statements audit report was "unmodified" indicating the financial statements of Justice Federal were presented fairly.

In addition to the annual audit as described above, the Supervisory Committee directs the efforts of Justice Federal's internal audit function. Audits of Justice Federal's key risk areas provide an additional layer of review of the effectiveness of the internal control mechanisms used by Justice Federal. Tests and reviews are performed on the overall system of internal controls and ensure adherence to policies and procedures and accounting principles, as well as compliance with Federal Regulations.

The Supervisory Committee reports that Justice Federal continues to remain in compliance with laws and regulations, operates in a sound manner, and is capable of withstanding business fluctuations.



The Supervisory Committee also acts as an ombudsman for Justice Federal Members. If ever you need assistance that cannot be resolved through normal channels, we encourage you to contact us at the following address:

The Supervisory Committee  
Attention: Supervisory Committee Chair  
P.O. Box 231381, Centreville, VA, 20120-1381

Sincerely,

Angela Ting  
SUPERVISORY COMMITTEE CHAIR

## COMPARATIVE BALANCE SHEET

<b>ASSETS</b>	<b>2022</b>	<b>2021</b>
Gross Loans	732,367,896	641,164,321
Allowance for Loan Losses	(5,178,460)	(5,069,330)
Net Loans	727,189,436	636,094,991
Cash & Cash Equivalents	52,082,909	82,853,264
Investments	123,434,343	161,688,744
Other Assets	83,033,282	56,070,569
<b>Total Assets</b>	<b>985,739,970</b>	<b>936,707,568</b>

<b>Liabilities</b>		
Accounts Payable	8,469,650	5,757,479
Notes Payable	25,000,000	30,000,000
Dividends Payable	1,043,597	669,827
Accrued Expenses	4,646,364	5,608,045
<b>Total Liabilities</b>	<b>39,159,611</b>	<b>42,035,351</b>

<b>Member Shares</b>		
Regular Shares	278,549,620	269,701,888
Share Draft	204,144,793	190,600,824
Money Market	167,925,182	172,131,473
IRA	10,802,789	11,153,120
Share Certificate	188,619,545	146,797,409
<b>Total Member Shares</b>	<b>850,041,929</b>	<b>790,384,714</b>

Regular Reserves	6,635,800	6,635,800
Undivided Earnings	110,222,466	100,125,215
Unrealized Gain / (Loss)	(20,319,836)	(2,473,512)
<b>Total Reserves</b>	<b>96,538,430</b>	<b>104,287,503</b>

<b>Total Liabilities, Member Shares and Reserves</b>	<b>985,739,970</b>	<b>936,707,568</b>
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## COMPARATIVE INCOME STATEMENT

<b>INCOME</b>	<b>2022</b>	<b>2021</b>
Loan Income	34,219,818	31,956,253
Investment Income	2,817,733	2,059,198
Other Income	10,056,465	8,780,976
<b>Total Income</b>	<b>47,094,016</b>	<b>42,796,427</b>
<b>Expenses</b>		
Dividend Expense	3,688,801	3,402,332
Compensation & Benefits	17,112,651	16,303,969
Office Occupancy & Operations	8,137,748	7,668,947
General & Admin. Expenses	6,067,440	5,337,121
Provision for Loan Losses	1,513,735	(562,177)
Interest on Borrowed Money	476,390	644,073
NCUSIF Premium Assessment	—	—
<b>Total Expenses</b>	<b>36,996,765</b>	<b>32,794,265</b>
<b>Net Operating Income</b>	<b>10,097,251</b>	<b>10,002,162</b>
<b>Net Income</b>	<b>10,097,251</b>	<b>10,002,162</b>



## EXECUTIVE LEADERSHIP TEAM

### 2022 – 2023 BOARD OF DIRECTORS

Ellen Warwick, *Chair*

Joan A. Buckley, *Vice Chairman*

John F. Greaney, *Treasurer*

Mary Ann Woodson, *Secretary*

Carl Alexandre

Emily F. Kaplun

Angela Ting

Roger L. Trott

Thomas L. Wiseman

### DIRECTOR EMERITUS

Gregory P. Polonica

### 2022 – 2023 SUPERVISORY COMMITTEE

Angela Ting, *Supervisory Committee Chair*

Robin A. Stark-Nutter, *Secretary*

Andrew Gibson III

Lamonte D. Purdie

### EXECUTIVE MANAGEMENT

Mark L. Robnett, *President & CEO*

David Jensen, *Chief Financial Officer*

Karen Bohn, *Chief Operations Officer*

Ashish Shroff, *Chief Information Officer*

Cindy Kenny, *Chief Lending Officer*

HEADQUARTERS  
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Federally Insured by NCUA



