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**Interstate
Credit Union**
FEDERALLY INSURED BY THE NCUA

PRESIDENT'S REPORT

Interstate had another great year in 2019. Most importantly, we served our members which is evidenced by the growth we experienced in all areas. We grew by approximately \$7 million in both loans and deposits while maintaining our financial strength. Our net worth grew by over \$3 million. Our current net capital ratio is just over 16 percent which is an indicator of how well we are positioned financially.

During 2019 we held a grand opening and dedicated our new Administration Building to John and Emma Jean Boatwright. The Boatwright's were instrumental in the start-up and development of our credit union. We also completed our annual member survey during the year and we also implemented transaction based surveys. We encourage all of our members to take the time to complete these short surveys which can help us ensure we are meeting your expectations.

We replaced all five ATMs during 2019 with deposit taking ATMs to better meet our members' needs by giving them account access for deposits and withdrawals 24/7.

In 2019 we became a certified Community Development Financial Institution (CDFI). The CDFI Fund's mission is to expand economic opportunity for underserved people and communities by supporting the growth and capacity of a national network of community development lenders, investors, and financial service providers. Certified credit unions have access to grant funds that can help to assist the underserved, build financial capacity among members and bring new businesses into the communities we serve.

We again provided deserving high school seniors with \$6,000.00 in academic scholarships for college in 2019. In addition, we provided 6 teachers with scholarships to equip their classrooms better. I continue to be proud to be part of a credit union that cares so much for its members and the communities in which we operate. We donated over \$25,000 to our schools and other community organizations.

We held our first annual employee recognition banquet. In the past we tried to recognize our staff at this meeting, but we did not feel it gave us adequate time to recognize them appropriately for all of their efforts and accomplishments throughout the year. We gave away many awards and enjoyed a nice dinner with our coworkers.

To begin 2020 we eliminated many fees for our members and we extended our hours to be open every Saturday unless a holiday falls on a Saturday.

Later this year we will begin having after hour support for debit cards and text messaging for fraud alerts. We will also be going through a home banking conversion which we hope will provide you with more complete digital banking experience. The new services should improve each user's convenience, speed, and ease of use, but at the same time we realize it can be a frustrating process. We encourage you to all look out for these upcoming changes and be proactive in ensuring you stay able to access your account. We will also be implementing Zelle, a person to person (P2P) service, and an online account opening platform.

Thank you, our members, for making 2019 another wonderful year for your credit union. We look forward to continuing to serve you and ensuring we have the products and services you want and need.

Sincerely,
Stacie Branch, President/CEO



SUPERVISORY COMMITTEE REPORT

Interstate's Supervisory Committee is appointed by the Board of Directors and volunteer their time like the Board of Directors to serve the Membership. The Supervisory Committee is responsible for making sure the Credit Union's financial records are in order and that internal controls are in place to protect the assets of the Credit Union and its members. The Committee does this by making sure that an annual audit is conducted each year and that internal controls are tested regularly.



Nearman, Maynard, Vallez, Certified Public Accountants (CPA's) and Consultants, P.A. were retained by the Supervisory Committee to perform an annual audit of our financials and a verification of members' accounts as of June 30, 2019. Results of this work indicate that the financial statements present fairly the results of operations and financial position, and no material weaknesses in internal controls were reported.

The Committee also reviewed the quarterly results of an internal audit program executed by CU Audits and Compliance Group. The purpose of this audit program is to ensure Interstate's operations are in compliance with applicable regulation, policies and procedures and that internal controls exist to protect member assets.

Based on the results of the external and internal audit reports from our auditors, it is the opinion of the Supervisory Committee that Interstate Unlimited FCU continues to be well managed and is in strong financial condition.

IUFCU Supervisory Committee

*Harriett Cooper, Chairperson
Delinda Pattie
Harley Grove*



51st ANNUAL MEMBERSHIP MEETING MINUTES

The 51st Annual Membership Meeting of Interstate Unlimited FCU was held on Tuesday, February 26, 2019 at Coastal Pines Technical College. There were 329 members and guests in attendance. A meal catered by Western Sizzlin was enjoyed by all.

Chairman Albert Howard called the meeting to order at 7:00 pm. The invocation was given by Director Curtes Roberts. The Pledge of Allegiance was recited. Secretary Sharon Terry ascertained that a quorum was present. Chairman Howard asked for a motion to accept the minutes of the prior year meeting as presented in the Annual Report. Motion received and seconded.

President Stacie Branch welcomed everyone in attendance. She introduced the Board of Directors, Supervisory Committee and staff. Service awards were given to Sharon Terry – 15 years, Sonya Royal – 15 years, Debbie Spell – 15 years, Karri Grantham – 10 years, Ann Miller – 5 years, Carolyn Thomas – 5 years, Donna Gellner – 5 years. Stacie thanked everyone for all their work to make Interstate a success. Employee of the Year award went to Breonna Sanders.

Supervisory Committee Chairperson Harriett Cooper gave the Supervisory Committee Report. She reported that during 2018 we were audited by 2 different auditing groups as well as the NCUA. All reported that Interstate Credit Union was safe and sound. She thanked the members for trusting us with their business.

Stacie introduced our guests Maureen and George Bock. Maureen is our liaison with the Georgia Credit Union Affiliates.

Stacie told everyone of about our new Administration building we recently occupied. There will be an open house in the near future. The building will be dedicated in honor of John and Emma Jean Boatwright who were instrumental in the start of the credit union.

In the 2018 Year in Review, Stacie talked about some of our new services including the call center and depository ATMs. 2018 was another great year for Interstate with loan growth of 13% and share growth of 18%. We continue to be one of the best in state of Georgia. We maintained our financial strength through this growth. She thanked our members for supporting us as we strive to meet our members financial needs.

Our guest speaker, Charles Marshall was introduced. Mr. Marshall is a humorous speaker & author. Mr. Marshall said that we are all in customer service. He believes that knowledge and how we use it is power.

Chairman Howard asked if there was any old business. There was none. He asked if there was any new business. There was none.

Nominating committee Chairman Debra Wynn presented Jerry Jones for a 3-year term on the Board of Directors. There were no nominations from the floor. Mr. Jones was nominated by acclamation.

Door Prizes were given away.

After no further business, the meeting was adjourned at 9:00 pm.

Respectfully Submitted By:
Pam Leggett, Recording Secretary
Sharon Terry, Secretary
Albert Howard, Chairman

MINUTES & FINANCIALS

STATEMENT OF FINANCIAL CONDITION		
	YEAR ENDED 2019	YEAR ENDED 2018
ASSETS		
Total Loans	146,591,321.36	139,441,806.69
Allowance for Loan Loss	(822,146.25)	(823,311.44)
Allowance for Overdraft Losses	(13,306.89)	(14,737.11)
Net Loans Receivable	145,755,868.22	138,603,758.14
Cash	9,983,644.63	13,179,368.00
Corporate Credit Unions	0.00	0.00
CUSO Investment	0.00	10,000.00
Other Investments	18,039,945.21	12,935,603.75
Land and Building (net)	4,743,834.16	4,775,051.54
Furniture & Equipment (net)	530,004.85	318,883.70
NCU Share Insur. Fund	1,445,073.32	1,335,367.10
Prepaid	201,863.44	192,704.06
Accrued Income	549,291.78	463,261.17
Other Assets	3,564,704.44	2,287,417.21
Assets Acquired in Liquidation	373,351.23	333,150.40
TOTAL ASSETS	185,187,581.28	174,434,565.07
LIABILITIES AND NET WORTH		
Corporate Share Drafts	1,364,026.79	802,917.46
Notes Payable	0.00	0.00
Other Liabilities	859,757.99	892,222.55
Total Liabilities	2,223,784.78	1,695,140.01
Shares	38,834,065.05	33,838,057.99
IRAs	1,914,462.50	2,298,717.21
Money Market	13,665,932.38	13,092,093.38
IRA Certificates	11,346,493.62	10,252,181.99
Share Certificates	62,905,112.63	65,335,452.47
Share Drafts	24,413,051.55	21,277,524.92
Total Shares	153,079,117.73	146,094,027.96
Regular Reserve	660,723.06	660,723.06
Undivided Earnings	29,076,115.50	26,046,175.29
Unrealized Gain (Loss) on Inv.	147,840.21	(61,501.25)
TOTAL LIABILITIES AND EQUITY	185,187,581.28	174,434,565.07

STATEMENT OF INCOME		
	YEAR ENDED 2019	YEAR ENDED 2018
INCOME		
Interest from Loans	7,834,476.82	6,710,529.09
Investment Income	565,666.62	404,238.08
Fee Income	2,518,605.73	2,442,961.00
Misc. Income	2,113,828.29	1,915,584.91
TOTAL INCOME	13,032,577.46	11,473,313.08
EXPENSES		
Employee Compensation	2,511,012.74	2,236,202.72
Employee Benefits	748,801.48	689,397.69
Travel & Conference	89,741.70	82,528.66
Association Dues	51,668.27	41,277.57
Office Occupancy	455,470.72	416,482.94
Office Operations	838,497.28	750,421.20
Publicity & Promotions	128,171.46	163,124.79
Loan Servicing	228,050.96	301,098.17
Profess & Other Serv	2,176,366.37	1,666,258.96
NCUA Fees	45,123.53	37,020.34
Annual Meeting	18,250.00	15,000.00
TOTAL OPERATING EXPENSES	7,291,154.51	6,398,813.04
Provision for Loan Loss	719,505.00	619,965.00
Provision for Overdraft Loss	87,611.37	110,778.66
Int on Borrowed Money	0.00	1,393.75
Dividend Expense	1,910,130.12	1,334,189.83
Income Before Nonoperating Exp.	3,024,176.46	3,008,172.80
Gain (Loss) on Investments	4,377.75	9,949.99
Gain (Loss) on Fixed Assets	1,386.00	1,634.73
NET INCOME	3,029,940.21	3,019,757.52

BRANCH OF THE YEAR

2019



CONGRATULATIONS

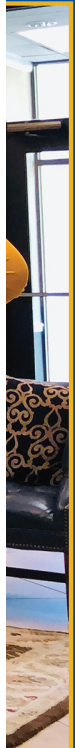
to our Hazlehurst branch for winning Branch of the Year 2019!



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FIVE BRANCH LOCATIONS

- JESUP:** 705 WEST CHERRY ST.
- MIDWAY:** 11199 E. OGLETHORPE HWY.
- BAXLEY:** 665 WEST PARKER ST.
- HAZLEHURST:** 14 HINSON ST.
- BRUNSWICK:** 2449 PERRY LANE AVE.

TELEPHONE BANKING: 1.800.391.8951

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