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A LETTER TO OUR MEMBERS

Wow! What can we say about 2020? An unprecedented pandemic year with temporary closings of many businesses and industries to complete shutdowns in many parts of the country. We still have kids not back in school with learning only available virtually. All businesses had to be innovative in how they would continue to serve their customers. Interstate was fortunate that we already had many electronic services in place that allowed us to continue to serve our members. These unprecedented times forced many members to begin using electronic services, even though they may have previously veered away from utilizing these services. In spite of all the bad, Interstate continued to grow in all areas. We are proud of the fact we continued to find ways to provide our services to new members as well as to existing members. We grew by approximately \$35 million in deposits and \$16 million in loans. Our net worth grew by almost \$3.5 million.

To ease our members burdens in 2020, we offered to defer payments up to 60 days on all loans to anyone affected by COVID19. We also participated in the Small Business Administration's Payroll Protection Plan (PPP) and provided funding for these loans to our members.

There were times during 2020 that we had to close in branch operations and only offer drive thru service. In an effort to serve our members better, we opened up a fourth drive thru lane in Jesup to help expedite our members' needs.

During the year we rolled out a new home banking platform. This conversion provided greater security for online banking, credit monitoring and tracking, external transfers, a dedicated call center for online banking support, enhanced electronic statements, and support for QuickBooks and Mint. We also began offering Zelle as part of this conversion. We began offering text alerts for debit card fraud rather than just a phone call. Hopefully this allows the member to get notification and respond more quickly. In addition, we established an after-hours support line for debit card support.

Our indirect lending department, Dealer Connect, continued to expand in 2020 offering our lending in six more dealerships.

We also completed our annual member survey during the year and continued with our daily 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 again provided deserving high school seniors with \$6,000.00 in academic scholarships for college in 2020. 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.

Effective August 31, 2020 we converted from a Federal Charter to a State Charter. This change was made to allow us to expand our Field of Membership and be able to offer our services to those in surrounding counties. As part of this conversion we added eight additional counties to our Field of Membership.

Finally, thank you for helping make 2020 a successful year in the face of many challenges. We look forward to continuing to serve you and ensuring we have the products and services you want and need.

Sincerely,
Jerry Jones, Board Chairman
Stacie Branch, President/CEO



STACIE BRANCH
President/CEO



JERRY JONES
Board Chairman

AUDIT COMMITTEE REPORT

Interstate's Audit Committee is appointed by the Board of Directors and volunteer their time like the Board of Directors to serve the Membership. The Audit 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. In 2020, Nearman, Maynard, Vallez, Certified Public Accountants (CPA's) and Consultants, P.A. were retained by the Audit Committee to perform an annual audit of our financials and a verification of members' accounts as of June 30, 2020 and March 31, 2020 respectively. 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 Audit 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 Audit Committee that Interstate Credit Union continues to be well managed and is in strong financial condition.

Interstate Credit Union Audit Committee

Harriett Cooper, Chairperson
Ann Bookhardt
Harley Grove
Amelia Milligan
Delinda Pattie



HARRIETT COOPER
Chairperson

52TH ANNUAL MEMBERSHIP MEETING MINUTES

The 52nd Annual Membership meeting of Interstate Credit Union was held on Thursday, September 17, 2020, at Interstate Credit Union via Zoom Meeting at https://zoom.us/webinar/register/WN_J315eHEISPGxD3P4vKCRzA. There were 80 members and guests in attendance.

Chairman Jerry Jones called the meeting to order at 6:00pm and welcomed everyone. Senior VP Pam Leggett ascertained there was a quorum present. Harley Grove, Audit Committee, gave the invocation. The Pledge of Allegiance was recited.

President/CEO Stacie Branch welcomed everyone in attendance and recognized Interstate Credit Union's Board of Directors and Audit Committee. They are as follows: Jerry Jones, Chairman; Sharon Terry, Vice Chairman; Donna Cannon, Secretary recognized for five years of service; Curtes Roberts, 35 years of service; Harriet Cooper; Harry Rogers who is retiring off the board this year; Harley Grove and Delinda Pattie both for five years of service on our Audit Committee. Stacie also recognized our long-term Chairman Albert Howard who passed away this year. Mr. Howard served on our Board of Directors since 1985 and served as our Chairman for the past 9 years.

Chairman Jerry Jones asked for a motion to accept the minutes of the previous year as presented in the Annual Report. Pam Leggett made a motion to accept these minutes as written. Harley Grove seconded the motion; motion carried.

Audit Committee member Harley Grove presented the Audit Committee Report. He noted that the credit union had been audited by CU Audit and Compliance Group and Nearman Maynard and Vallez during the year. He stated that the purpose of the audit committee is to ensure Interstate Credit Union is operating in compliance with applicable regulations, policies and procedures and that internal controls are in place to protect member assets. Mr. Grove reported that after internal and external audits, the Audit Committee's opinion is that Interstate Credit Union is well managed and in strong financial condition.

President/CEO Stacie Branch presented the President's Report. We had a great year in 2019. We had growth in loans, shares and assets. During 2019 we had a grand opening of our new Administration building with it being dedicated to John and Emma Jean Boatwright. The Boatwrights were instrumental in the foundation and management of the credit union in 1968 until their retirement in 1995. During 2019 we replaced all ATMs with deposit taking abilities and became a Certified Community Development Institution (CDFI). The CDFI designation will allow us to apply for grants that can be used to serve our underserved membership better as well as to help the communities in which we serve.

Chairman Jerry Jones asked if there was any new business. There being none, he asked if there was any old business. There was none.

The Nominating Committee nominated the following directors: Donna Cannon, 2-year term, Harriett Cooper, 3-year term, Delinda Pattie, 1-year term and Sharon Terry, 2-year term. Harley Grove made a motion to accept the nominations as presented. Stacie Branch seconded the motion. There being no nominations by petition, these were elected by acclamation.

After no further business the meeting was adjourned at 6:13 pm.

Respectfully submitted,
erry Jones, Chairman
Donna Cannon, Secretary
Kristy Johnson, Recording Secretary





MINUTES & FINANCIALS

	YEAR ENDED 2020	YEAR ENDED 2019
ASSETS		
Loans	\$161,660,597	\$145,755,868
Cash and Equivalents	\$24,962,065	\$9,983,645
Investments	\$24,433,804	\$18,039,945
Fixed Assets	\$5,145,401	\$5,273,839
Other Assets	\$4,526,850	\$6,134,284
Total Assets	\$220,728,717	\$185,187,581

SHARES, LIABILITIES AND MEMBERS' EQUITY

Total Liabilities	\$2,946,605	\$2,223,784
Member Shares	\$184,400,702	\$153,079,118
Member's Equity	\$33,381,410	\$29,884,679
Total Liabilities and Equity	\$220,728,717	\$185,187,581

	YEAR ENDED 2020	YEAR ENDED 2019
INCOME		
Interest from Loans	\$8,397,049	\$7,834,477
Investment Income Investments	\$494,172	\$565,667
Fee Income	\$2,300,433	\$2,518,606
Other Income	\$2,439,923	\$2,113,828
Total Income	\$13,631,577	\$13,032,577

EXPENSES

Operating Expenses	\$8,034,382	\$7,291,155
Provision Expense	\$685,327	\$807,116
Dividend Expense	\$1,673,296	\$1,910,13
Gain (Loss) on Investments	\$0	\$4,378
Gain (Loss) on Fixed Assets	\$0	\$1,386
Net Income	\$3,238,572	\$3,029,940

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