

2021

ANNUAL REPORT

WE LOVE
our members



**Interstate
Credit Union**

A LETTER TO OUR MEMBERS

2021 was year two of the Covid-19 pandemic which continued to bring new challenges for individuals, employers, and our communities. The federal government provided assistance to families through stimulus payments, unemployment insurance, and advanced child tax credit. Interstate continued to experience substantial growth. Our deposits increased by just over \$35 million and loans grew by almost \$33 million. Our net worth grew by over \$4.5 million.

We continued to expand and improve our current services to ensure we are offering the most efficient member service. Specifically, we enhanced the mobile app to include eStatements and eNotices. We added instant issue Credit Cards so that members could receive their credit card on the same day they were approved.

Last year we mentioned we had expanded our field of membership to include eight additional counties. We spent a great part of 2021 on trying to secure the perfect location for a new branch in Douglas, GA. We are proud to announce that we will be opening this new branch in late 2022 or early 2023. We are very excited about being able to offer our services to the members of this community.

We continued to contribute to the communities in which we operate. We did this through charitable donations, high school scholarships, donations to our local schools including their athletic programs, and teacher grants. This year we provided over \$40k in this type of funding.

I would like to thank you for your support, loyalty, and trust as we strive to be your financial partner. We are dedicated to serving you and helping you reach your financial goals. Thank you for helping make 2021 a successful year in the face of many challenges. We look forward to continuing to serve you.

Sincerely,

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



JERRY JONES
Board Chairman

STACIE BRANCH
President/CEO

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 fulfills its responsibilities by making sure that an annual audit is conducted each year and that internal controls are tested regularly.

In 2021, 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, 2021 and March 31, 2021 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.

Sincerely,

Interstate Credit Union Audit Committee
Harriett Cooper, Chairperson
Ann Bookhardt
Harley Grove
Amelia Milligan
Delinda Pattie



HARRIETT COOPER
Chairperson

53RD ANNUAL MEMBERSHIP MEETING MINUTES

The 53rd Annual Membership meeting of Interstate Credit Union was held on Tuesday, March 23, 2021 at Interstate Credit Union via Zoom Meeting at <https://zoom.us/webinar/91739059550>. There were 114 members 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. Curtes Roberts, Board of Director, 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 recognized for 30 years of service; Sharon Terry, Vice Chairman; Donna Cannon, Secretary; Curtes Roberts, Treasurer; Harriet Cooper, Board of Directors and Audit Committee; Delinda Pattie, Board of Directors and Audit Committee; Harley Grove, Audit Committee; Ann Bookhardt, Audit Committee; Amelia Milligan, Audit Committee.

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

Harriett Cooper presented the Audit Committee Report. She reported that the credit union's internal controls are well audited by CU Audit and Compliance Group, Nearman Maynard and Vallez. Mrs. Cooper reported that President/CEO Stacie Branch and her staff have done an excellent job.

Stacie Branch, President/CEO presented the President's report. She reflected on the unprecedented pandemic year. Interstate Credit Union was very fortunate that we already had many electronic services available to be able to continue to serve our members. Even though 2020 was a tough year for many, Interstate continued to grow in all areas. We had growth in loans, shares and assets. With the pandemic hitting hard in 2020 we offered to defer payments up to 60 days on all loans to anyone that was affected by COVID19. We also participated in the Small Business Payroll Protection Plan. During 2020 we introduced a new home banking platform, implemented text alerts for debit card fraud, and an after-hours support line for debit card support. Stacie also reported that our indirect lending department continued to grow in 2020 by adding six more dealerships to the program. She reported that the annual member survey was completed and encouraged all of our members to continue to take the time to complete the surveys so that we can learn how to better serve and meet their expectations.

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: Harley Grove, 2-year term, Delinda Pattie, 2-year term and Curtes Roberts, 3-year term. There being no nominations by petition, these were elected by acclamation.

After no further business the meeting was adjourned at 6:21 pm.

Sincerely,

Kristy Johnson, Recording Secretary
Donna Cannon, Secretary
Jerry Jones, Chairman





MINUTES & FINANCIALS

| | YEAR ENDED 2021 | YEAR ENDED 2020 |
|----------------------|----------------------|----------------------|
| ASSETS | | |
| Loans (Net) | \$194,573,965 | \$161,660,597 |
| Cash and Equivalents | \$18,611,195 | \$24,962,065 |
| Investments | \$34,760,252 | \$24,433,804 |
| Fixed Assets | \$4,999,375 | \$5,145,401 |
| Other Assets | \$7,165,643 | \$4,526,850 |
| Total Assets | \$260,110,430 | \$220,728,717 |

SHARES, LIABILITIES AND MEMBER'S EQUITY

| | | |
|-------------------------------------|----------------------|----------------------|
| Total Liabilities | \$3,106,883 | \$2,946,605 |
| Member Shares | \$219,673,586 | \$184,400,702 |
| Member's Equity | \$37,329,961 | \$33,381,410 |
| Total Liabilities and Equity | \$260,110,430 | \$220,728,717 |

| | YEAR ENDED 2021 | YEAR ENDED 2020 |
|-------------------------------|---------------------|---------------------|
| INCOME | | |
| Interest from Loans | \$9,130,742 | \$8,397,049 |
| Investment Income Investments | \$424,413 | \$494,172 |
| Fee Income | \$2,533,699 | \$2,300,433 |
| Other Income | \$3,100,823 | \$2,439,923 |
| Total Income | \$15,189,677 | \$13,631,577 |


EXPENSES

| | | |
|-----------------------------|--------------------|--------------------|
| Operating Expenses | \$8,985,298 | \$8,034,382 |
| Provision Expense | \$294,581 | \$685,327 |
| Dividend Expense | \$1,336,983 | \$1,673,296 |
| Gain (Loss) on Investments | \$0 | \$0 |
| Gain (Loss) on Fixed Assets | \$5,412 | \$0 |
| Net Income | \$4,578,227 | \$3,238,572 |

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