
CAROLINA

FEDERAL CREDIT UNION

We treat you like family... because you are.

ANNUAL REPORT

2019

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About Carolina Federal Credit Union



VISION

To provide exceptional service through integrity, strength, and trust.

MISSION

To consistently exceed the expectations of our members and community by being their trusted financial partner committed to service and excellence.

MEMBERSHIP

Carolina Federal Credit Union is a full-service financial credit union that has been exceeding our members' expectations since 1969. Membership is open to anyone who lives, works, worships or attends school in Gaston or Cleveland County, or who is an employee or retiree of our sponsored companies or associations. Immediate family members are also eligible to join, regardless of where they live.

Our Services



SAVINGS, INVESTMENT, AND CHECKING

- Share and Savings Accounts
- Youth Savings Accounts
- Custom Club Accounts
- Money Market Accounts
- Certificates of Deposits Accounts
- Individual Retirement Accounts (IRAs)
- Secure Checking
- Basic Checking



LENDING

- New and Used Vehicles
- Recreational Loans for boats, campers or motorcycles
- Home equity loans and lines of credit
- Personal loans
- Share Secured Loans
- Basic Transportation Loans
- Credit Card



SERVICES

- Payroll Deduction
- Direct Deposit
- Free Notary for members
- Auto Buying research tools and calculators
- Insurance for life, home, auto, credit disability and accidental death, and dismemberment
- Exclusive discounts and benefits through Love My Credit Union Rewards
- Financial Education Services
- ATM and Shared Branch Access
- Online Account Access

Statement from Our CEO

What a difference a year can make. So much has changed since our meeting in May 2019. The COVID-19 virus has affected us all, and the way we conduct our day to day lives may never be the same.

Usually, our Annual meeting would have been in May; however, in hopes of having a face to face meeting, we moved the meeting to August 2020. The continued concern for our membership and staff has resulted in this virtual meeting.

Thanks to the numerous products and services deployed over the past few years, we were able to continue to serve our membership during the COVID-19 pandemic. We have worked with many of you to ensure your financial outlook was not harmed by the loss of pay or other financial hardships.

I know 2019 seems like years ago, but let's take a few minutes to review our performance. Your credit union's membership grew by over 7.5%, and at the years' end, we had 6,698 members. Our savings accounts, including certificate of deposit and money market accounts, increased from \$45,794,093 in December 2018 to \$46,415,207 in December 2019, nearly a 2% growth. Loan growth experienced an increase of nearly 9%, while Visa credit cards experienced a slight decrease of 6%. Carolina Federal Credit Union closed 2019 with lending balances of \$40,724,231. Our most substantial growth was in used auto loans, which increased by 16.20%. Our net worth at year-end was 10.08%, which is considered well-capitalized by the National Credit Union Administration, our federal regulators.

With all the positives in growth, we ended the year with a net income of \$191,271. The increase was a result of the trust and loyalty displayed by our members to their credit union. This positive income will be returned to our membership through enhanced products and services.

As reflected in our growth in the past year, many consumers turn to your credit union to be their primary financial institution, because they want to find a place where they are appreciated. Carolina Federal is a financial cooperative that is owned by our members. Our vision and mission are to provide outstanding products and services to our members. We are fortunate that our Board of Directors, who are members, volunteer their time to ensure your credit union is effectively managed and there is value in all we do.

As we moved into 2020, Carolina Federal Credit Union has added the following new products and services:

- Contactless Payment for Visa Credit Cards
- Apple Pay and Google Pay for MasterCard Debit Cards
- A redesigned Mobile App
- Enhanced rewards on our Visa Credit Cards to including Cash Back

- Online and telephone payments

And one of the most beneficial was the addition of an application that allows us to communicate with our members via text messaging.

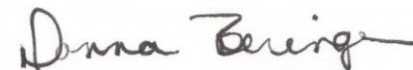
Carolina Federal is committed to the membership; however, we are equally a strong supporter of the communities we serve. In 2019, your credit union provided four \$1,000 scholarships to area high school seniors, as they are our leaders in the future. Carolina Federal Credit Union also supports and participates in the following community activities:

- Local drives to provide coats and school supplies
- Donated towards the Math Academy in Cleveland County, who help students continue to learn throughout the summer
- Habitat for Humanity
- YMCA
- Little League
- Dixie Girls Softball
- Life Enrichment Center Kings Mountain and Shelby

Our staff volunteers their time and talents to organizations such as the Cherryville Main Street Program, Little League, Rotary, Cherryville Area Ministries, Cherryville Festivals, and other area events.

We saw our lives and community change in March 2020, as the COVID-19 pandemic struck. Management at Carolina Federal Credit Union quickly evaluated the situation and made necessary changes to continue serving our members. Our office never closed; however, transactions were limited to the drive-thru. Our employees went above and beyond by working from home using their personal computers and cell phones to ensure services were provided to our membership. Many of our members had their hours reduced, were furloughed, or laid off. To assist, we allowed members to skip loan payments and offered emergency small-dollar loans. In support of our local health care workers and emergency service personnel, we provided meals to these essential workers during this time.

We hope everyone stays safe and healthy, and hopefully, we can meet in person soon.



Donna Beringer, President / CEO

CFCU Team

Supervisory Committee

Lisa Millwood - Chairman
Brad Rivers
Shannon Saine

ALCO Committee

Donna Beringer
Chad Cash
Jason Raines
Carl Dellinger

Education Committee

Jeff Cash
Gail Jenkins
Shirley Starling
Jason Raines
Chad Cash
Allison Brewer

Board of Directors

Patsy Irvin - Chairman
Jason Raines - Vice Chairman
Brad Rivers - Secretary
Donna Beringer - Treasurer
Stephen Crane
Michael Hopper
Robert Hunter
Howard Roberts
Dixie Wall

Employees

Donna Beringer - President / CEO
Chad Cash - Chief Operations Officer
Robin Fox - Branch Manager
Jennifer McSwain - Accounting
Adam Dixon - Collections Manager
John Huddle - Collections
Mary Davis - Senior Loan Officer
LuAndra McNeely - Loan Officer
Megan Jones - Loan Officer
Michelle Falls - Loan Officer
Cyrus Roberts - Loan Officer
Jean Brown – Teller
Alisha Giles – Teller
Yesica Robles – Teller
Jessica Harkey – Member Service
Allison Brewer - Marketing

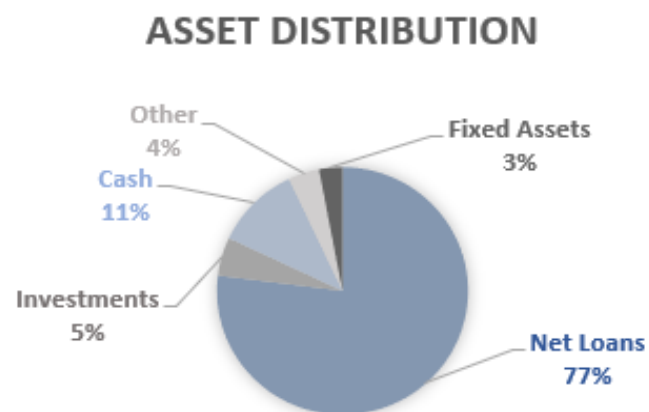
Our Performance in 2019

Comparison of Statistical Information

Comparison of Statistical Information				
For Years Ended December 31, 2019, and December 31, 2018				
	2019	2018	Change	% Change
Assets	\$52,037,336.59	\$51,175,485.47	\$861,851.12	1.68%
Loans	\$39,348,011.09	\$36,037,311.73	\$3,310,699.36	9.19%
Visa Loans	\$1,376,219.59	\$1,462,136.93	(\$85,917.34)	(5.88%)
Investments	\$7,827,330.49	\$9,747,118.28	(\$1,919,787.79)	(19.70%)
Share Savings	\$14,092,666.85	\$13,368,107.34	\$724,559.51	5.42%
Checking	\$3,747,624.25	\$4,264,244.54	(\$1,137,293.98)	(23.28%)
IRAs	\$3,332,435.31	\$2,989,726.13	\$342,709.18	11.46%
Money market	\$8,832,911.54	\$8,466,309.58	\$366,601.96	4.33%
Certificates of Deposit	\$16,409,569.09	\$16,085,031.99	\$324,537.10	2.02%
Total Equity	\$5,253,725.76	\$4,964,851.88	\$288,873.88	5.82%
Capital/Assets Ratio	10.08	9.88	.2	

Statement of Financial Condition

Assets	December 31, 2019
Loans to Members	\$40,724,230.68
Less Allowance for Loan Loss	(\$741,134.24)
Net Loans	\$39,983,096.44
Cash	\$5,830,112.85
Investments	\$5,830,122.85
NCUSIF Deposit	\$400,451.57
Fixed Assets	\$1,520,370.57
Other Assets	\$1,734,130.40
TOTAL ASSETS	\$52,037,336.59
Liabilities:	
Accounts Payable	\$353,423.42
All Other Liabilities	\$14,980.37
Total Liabilities	\$368,403.79



Shares and Equity	December 31, 2019
Certificates of Deposit	\$16,409,569.09
Money Market	\$8,832,911.54
Regular Share Deposits	\$14,092,666.85
Checking Accounts	\$3,747,624.25
IRAs	\$3,332,435.31
Regular Reserves	\$720,055.30
Unrealized Gain MBS & CMOs	\$1,659.84
Undivided Earnings	\$4,532,010.62
Total Equity and Shares	\$51,668,932.80
TOTAL LIABILITIES AND EQUITY	\$52,037,336.59
Statement of Income:	
Income:	
Interest on Loans	\$2,538,966.33
Investment Income	\$172,229.27
All other Income	<u>\$947,542.95</u>
Total Income	\$3,658,738.55
Less:	
Operating Expense	<u>(\$2,950,739.71)</u>
Income from Operations	\$707,998.84
Less:	
Dividends Paid to Members	<u>(\$516,727.55)</u>
NET INCOME	\$191,271.29



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