

**SOUTHERN CREDIT UNION
BOARD OF DIRECTORS**

- Stephen L. Evans President
- Danny Homes Vice President
- Donna Cunningham Secretary/Treasurer
- Grady L. Hicks Director
- Clifford Lowrance Director
- Joan Murphy-Cope Director
- Greg O'Neal Director
- Mike Stacks Director

SUPERVISORY COMMITTEE

- Theodore Jackson, Chairman
- Grady Hicks, Clifford Lowrance, Sandy Wallis

**88TH Annual Meeting
SOUTHERN CREDIT UNION
Order of Business**

- Invocation
- Call Business Meeting to Order
- Pledge to the Flag
- Establishment of Quorum
- Welcome to Members and Guests
- In Memoriam - Silent Prayer for our Deceased Members
- Recognition of Past Board Members & Staff
- Minutes of Previous Year's Annual Meeting
- Report of Board of Directors - Steve Evans
- Report of Supervisory Committee - Theodore Jackson
- Report of Secretary / Treasurer - Donna Cunningham
- Unfinished Business
- New Business:
- Election of Directors - Greg O'Neal
- Managers Report - Cindy Beale
- Other Business:
- Drawing for Door Prizes
- Adjournment

WELCOME

TO

SOUTHERN

CREDIT UNION'S

88TH

ANNUAL MEETING

MARCH 13, 2021



REPORT OF THE CHAIRMAN

As Chairman of the Board of Southern Credit Union, I am proud to serve with other volunteer members of the Board of Directors. It is our honor to serve our membership, helping them to meet their needs. This past year has been a difficult one with the Covid-19 pandemic affecting us all. I would like to commend the board for their devotion to the credit union. We did not miss one month of meeting together in order to keep a member's account safe. I want to especially thank our general manager and staff, who never took off, but came into the office every day to take care of our membership. Southern Credit Union continues to thrive in these difficult times because of the extraordinary people, a conscientious board, caring staff, and devoted members. It was my privilege to serve as Board Chairman this past year.

Steve Evans

Chairman of the Board

REPORT OF THE GENERAL MANAGER

What a year, 2020. It goes without saying it was difficult - tornadoes, floods, layoffs, pandemic, civil and racial unrest. Through all of the crazy year, we remained open and serving member needs. Last March, we postponed this meeting due to a world-wide shutdown. Yet as an essential business, our doors remained open. We learned to Zoom. We learned to pivot. Since we don't have a drive-thru, we adopted a buzz-in door system. We wear masks. We clean. We wait for Covid-19 vaccine! I think we are Covid-19 fatigued. We lost several members this year. We especially miss Director Floyd Mathis and his wife Diana. Mr. Mathis had a servant's heart and volunteered for more than 30-years. They died 3 weeks apart. Our former General Manager John Harper passed away in December. The pall at times leaves us feeling distressed. So, I challenge myself to look for the silver linings. Here are a few:

- We work with integrity and authentically care for our members.
- We serve a diverse membership and value all our members.
- We are governed by a volunteer board in a not-for-profit cooperative.
- We all have input, 'one member, one vote', in this democratic organization.
- We operate safely and soundly and meet or exceed regulatory expectations.
- We are a community and family of honest, hard-working members.
- We know each other and encourage each other through our trials and obstacles.
- We are grounded in love.
- We hope for a future and are thankful for the opportunities it brings.

We thank you for your participation and hope you tell coworkers and family to join SCU. It is vital for future success. We look forward to introducing the next generation to Southern Credit Union.

Cindy Beale

General Manager

REPORT OF THE SECRETARY/TREASURER

It has been a tough year for the credit union. The credit union ended the year with a net loss of \$88,264 due to low loan demand and investment yields below 1/2 of one percent. Your board of directors meet monthly and review the financial performance of the credit union. Each month we evaluate how we are meeting the member's financial needs.

I offer the following statistics as of December 31, 2020:

- Total assets are \$22,892,053
- Member equity is \$2,059,833
- Member shares and deposits grew to \$19,998,106
- Seven hundred and six loans totaling \$4,548,473 were made
- Operating expenses were reduced \$59,170.
- Investments are \$12,839,104
- New capital was calculated to be 13.02% and is considered to be very good.

Operating income from 2020 totaled \$727,539. These earnings were used to pay dividends and interest of \$64,779 and meet operating expenses of \$751,023.

It has been my pleasure to serve as the secretary/treasurer this past year.

Donna Cunningham,
Secretary/Treasurer

REPORT OF THE SUPERVISORY COMMITTEE

As Chairman of the Supervisory Committee, I report the following to the membership:

- The committee reviewed and tested various operations monthly.
- The operations remain safe, sound and in good financial condition.
- We engaged CU Audit and Compliance Group, an independent certified public accounting firm, to perform annual audit of the Credit Union's financial statements.

CU Audit and Compliance Group also performs a number of other reviews for safety and security. They perform the Bank Secrecy Act audit and on-site quarterly audits. The results conclude that your Credit Union continues to satisfy the federal regulations and comply with generally accepted accounting procedures (GAP). As of December 31, 2020, the credit union has regular reserves of \$785,052, undivided earnings of \$2,059,833.

I thank the members of the Supervisory Committee, the Board of Directors and the Credit Union staff for their cooperation, assistance and support.. It's an honor to serve you.

Theodore Jackson,

Supervisory Committee Chairman

Good News!

We have a new MasterCard Debit Card with chip technology! It has many features giving you control to master your usage. Download the SecurLock app. Turn your car on or off for point of sale (POS) and ATM machines. Get immediate texts of usage. Set budgeting limits.

Coming in 2021

Remote deposit capture - deposit check by photographing the check on your smart phone for deposit.

New Mortgage loan application from the SCU web site.

Learn more about products and services www.southernncu.com

Mission

Our mission is to serve as our member's primary financial institution by providing competitive products and services with superior customer service and delivering those services utilizing technology by a highly trained and motivated staff.

Helping Members Afford Life

If you are interested in learning more about

SCU products, services or locations, visit our website at:

www.southernncu.com

Like us on Facebook!

Or, feel free to contact us at:

423.629.2578 or 865.687.3691

Important Information:

Please help us thank the businesses which provide door prizes.

We ask that you take a few minutes to complete the Annual Meeting survey.

Have you visited the new website? Check it out: www.southernncu.com

Are you tired of all the paper clutter at home? When was the last time you opened your statement? We can help! Sign up for E-Statements in the PC Branch!

SOUTHERN CREDIT UNION ANNUAL MEETING

Saturday, March 16, 2019

The 87th Annual Meeting of Southern Credit Union was held June 6, 2020. Due to the COVID-19 Virus public meeting regulations, the meeting was held at the Southern Credit Union Chattanooga Office. Masks were handed out to attendees and "Social Distancing" was observed.

Mr. Evans welcomed and thanked everyone attending.

Mr. Hicks led the invocation.

Ms Donna Cunningham verified the annual meeting quorum was established.

Mr. Evans called the meeting to order.

Mr. Evans asked for a moment of silence for those members who had passed away during the last year. He then led the Pledge of Allegiance to the flag.

Mr. Evans recognized retired board members, members of the board, supervisory committee, and staff members.

Mr. Evans directed everyone to review the minutes of last year's meeting and the various reports presented. A motion was made and seconded to accept the minutes and reports as presented. The motion passed.

There was no unfinished business.

New Business: Mr. Evans called on Danny Holmes, a member of the Nominating Committee, to present the slate of nominees. They were Steve Evans, Greg O'Neal and Cliff Lowrance. Mr. Evans asked if there were any nominations and to elect the candidates by acclamation. The motion passed. Mr Evans expressed his thanks for all who service and volunteers for the credit union.

General Manager Ms. Beale thanked staff and volunteers for their service and encouraged visitors to join the credit union. She announced that the 2021 Annual Meeting will be at the Car Barn on March 13, 2021. Because of the Virus, the Car Barn allowed the credit union to transfer deposit to next year. All 2020 annual meeting tickets purchased will be valid for next year's meeting.

Mr. Evans recognized Charlie Young for celebrating his 25 year with the credit union. Mr. Evans also welcomed Julie Hull from the Knoxville office, announced Debbie Spangler's retirement and the appointment of Sandy Wallace to Supervisor Committee.

Mr Evans reported that the new air conditioning system was installed, and the security guard was replaced with a new system consisting of a locked door with a buzzer entry.

Other business: none

Mr. Evans led the drawing for door prizes.

There being no further business, the meeting was adjourned.

Respectfully submitted,

Donna Cunningham, Secretary

Stephen L. Evans, President

**SOUTHERN CREDIT UNION
COMPARATIVE INCOME STATEMENT
2020 - 2019**

	2020	2019
Interest on Loans	487,589	561,820
Investment Income	133,961	245,161
Fees and Charges	105,989	102,327
<i>Total Income</i>	727,539	909,308
Operating Expenses		
Employee Compensation	331,451	334,244
Employee Benefits	81,691	100,785
Office Occupancy	62,863	58,552
Office Operations	151,881	149,193
Data Processing	51,246	55,218
Dues, Meetings & Education	21,369	19,148
Bond, Audit & Insurance	35,005	32,567
Legal, Credit & Collections	5,275	3,267
Miscellaneous Expense	5,992	6,969
Provision for Loan Losses	4,250	50,250
NCUA Assessment	-0-	-0-
<i>Total Operating Expenses</i>	751,023	810,193
Dividends and Interest	64,779	74,369
Net Income	-82,264	24,747

**SOUTHERN CREDIT UNION
COMPARATIVE BALANCE SHEET
2020- 2019**

	2020	2019
ASSETS		
Loans	9,389,193	10,304,071
Allowance for Loan Losses	(135,075)	(135,226)
<i>Net Loans</i>	9,254,118	10,150,078
Cash	546,129	522,129
Investments	12,839,104	9,472,111
Fixed Assets	188,162	170,413
Other Real Estate Owned	-0-	-0-
Other Assets	64,540	69,184
Total Assets	22,892,053	20,373,992
LIABILITIES and EQUITY		
Accounts Payable	(5,435)	22,140
Dividends Payable	-0-	-0-
Accrued Expenses	-0-	-0-
Other Liabilities	54,497	64,699
<i>Total Liabilities</i>	49,062	42,559
Shares and Deposits	19,998,106	17,398,284
Regular Reserves	785,052	785,052
Undivided Earnings	2,059,833	2,148,097
Total Liabilities and Equity	22,892,053	20,373,992