

PEACH STATE FCU



2023 ANNUAL REPORT





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CHAIRMAN'S
REPORT

Peach State achieved strong fiscal results in 2023 and remains financially secure. We focused on protecting the assets of our members and the credit union, giving us the ability to provide ongoing value to our members and the communities we serve.

I'm proud of management's adaptability in responding to the economic challenges presented to our members. The result was increasing dividends on savings products and remaining competitive with our loan rates. Management and staff consistently put our members' needs before all else, demonstrating their focus truly is on people, not profits – a nod to the credit union philosophy of "People Helping People".

With this emphasis in mind, I'm pleased to report that the Peach State FCU C.A.R.E.S. Foundation donated over \$700,000 in support of education, the arts, and other charitable organizations in 2023. An awe-inspiring figure that shows just what can be achieved when the focus on people is extended to making a difference in our surrounding communities.

I'd also like to take a moment to acknowledge and thank my fellow volunteers for their continued dedication to the credit union and our members. It's an honor to serve alongside our Board of Directors, Supervisory Committee, and regional Advisory Boards.

On behalf of our volunteers, management, and staff, I thank YOU, our members, for putting your trust in Peach State. As I look to the future, I'm excited to see where the credit union is heading with a purpose-driven quest to help our communities thrive, all rooted in the credit union principle of "People Helping People".

- David Welden, Chairman



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PRESIDENT'S
REPORT

Rising rates coupled with continued inflation and economic challenges impacted many in 2023. Despite these difficult conditions, I am proud to say that Peach State ended the year in a strong financial position. We also successfully completed system conversions for Pickens FCU and Abbeville Community FCU, the credit unions that merged with us in 2022. Those communities now have access to an expanded suite of competitive and affordable financial products and services. 2024 looks to be another year of growth for Peach State as we're on course to cross the \$1 billion threshold in assets.

Our focus in 2023 was perseverance and commitment – prioritizing members and putting their needs first. One of the ways in which we did so was increasing returns on our Term Share Certificates (or CDs) and Money Market Accounts, and modifying eligibility requirements for our Loyalty CDs to provide more opportunities for members to grow their savings. In addition to this, we continued to offer affordable lending solutions such as our low-rate Visa Credit Cards, 10/10 Adjustable-Rate Mortgages (ARMs), and Holiday Loans. We remain dedicated to offering

affordable financial products while providing exceptional service that personifies the credit union philosophy of "People Helping People".

Peach State also continued its longstanding commitment to supporting its communities. During 2023, the Peach State FCU C.A.R.E.S. Foundation donated to numerous educational and charitable endeavors, including a \$250,000 pledge to Georgia Gwinnett College Foundation. The C.A.R.E.S. Foundation also awarded over \$231,000 in scholarships to high school seniors and professionals seeking career advancement to further their education.

We have seen a lot of change in our world over the past few years. I can assure you that Peach State will continue adapting for the better, not just through affordable banking solutions but also by creating meaningful impacts in our community.

- Marshall Boutwell, President/CEO



TREASURER'S REPORT

2023 was a record year for Peach State. We outpaced financial projections, and provided exceptional member service and support to our communities. Assets grew over 8%, loans grew over 15%, and we ended the year at \$960 million in assets.

We were able to steadily increase the dividend rates paid to our members and keep loan rates lower than many peer institutions. These strategic decisions were made with the objective of helping members remain successful in achieving their financial goals. We also continued to give back to the communities in our service area through the Peach State FCU C.A.R.E.S. Foundation.

Peach State continues to consistently demonstrate strong financial results. My responsibility as Treasurer is to review and discuss the monthly reports and ensure effective financial management of the credit union. I am pleased to report that Peach State's financial performance indicators not only reflect sound management, but also demonstrate our commitment to members' evolving needs.

- **Robert Bradford**, Committee Chairman

STATEMENT OF CONDITION (as of December 31, 2023)

ASSETS

Loans to Members (Less Loan Loss Reserve)	\$733,900,698
Cash on Hand	\$9,413,196
Investments	\$155,190,437
All Other Assets	\$64,585,296
TOTAL ASSETS	\$963,089,627

LIABILITIES AND EQUITY

Member Deposits	\$808,531,205
Borrowed Funds	\$62,000,000
Equity Capital	\$80,446,014
Unrealized Gain/Loss on Investments	(\$3,943,795)
All Other Liabilities	\$16,056,203
TOTAL LIABILITIES AND EQUITY	\$963,089,627

INCOME STATEMENT

Interest on Loans	\$39,845,163
Income from Investments	\$3,247,418
Other Income	\$17,030,710
TOTAL INCOME	\$60,123,292
Operating Expense	\$44,422,130
Dividend	\$6,330,344
Extraordinary (Gain)/Loss	\$25,038
TOTAL EXPENSES	\$50,777,511
CONTRIBUTION TO CAPITAL	\$9,345,780

LOAN ACTIVITY 2023

Total Loans Approved (20,230)	\$540,195,403
Total Loans Denied (3,109)	\$36,934,543
Highest Volume Month (February)	\$63,001,930
Total Loans Outstanding as of 12.31.23 (32,448)	\$738,739,903
Increase over 2022	\$98,668,220



FINANCIAL COMPARISON

	2023	2022	Amount of Change	% of Change
Assets	\$963,089,627	\$890,694,456	\$72,395,171	8.13%
Loans	\$738,739,903	\$640,071,683	\$98,668,220	15.42%
Member Deposits	\$808,531,205	\$789,585,223	\$18,945,983	2.40%
Gross Income	\$60,123,292	\$42,832,992	\$17,290,300	40.37%
Operating Expenses	\$44,422,130	\$33,687,794	\$10,734,336	31.86%
Dividends	\$6,330,344	\$1,835,575	\$4,494,769	244.87%
Extraordinary (Gain)/Loss	\$25,038	(\$636,152)	\$661,190	-103.94%
Contribution to Capital	\$9,345,780	\$7,945,775	\$1,400,005	17.62%
Number of Members	89,435	84,927	4,508	5.31%



▶▶▶▶▶ SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for ensuring safe business practices and that proper internal controls are being followed for the credit union's member-owners.

In 2023, they met with members of Peach State's Executive Team quarterly to review the credit union's annual NCUA regulatory exam along with all relevant compliance and audit reports.

Peach State's Internal Audit Department performed monthly and quarterly compliance reviews and provided regular updates to the Supervisory Committee. These interim audits evaluate Peach State's policies and regulatory compliance in the accounting, file maintenance, loan processing, account reconciliations, security, and risk management areas. The Internal Audit Department is also

responsible for the "Independent Auditor's Report on the Consolidated Financial Statements", which has been included in this report (additional copies available upon request).

I am pleased to report that Peach State continues to operate in a secure manner and remains fully compliant with NCUA and other government regulatory requirements. I would like to recognize the management and staff at the credit union, as well as my fellow volunteers, for their dedication to our member-owners. They consistently go above and beyond, putting our members' needs first, providing affordable, quality products and services, and ensuring Peach State remains fiscally sound.

- Jennifer Houston, Chairman



▶▶▶▶▶ NOMINATING COMMITTEE REPORT

In accordance with Peach State's bylaws, the Nominating Committee, consisting of Robert Bradford, Lenzy Reid, III, and Kay Yetter, respectfully submit the following names for nomination at the Annual Meeting on April 17, 2024: Dr. Linda Anderson (3-yr. term), Walt Martin (3-yr. term), MaryBeth Thomas, (3-yr. term) and Paul Wesley (3-yr. term).

Dr. Linda Anderson (incumbent) – Three-year term. Anderson formerly served as the Associate Superintendent for the Division of Human Resources and Talent Management for Gwinnett County Public Schools before retiring in June 2020. She has worked in various school systems since 1980 including Gwinnett County Public Schools, Fulton County Public Schools, and Atlanta Public Schools. Anderson joined the Peach State Board of Directors in September 2017 and also served on the Executive Board of the Northeast Georgia Council, Boy Scouts of America for three years.

Walt Martin (incumbent) – Three-year term. Martin is the Chief Business Operations Officer for Gwinnett County Public Schools. He has worked for the school system

since 1991. Martin holds a bachelor's degree in business development with a focus on finance from Georgia State University and a master's degree in business/human resources management from Troy State University. He joined Peach State's Board of Directors in April 2020.

MaryBeth Thomas (incumbent) – Three-year term. Thomas is currently the Director of Warrior Academy in White County and was named the 2019 Georgia Association of Secondary School Principals "Middle School Principal of the Year". She has a bachelor's degree from Piedmont College and a master's degree from the University of Georgia. Thomas joined Peach State's Board of Directors in April 2020.

Paul Wesley (incumbent) – Three-year term. Wesley retired after 27 years with DeKalb Planning Department and Human Development. He served on the Peach State Credit Union Board, prior to its merger with Gwinnett Federal Credit Union in 2012. Wesley served on their Supervisory Committee for two years and has been a Board member for 10 years.

- Robert Bradford, Committee Chairman



61st ANNUAL MEETING April 19, 2023

Introductions: Chairperson David Welden welcomed members and thanked everyone for their attendance and announced that this is our 61st annual meeting. He then recognized the Board and Supervisory Committee members.

Dr. James Washington opened the meeting with a prayer.

Call to Order: The 61st Annual Meeting of Peach State Federal Credit Union was called to order by CEO Marshall Boutwell at 6:37 p.m.

Mr. Boutwell Remarks: Mr. Boutwell recognized all of the credit union's staff present. Mr. Boutwell acknowledged the credit union's first full-time employee, Peggy Kilgore. Ms. Kilgore celebrates her 50th anniversary this year.

Establish a Quorum: There were enough members in attendance to establish a quorum for the annual meeting.

Adopt Agenda: With a motion and a second, the written agenda was approved as distributed.

Approval of 2022 Annual Meeting Minutes: With a motion and a second, the minutes of the April 20, 2022, Annual Meeting were approved.

Management Reports: With a motion and a second, the written reports of the Chairman, President, Treasurer, and Supervisory Committee were approved as distributed.

Old Business: none

New Business: There being no petitions submitted, a motion was made to declare the following incumbents elected to the board by acclamation for three-year terms: Dr. James Washington, Dr. Stas Preczewski and Jennifer Houston.

Adjourn: The business meeting adjourned at 6:50 p.m. and the board members excused themselves to another room to reconvene for their regular monthly board meeting.

Door Prize Drawings: The credit union staff continued with the annual door prize drawings and gave away sixty-one \$50 dollar bills and sixty-one \$20 dollar bills (all children under the age of 18 received \$20).

Respectfully Submitted,

David Welden, Chairperson

Bob Bradford, Secretary/Treasurer



VOLUNTEERS

We would like to acknowledge and recognize the contributions of our volunteers who served in 2023.

Board of Directors

David Welden, Chairman
 Dr. Linda Anderson, Vice Chairman
 Bob Bradford, Secretary/Treasurer
 Jennifer Houston
 Walt Martin
 Dr. Stas Preczewski
 Lenzy Reid, III
 MaryBeth Thomas
 Dr. James Washington
 Paul Wesley
 Kay Yetter

Supervisory Committee

Jennifer Houston, Chairman
 Patrick Franklin
 Charlotte Gilman
 Jeff Padgett
 Dr. Xerona Thomas

Advisory Board Members

Augusta Region
 In Memoriam: Nancy Foss
 Clarence Canada
 William Holmes

Augusta Region (Cont.)

Linda Johnson
 Brewtie Lawton
 Gene Spires
 Ruby Stewart

North Georgia Region

Dr. J. Gary Adcox
 Adriane Lockwood
 Dr. Cyndee Moore
 Ellen Petree
 Brock Toole

Northeast Georgia Region

Richard Adams
 Phyllis Carson
 Jennifer Carter
 Joye Dodd
 April James
 Doug Loyd
 Dee Scarborough
 Barbra Strain

Northwest Georgia Region

Matt Harris
 Nikki Rosser
 Jan Shattuck
 Eddy Willingham

South Carolina Region

Dr. Lori Brownlee-Brewton
 Barry Creswell
 Preston Culbertson
 David Dougherty
 Michael Hyland
 Dr. Tim Keown
 Frankie Milford
 Chuck Nash

Directors Emeritus

Dr. Brooks Coleman
 Dr. Frances Davis
 Rick Davis
 Dr. Keith Everson



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