



2022 PEACH STATE FCU ANNUAL REPORT



CHAIRMAN'S REPORT >>

I am pleased to report that 2022 was a successful year for the credit union and that we experienced strong earnings. Our capital structure remains safe and sound, protecting our members' assets.

These achievements enabled us to turn the lens inward and look to our most valuable asset – our employees. In recognition of our staff's hard work over the last two years as they faced the disruption of COVID in their daily jobs, the majority of Peach State's team received two small raises. We also opened up more opportunities for many back-office staff to work from home to help ease the burden of rising costs associated with inflation.

Our priority is to ensure the credit union continues to offer the best products and provide superior service to our members. We expanded our footprint in South Carolina, and welcomed members from Abbeville Community FCU and Pickens FCU at the end of the fourth quarter as we merged in these two credit unions. We look

forward to serving these members and their families, as well as increasing our community outreach in those regions.

Last but not least, as I reflect on all that the credit union accomplished last year, I am thankful to work alongside a very involved group of volunteers on our Board of Directors and Supervisory Committee who have been extremely supportive of management and staff. I would also like to acknowledge the volunteers who serve on the regional Advisory Boards throughout our service area.

Peach State is well-positioned for continued long-term success. I look forward to 2023 with optimism and excitement for what the future holds.

– David Welden, Chairman



PRESIDENT'S REPORT >>

Last year presented some challenges to us as a nation as a result of COVID and high inflation. For Peach State, it was a year that reaffirmed our mission, values, and the credit union belief of "people helping people." I am proud to say that we not only persevered in our commitment to our members, communities, staff, and financial performance – we thrived.

We experienced growth in both our lending portfolio and membership base, which is a testament to our members' confidence in us as their trusted financial partner. We continued to offer affordable lending solutions such as our low rate 10/10 Adjustable Rate Mortgage (ARM) and Visa Credit Cards.

Credit union pioneer Alphonse Desjardins once said, *"Let it never be forgotten that a credit union is above all else, an association of people, not dollars."* Although 2022 presented its challenges, our dedication to what matters most – helping people – was never overlooked.

The Peach State FCU C.A.R.E.S. Foundation pledged significant funds to numerous worthwhile educational and charitable endeavors, including a donation to the Hooper Renwick Memorial Campaign on behalf of the Gwinnett County Public Library Foundation.

We also focused on our team, who performed admirably over the last two years in the face of COVID. Nearly all Peach State employees received two pay increases in 2022 and we expanded our work from home opportunities for a number of our employees to lessen the burden of commuting.

In December, we merged two South Carolina credit unions, Abbeville Community FCU and Pickens FCU. We look forward to serving the financial needs of these members and growing our membership base in these communities.

We are committed to delivering even more affordable solutions to our members in the coming year through steadily increasing returns on our Savings Accounts and ensuring loan costs remain as low as possible. We plan to carry our momentum from this past year into 2023 and beyond, deepening our focus on our members and their financial well-being.

– Marshall Boutwell, President/CEO



TREASURER'S REPORT >>>

Last year was an outstanding one for Peach State. We outpaced our financial projections while continuing to provide exceptional service to our members as well as strong support of our communities. Assets grew nearly 15% (more than \$112 million), loans grew over 36%, and we ended the year at \$890 million. Loan quality remained strong, with charge-offs and delinquencies staying relatively low.

As market interest rates increased, so too have the dividend rates we have been able to pay our members. And we continued to give back to the communities within our footprint through the Peach State FCU C.A.R.E.S. Foundation.

Peach State continues to consistently demonstrate strong financial results. As Treasurer, it is my responsibility to review and discuss the monthly reports to ensure effective financial management of the credit union. I am confident in reporting that Peach State's financial performance indicators reflect sound management and a dedication to responding to our members' needs as they continue to evolve.

– Robert Bradford, Secretary/Treasurer

STATEMENT OF CONDITION (as of December 31, 2022)

ASSETS

Loans to Members (Less Loan Loss Reserve)	\$636,776,750
Cash on Hand	\$10,779,270
Investments	\$181,661,245
All Other Assets	\$61,477,192
TOTAL ASSETS	\$890,694,456

LIABILITIES AND EQUITY

Member Deposits	\$789,585,223
Borrowed Funds	\$25,000,000
Equity Capital	\$71,100,233
Unrealized Gain/Loss on Investments	(\$6,052,246)
All Other Liabilities	\$11,061,246
TOTAL LIABILITIES AND EQUITY	\$890,694,456

INCOME STATEMENT

Interest on Loans	\$24,735,488
Income from Investments	\$2,840,427
Other Income	\$15,257,077
TOTAL INCOME	\$42,832,992

Operating Expense	\$33,687,794
Dividend	\$1,835,575
Extraordinary (Gain)/Loss	(\$636,152)
TOTAL EXPENSES	\$34,887,217

CONTRIBUTION TO CAPITAL	\$7,945,775
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LOAN ACTIVITY 2022

Total Loans Approved (17,904)	\$501,204,423
Total Loans Denied (2,254)	\$26,105,134
Highest Volume Month (February)	\$58,034,819
Total Loans Outstanding as of 12.31.22 (29,815)	\$640,071,683
Increase over prior year	\$172,808,181

FINANCIAL COMPARISON

	2022
Assets	\$890,694,456
Loans	\$640,071,683
Member Deposits	\$789,585,223
Gross Income	\$42,832,992
Operating Expenses	\$33,687,794
Dividends	\$1,835,575
Extraordinary (Gain)/Loss	(\$636,152)
Contribution to Capital	\$7,945,775
NUMBER OF MEMBERS	84,927



	2021	Amount of Change	% OF Change
Assets	\$778,365,131	\$112,329,326	14.43%
Loans	\$467,263,502	\$172,808,181	36.98%
Member Deposits	\$710,532,010	\$79,053,212	11.13%
Gross Income	\$36,398,185	\$6,434,807	17.68%
Operating Expenses	\$30,006,714	\$3,681,080	12.27%
Dividends	\$1,571,493	\$264,083	16.80%
Extraordinary (Gain)/Loss	(\$88,120)	(\$548,033)	621.92%
Contribution to Capital	\$4,908,099	\$3,037,677	61.89%
	74,190	10,737	14.47%



SUPERVISORY COMMITTEE REPORT >>

The Supervisory Committee is responsible to our member-owners and represents the best interests of the members by ensuring safe and sound business practices and proper internal controls are being followed.

The Supervisory Committee, along with members of the Executive Team, met on a quarterly basis to review the credit union's annual NCUA regulatory exam, in addition to compliance and audit reports.

The Internal Audit Department at the credit union performed the quarterly compliance reviews and was responsible for the "Independent Auditor's Report on the Consolidated Financial Statements". These financial statements have been included in this report; additional copies are available upon request. The Internal Audit Department also performed monthly reviews and provided regular updates to the Committee. The purpose of these interim

audits is to assess Peach State's policies and regulatory compliance in the accounting, file maintenance, loan processing, account reconciliations, security, and risk management areas.

After reviewing the results of our exam and audits, I am pleased to report that Peach State continues to operate in a safe and sound manner. The credit union remains fully compliant with NCUA and other government regulatory requirements. I am proud of the management, staff and my fellow volunteers who continue to represent our members' interests, ensuring Peach State's financial soundness, while consistently providing exceptional products and services.

– Jennifer Houston, Chairman



NOMINATING COMMITTEE REPORT >>

In accordance with Peach State's bylaws, the Nominating Committee, consisting of Robert Bradford, Walt Martin, and MaryBeth Thomas, respectfully submit the following names for nomination at the Annual Meeting on April 19, 2023: Jennifer Houston (3-yr. term), Dr. Stas Preczewski (3-yr. term), and Dr. James Washington (3-yr. term).

Jennifer Houston (incumbent) – Three-year term. Jennifer joined Peach State's Board of Directors in 2019 and was named Chairman of the Supervisory Committee in June 2020. She is currently the Assistant Superintendent for Business Services at the Barrow County Board of Education. Prior to joining the Barrow County School System, she served as Finance and Audit Manager at the City of Winder and has experience working in the private sector concentrating on auditing local governments. Jennifer received a bachelor of business administration from North Georgia College and State University and is a licensed CPA. Jennifer previously served on Peach State's Supervisory Committee for three years.

Dr. Stas Preczewski (incumbent) – Three-year term. Stas is the President at Riverside Military Academy. He holds a Doctorate in higher education, bachelor's and master's degrees in engineering, and a master's degree in national security strategy and planning from the United States Naval War College. Stas has been a Board member since 2012.

Dr. James Washington (incumbent) – Three-year term. James is retired from New Grove Baptist Church in Winterville, GA where he served as Senior Pastor for 40 years. He holds a bachelor of science degree in mathematics from Florida A & M University as well as a doctorate in adult education from the University of Georgia. James also has a master's degree in education from Southern Baptist Theological Seminary in Louisville, Kentucky. He has been a Peach State Board member since 2012 following the merger of Clarke Community FCU with Peach State.

– Robert Bradford, Committee Chairman



60th ANNUAL MEETING April 20, 2022

Introductions: Chairperson David Welden welcomed members and thanked everyone for their attendance and announced that this is our 60th annual meeting. He then recognized the Board and Supervisory Committee members.

Dr. James Washington opened the meeting with a prayer.

Call to Order: The 60th Annual Meeting of Peach State Federal Credit Union was called to order by CEO Marshall Boutwell at 6:42 p.m.

Mr. Boutwell Remarks: Mr. Boutwell recognized all of the credit union's staff present. Mr. Boutwell stated this was the first year the credit has held the annual meeting in person since 2019. He acknowledged the credit unions' first full time employee, Peggy Kilgore. Ms. Kilgore will celebrate her 50th anniversary next 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 2021 Annual Meeting Minutes: With a motion and a second, the minutes of the April 15, 2021, 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: Bob Bradford, David Welden Lenzy Reid and Kay Yetter.

Adjourn: The business meeting adjourned at 6:55 p.m. and the board excused itself to another room to reconvene for their regular monthly board meeting.

Door Prize Drawings: The credit union staff continued with the annual door prize drawing and awarded 60 envelopes containing \$50 each and 60 envelopes containing \$20 each (all children won \$20).

Respectfully Submitted,

David Welden, Chairperson

Bob Bradford, Secretary/Treasurer

PEACH STATE FCU ANNUAL REPORT



VOLUNTEERS

We would like to acknowledge and recognize the contributions of our volunteers who served in 2022.

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. Xernona Thomas

Advisory Board Members

Augusta Region
Clarence Canada
Nancy Foss
William Holmes
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
Joye Dodd
Doug Loyd
Dee Scarborough
Walker Whitworth

Northwest Georgia Region

Matt Harris
Nikki Rosser
Jan Shattuck
Eddy Willingham

Directors Emeritus

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



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