



SRP

FEDERAL CREDIT UNION

2022 ANNUAL REPORT



Chairman's Report

Sandra DeVoe Bland
Chairman

SRP Federal Credit Union had another successful year! The best in our history. (Yes. I made that statement in 2021 and 2022). We are delighted to report that SRP is stronger than ever. SRP Federal Credit Union is financially safe and sound. We continue to grow and make a lasting footprint in the credit union movement.

SRP is committed to help our members with financial wellness and literacy, understand evolving payments strategies, and better serve business members. Artificial intelligence (AI) has pushed technology in the financial industry. Technology is reshaping how financial transactions are conducted across many industries. Throughout the United States, the financial industry is faced with challenges that include sophisticated financial fraud schemes, elder abuse, and cyber-attacks. We continue to adapt and offer products and services to anticipate and meet your needs. SRP stands strong.

We have grown to over \$1.6 billion in assets and serve over 180,000 members. In 2022, SRP recorded our best and third strongest historical performance with demonstrated commitment to our members and communities (people helping people). We saw growth in income; over \$22 million net income in 2022, almost 15% net loan growth, and 4.6% membership growth (12,646 new members). SRP maintains a visible presence and strong commitment to the communities we serve. SRP member give back was over \$3.8 million (credit card rewards redeemed, loyalty dividends, NSF/ODP refunds, affinity high school debit card give back, community give back, spotted program, and random acts of kindness). To better serve you, the operational hours of our virtual tellers shifted to 7 AM to 7 PM, Monday – Friday. SRP leaders and employees are active in the local community.

September 2022, we welcomed Eric Jenkins, CEO, to lead the executive team. Interim President, Woody Shuler passed the baton and facilitated a smooth turnover of leadership. SRP is well positioned to provide significant leadership within our field of membership and throughout the credit union movement. Strategically and tactically, your board of directors consistently

assess the potential risks and impacts to our not-for-profit cooperative so that we preserve the SRP legacy.

Your Board of Directors, unpaid volunteers, continue to set the strategic direction, policy, and goals for our credit union. We volunteer our service to you and are committed to protecting the interest of our members. Your board is responsible, resolute, and enthusiastic about our credit union. "We will never lose sight of why we exist nor become too big to know and serve you." Because of you, we are. SRP, your credit union exists to serve you. We will always strive to provide you with the best and highest quality products and services. On behalf of your Board of Directors, thank you for your continued support and allowing us to serve you.

Good things are happening at SRP!

Together we are stronger,

Sandra DeVoe Bland
Chairman

Board of Directors



Sandra DeVoe Bland
Chairman



Chuck Goergen
Vice Chairman



Roy Geiselhart
2nd Vice Chairman



Larry Laughlin
Treasurer



Louisiana Wright Sanders
Secretary



Melinda Brinkley



Lonnie Gordon



Terry Meeks



Goldie Randle



Mary Thomas



Mark Utley



CEO Report

Eric Jenkins
Chief Executive Officer

SRP Federal Credit Union has a long history of creating meaningful value for our member-owners and the communities in which we are privileged to serve, while achieving significant financial success at the same time. Not only did those traditions continue in 2022, in many ways they accelerated as the credit union reached all-time highs in total assets, deposits and loans, exceeded major milestones in giveback programs and supported numerous volunteer and charity initiatives. It is my pleasure to share details of some of these items with you.

Let's begin with what you, our member-owners, have done for our community through the SRP High School Affinity Debit Card program. Since its inception in 2018, over 24,000 of you have chosen an SRP debit card with a design from your school of choice. Every time you use your school-designed debit card, you donate to that school. It is through your support of the SRP High School Affinity Debit Card program that during 2022 cumulative donations exceeded the \$1 million mark! This is truly amazing considering the relatively short duration of the program. In a time when schools budgets are being cut, you have helped local students by providing schools these much-needed funds. SRP continues to donate each time you spend using your High School Affinity Debit Card, so keep showing your school spirit and if you don't have a debit card to represent your school of choice, look on our website for a full listing of all participating schools then get your card. We thank everyone who has participated, and we look forward to your continued support.

SRP provided free events and services for our membership and the public-at-large. For example, we provided Shred Days for our members, during which we collected 35,620 pounds of shred. SRP added Family Movie Nights in April and October following Shred Days and our members have shown their support by coming with their families and enjoying the festivities.

Both member-owners and the public had the opportunity to receive various types of trainings from SRP, and over 8,600 individuals took advantage of the free training. These trainings included financial literacy classes, small business seminars and various financial webinars.

SRP distributed \$22,300 to people with SRP stickers on their vehicles as part of our Spotted program. You may also share the same good fortune if you are Spotted. We are often asked if people really win, and on our new website you are now able to see photos of some of our winners over the past months. It is real.

Another program that has continued is SRP's Random Acts of Kindness. In 2022, SRP dispersed almost \$25,000 in the area doing nice things for people. For example, we gave away \$100 Publix gift cards while people were in the store buying their groceries since the cost of food increased so much last year. You can see more on the new website on our Random Acts of Kindness page as well as some of our community involvement activities on the SRP Is Community page.

SRP financially supported charitable organizations as well. We provided \$309,509 to community sponsorships and local nonprofits. Additionally, our staff participates in several community campaigns for the United Way, the CSRA Heart Walk, Light the Night, and numerous Salvation Army Christmas programs.

We have amazing team members who give throughout the year, by volunteering both their time and by giving needed items to those in the CSRA. They created eighty baskets full of needed items for senior citizens to give to the Be A Bunny program through the United Way of Aiken. They opened their hearts at Christmas and helped the Salvation Army with their Bell Ringer program and by participating in the Stuff-A Stocking program. They did volunteer work for Golden Harvest Food Bank to help dispense food to the hungry in our area, and so much more. Many of our branches took on special volunteer projects near their branches like picking up trash and collecting items for their local retirement home's residents. Our team proves every day, both through their work and their volunteerism, how much they care about their community, and we are proud of their service.

And these examples only scratch the surface of SRP's involvement in the communities in which we serve. When you hear "Good Things Are Happening at SRP," you know it is more than our brand. It is our way of life.

Finally, I am honored to have joined the amazing team of professionals that work so hard every day to meet your financial needs. I have worked in the credit union industry for more than 30 years and always had a healthy respect for SRP from afar, but now I can testify to the fact that our Credit Union is truly one of the best institutions in the country. I will close by sharing my sincere thanks to our volunteer Board of Directors...They are loyal, talented, giving and committed to ensuring that SRP continues its legacy of value creation into the future. **Thank you.**



A Note of Appreciation

So much has happened during my 24 years in the financial industry. When I began working at SRP FCU in 1999, the big issue for the entire country was how to manage the new millennium, also known as Y2K. SRP, as most successful businesses, navigated the transition from 1999 to 2000 without incident. Then, shortly thereafter, the country experienced one of two recessions. The first was in 2001, and another from 2007 to 2009, and your Credit Union continued to successfully navigate through those challenging times providing the services you continue to rely on every day.

The adoption of electronic banking, or digital banking, was just beginning in the late nineties and quickly became the preferred method of banking for many in our community. The same can be said of the use of the debit card as it has become the preferred method of payment, replacing the traditional handwritten check.

During this time, I watched SRP grow from serving 60,000 members to well over 180,000 members of our community. SRP grew from \$256 million in assets to \$1.6 billion in assets, and our staff also grew from 179 employees to 400 hard-working and dedicated team members.

It is the people that make SRP; whether it's staff, members, or our volunteer Board of Directors and volunteer committee members. Without everyone's support, your Credit Union doesn't exist. In many ways, it does take a village of dedicated staff and volunteers to make a credit union. SRP was here well before I arrived in 1999 and will continue to be here, carrying out the mission of serving the members. Thank you for allowing me to share this journey with you.

Woody Shuler
Immediate Previous
Interim President



Don Turno
Chairman



Linda Butler



Lisa Davenport



Terry Meeks



Jerry White

Supervisory Committee

The Supervisory Committee is appointed by the Board of Directors to provide Membership with an independent appraisal of the safety and soundness of Credit Union operations and activities as guided by the Federal Credit Union Act, SRP charter, and policies and procedures.

The Committee engaged the certified public accounting firm Clifton Larson Allen LLP to perform the annual financial statement audit. In the opinion of the auditors, the consolidated financial statements present fairly, in all material respects, the financial position of SRP Federal Credit Union as of March 31, 2022, and the results of its operations and its cash flows. In addition, the Committee has oversight of the Internal Audit function and monitors and reviews audit reports and follow-up, including periodic examinations conducted by the National Credit Union Administration (NCUA), the regulatory agency for all federally chartered credit unions.

Based on the results of the above, it is the Committee's opinion that SRP Federal Credit Union is financially sound and in compliance with Federal Regulations as well as SRP policies and procedures.

Executive Team



Eric Jenkins
Chief Executive Officer



Liz Ponder
Executive Vice President
Chief Retail Officer



Douglas Morris
Vice President
Chief Technology Officer



Greg Gibson
Vice President
Chief Financial Officer



Kevin Toole
Vice President
Chief Lending Officer



Luis Alejandro
Vice President
Chief Internal Audit Officer

Treasurer's Report

Comparative Balance Sheet

ASSETS	December 31		Increase/(Decrease)	
	2022	2021	\$	%
Cash	\$ 194,481,984	\$ 377,118,985	\$ (182,637,001)	-48.4%
Corp CU Investments	23,652,901	22,863,002	789,899	3.5%
Investments	383,899,086	232,522,156	151,376,930	65.1%
Loans, Net	938,460,844	815,164,502	123,296,342	15.1%
Accrued Interest Receivable	7,709,798	2,618,442	5,091,356	194.4%
Property & Equipment, Net	34,681,348	35,857,892	(1,176,544)	-3.3%
Share Insurance Capitalization	14,213,710	12,788,727	1,424,983	11.1%
Other Assets	64,183,772	66,068,143	(1,884,371)	-2.9%
Total Assets	1,661,283,443	1,565,001,849	96,281,594	6.2%

LIABILITIES & EQUITY	December 31		Increase/(Decrease)	
	2022	2021	\$	%
Share Drafts	422,044,951	449,163,364	(27,118,413)	-6.0%
Shares	944,172,936	832,199,426	111,973,510	13.5%
Share/IRA Certificates	85,354,368	92,495,547	(7,141,179)	-7.7%
Total Shares and Deposits	1,451,572,255	1,373,858,337	77,713,918	5.7%
Accounts Payable	32,787,725	18,555,127	14,232,598	76.7%
Dividends Payable	10,277	7,997	2,280	28.5%
Total Liabilities	1,484,370,257	1,392,421,461	91,948,796	6.6%
Regular Reserves	10,060,807	10,060,807	-	0.0%
Undivided Earnings	180,061,252	157,591,745	22,469,507	14.3%
Equity from Merger	7,514,541	7,503,718	10,823	0.1%
Unrealized Gain/(Loss) on Securities	(20,723,414)	(2,575,882)	(18,147,532)	704.5%
Total Equity	176,913,186	172,580,388	4,332,798	2.5%
Total Liabilities & Equity	1,661,283,443	1,565,001,849	96,281,594	6.2%

Comparative Balance Sheet

OPERATING INCOME	December 31		Increase/(Decrease)	
	2022	2021	\$	%
Interest on Loans	\$ 43,790,545	\$ 39,639,678	\$ 4,150,867	10.5%
Income from Investments	7,462,560	1,738,015	5,724,545	329.4%
Total Interest Income	51,253,105	41,377,693	9,875,412	23.9%
Total Dividend and Interest Expense	4,098,433	2,740,599	1,357,834	49.5%
Net Interest Income	47,154,672	38,637,094	8,517,578	22.0%
Less Provision for Loan Losses	(2,274,899)	(2,651,797)	376,898	-14.2%
Net Interest Income after Provision	44,879,773	35,985,297	8,894,476	24.7%
Non-Interest Income	40,768,499	39,580,208	1,188,291	3.0%
Total Operating Income	85,648,272	75,565,505	10,082,767	13.3%

OPERATING EXPENSE	December 31		Increase/(Decrease)	
	2022	2021	\$	%
Employee Compensation & Benefits	\$ 30,632,230	\$ 26,561,470	\$ 4,070,760	15.3%
Occupancy & Equipment	8,120,640	7,040,338	1,080,302	15.3%
Data Processing and Professional Services	14,275,140	13,817,803	457,337	3.3%
Marketing and Promotion	900,087	902,956	(2,869)	-0.3%
Other Operating Expense	9,250,669	6,799,840	2,450,829	36.0%
Total Operating Expense	63,178,766	55,122,407	8,056,359	14.6%
Net Income	\$ 22,469,506	\$ 20,443,098	\$ 2,026,408	9.9%



Last Year's 62nd Annual Membership Meeting Minutes

March 22, 2022

The 62nd Annual Membership Meeting of SRP Federal Credit Union was held on Tuesday evening, March 22, 2022, at the USC Aiken Convocation Center, Aiken, South Carolina. There were 750 registered members in attendance.

Chairman Sandra DeVoe Bland called the meeting to order at 7:00 p.m. and welcomed all attendees.

Miranda Queen, the Assistant Manager of Peach Orchard Road, led the Pledge of Allegiance and Markela Dandy, Virtual Experience Manager, performed the National Anthem.

Chairman DeVoe Bland recognized all active-duty military and the veterans in the audience. She also recognized former volunteers of SRP. DeVoe Bland introduced those seated at the head table.

Chairman DeVoe Bland then recognized Louisiana Wright Sanders, Secretary of the Board of Directors, to ascertain that a quorum is present. The Secretary certified that a quorum was present.

Chairman DeVoe Bland presented the minutes from the March 16, 2021 Annual Meeting for approval. A motion was made and seconded to approve the minutes as submitted. Motion carried.

Chairman DeVoe Bland called on Melinda Brinkley, Chairman of the Nominating Committee, to present the slate of candidates. Committee Chairman Brinkley recognized the other committee members and expressed appreciation to them for their participation on the committee.

Committee Chairman Brinkley placed into nomination the following candidates for the three positions (three-year terms) for the Board of Directors: Roy C. Geiselhart, Terry L. Meeks, and Louisiana Wright Sanders.

Chairman DeVoe Bland said that since we have three nominees for three Board of Directors seats, she asked for a motion to elect the nominees by acclimation. A motion was made and seconded to elect the nominees by acclimation. Motion carried.

BOARD REPORT

Chairman DeVoe Bland introduced the Board of Directors and stated to the members how many years each of the Board Members have been volunteering.

Chairman DeVoe Bland began her report speaking about this past year and what an honor and privilege it had been to serve as Chairman of SRP's Board of Directors.

DeVoe Bland said that SRP, amid the challenges of a continuing global pandemic, SRP had another successful year. DeVoe Bland stated that SRP Federal Credit Union is financially safe and sound. She went on to say, SRP continues to offer products and services over the multiple channels to improve and meet your needs. SRP has grown to over \$1.5 billion in assets and serves over 180,000 members. She said SRP looks forward to continued growth in 2022 while providing the best quality products and services.

DeVoe Bland reported that in 2021, SRP recorded the second strongest historical performance which demonstrates a commitment to its members and communities. SRP member give back was over \$2.4 million (credit card rewards redeemed, loyalty dividends, NSF/ODP refunds, affinity high school debit card give back, community give back, spotted program and random acts of kindness. She said to better serve the members, SRP replaced the fleet of 47 ATMS with new and improved virtual teller machines and opened a new Peach Orchard Road branch in South Augusta. The SRP leaders and employees are active in the local community.

DeVoe Bland recognized two new SRP executive team members.

DeVoe Bland said that the SRP Board of Directors continue to set the strategic direction, policy, and goals for the credit union.

DeVoe Bland closed with your Board of Directors, unpaid volunteers, continue to set the strategic direction, policy, and goals for the credit union. She stated that the Board of Directors, volunteer their service to the Credit Union and are committed to protecting the interest of the members. SRP will always strive to provide you with the best and highest quality products and services. On behalf of your Board of Directors, thank you for your continued support and allowing us to serve you.

DeVoe Bland ended her speech with "Good things are happening at SRP!"

DeVoe Bland then said, I would like to introduce the Treasurer of the Board of Directors, Larry Laughlin.

TREASURER'S REPORT

Before Larry Laughlin, Treasurer, began, he introduced the members of the Finance Committee.

Laughlin reported that the 2021 results demonstrate the importance of having a solid foundation when you are building or growing an institution.

Laughlin told the group to look at some of the 2021 outstanding numbers in the treasurer's report section of SRP's annual report.

Under the section titled Comparative Balance Sheet, please look at Loans, as you will see that loan growth increased by 1.7% or almost fourteen million dollars. Laughlin stated said that he knows that does not sound like much but in an economy like we had in 2021 that is an accomplishment. The other side of that coin is 148% growth in investments. When you make a deposit in SRP, our purpose is to use those funds to help others. If we cannot loan those funds out, then we have to investment them. While investments help us with growing your Credit Union, they are not fulfilling the primary mission of the Credit Union, which is People Helping People.

Laughlin said, moving down to the Total Liabilities and Equity section you can see a gain in shares of over \$122 million and over \$43 million in share drafts.

Laughlin stated that the cost of living is rising at a faster pace than it has in the last 40 years according to some economists. The Federal Reserve has increased its rate by 25 basis points. The cost of borrowing will increase with that announcement alone.

The Treasurer said in the Comparative Income Statement, you may notice that SRP had a \$725 thousand increase in interest on Loans offset by a loss of income from investments.

Laughlin said moving to the expense portion of the income statement, you can see more than \$1.1 million dollar increase in DP and Professional services. Your financial information is important, and it is paramount for SRP to keep it safe and protected. This becomes more of a challenge each day and your Credit Union staff works hard each day to protect your financial information.

Laughlin stated in closing, 2021 was the second-best year SRP has had. SRP is growing. Growth does not come without challenges and SRP had its share of them in the past two years. Laughlin said we talk about assets in the financials, but the Credit Union's most important asset is its employees, the team members who have had some really challenging circumstances in the past two years and have beat them. The employees live by the mission of People helping People each and every day!!

Laughlin said that he recognizes that world events have an impact on our LOCAL economy. He believes your Credit Union has the strength, foundation, and talent to weather any storm or virus that may come our way.

Laughlin thanked the members for their time and attention tonight.

SUPERVISORY COMMITTEE REPORT

Chairman DeVoe Bland recognized the members of the Supervisory Committee.

Chairman DeVoe Bland stated that the Supervisory Committee Report is in the Annual Report. DeVoe Bland asked that any questions be held until the Open Forum segment of the meeting.

Chairman DeVoe Bland then introduced Woody Shuler, Interim President of SRP Federal Credit Union to give the President's Report.

PRESIDENT'S REPORT

Shuler recognized SRP's volunteer Board of Directors dedication to the company and the hard work from staff.

Shuler said that the pandemic that besieged businesses and homes is still present in our daily lives. He said many of us continue to struggle with the adjustments that the pandemic presents. At SRP, we continue to work to improve the service capabilities and to meet your financial needs.

Shuler stated that SRP is fortunate to have tireless and industrious staff who have served our membership throughout the pandemic – both those in the branch network and those who work behind the scenes to support the many operational functions that are the backbone of the Credit Union. SRP's members financial transactions and needs must be fulfilled daily despite the challenging situations that may occur in keeping the day-to-day operations functioning.

Shuler stated that the past two (2) years have been like a roller coaster ride with ups and downs and twists and turns, Yet SRP Federal Credit Union has remained strong. SRP onboarded over 20,000 new members during the pandemic, and just last year we welcomed over 11,000 new members to the SRP family of financial services. Not only were new consumer accounts opened but SRP saw substantial growth in new business accounts from the community SRP serves.

Shuler reported that SRP remains diligent in the efforts to find ways to better serve the growing membership.

Shuler went on to say recently Peach Orchard Road branch was re-opened in a different location with improved technology to serve the members now and for many years to come, after having closed this location two years ago when the President declared the coronavirus pandemic a national emergency.

SRP replaced our entire aging fleet of ATMs across our market area with new and highly improved technology that is much more dependable. SRP's new fleet of machines can be used as a regular ATM or you can have access to all your accounts with the touch of a screen and have direct contact with one of SRP's team members from the member service area, which is paramount for personal service in these uncommon times of distancing and physical barriers.

Shuler went on to say that in the Spring of 2022, SRP will re-open the

LAST YEAR'S MEETING MINUTES *continued*

Richland Avenue branch after having closed this location two (2) years ago in response to the national emergency declared due to the coronavirus pandemic. This branch will be a more modern version and equipped with the latest technology to make your visits quick and easy so it will serve you well into the future.

Shuler stated, SRP has additional plans to improve the service such as an easier-to-use website, as well as other new, exciting things in 2022 focused on making the member's experience as simple as possible. SRP is dedicated to making good things happen in the community and making the area SRP serves better. SRP embodies the credit union philosophy of "People Helping People" and when people help each other good things are bound to happen.

Shuler said that SRP was able to distribute almost \$295,000 to area high schools in 2021 through our Affinity High School Debit Card program because of your consistent support. Since this program began in 2018, SRP Federal Credit Union has distributed over \$765,000 to our local high schools. This "give back" has been instrumental in providing supplemental funds for the local schools.

The Interim President said that SRP's STAFF gives back too! The SRP staff embraces the "People Helping People" philosophy by participating in numerous community programs and campaigns such as United Way's Stuff the Bus, Salvation Army's Toys for Tots, the American Heart Association's Heart Walk, and the Leukemia and Lymphoma Society's Light the Night, to assist those in need in the community. SRP's staff consistently sponsors, raises money for, and donates their time to various charitable causes and organizations in an effort to better the areas in which we live and serve. And it goes without saying that financial education in the community is important to us and the members. SRP believes everyone can improve their financial wellness. Last year over 8,100 people, both students and adults, received some type of training from SRP – including financial wellness classes in schools and through webinars. SRP also added financial counselors to be available "one-on-one" for its members. This gives every member access to a live, trained financial counselor; a person they can discuss their financial issues with and receive financial training to help them make their financial situations better.

Shuler said in closing, it has been said that giving is not just about donating but about making a difference. At SRP, we believe in making a difference, not only in the lives of our members but also in the communities we serve.

OLD BUSINESS: Chairman DeVoe Bland indicated that all questions in last year's Open Forum were addressed at that time. She asked if there was any other unfinished business and stated that the board knows of none. There was none from the audience.

NEW BUSINESS: Chairman DeVoe Bland asked for new business and there was none.

OPEN FORUM: Chairman DeVoe Bland then opened the floor for questions and/or comments from the audience.

1. A member, from Johnson, SC, asked the Board to consider adding an ATM machine in Johnston, SC. Chairman DeVoe Bland told the member that SRP is in the process of placing an ATM in Johnson, SC.
2. A member wanted to know when a permanent CEO will be named. DeVoe Bland said that they are in the process to have someone named by August. DeVoe Bland thanked the member for his comment.
3. A member asked if the raising of the Federal Reserve's Rate would affect just SRP or the members also. DeVoe Bland said unfortunately it will affect the credit Union and its members. But that SRP will be conscience of the affect on our member owners.
4. A member asked a question regarding accessing their FICO scores DeVoe Bland said that you can access your FICO score through the website. She stated that a service rep will be glad to help you after the meeting.
5. A member wanted to know if there were any plans to add Zell to the SRP app. DeVoe Bland said that with the new app it will be available. Watch the website for the new app.

DeVoe Bland thanked the members for all their questions.

PRIZE DRAWINGS: Chairman DeVoe Bland recognized Louisiana Wright Sanders and Lonnie Gordon, Board Members, for the prize drawings. The prize drawings were held. The cash prize drawings were \$2,000.00 given in increments of \$100.00, \$2,000.00 given in increments of \$250.00 and \$1,000.00 given in increments of \$500.00.

There being no further business, the 62nd Annual Meeting of SRP Federal Credit Union was adjourned at 8:00 p.m.



Sandra DeVoe Bland, Chairman



Louisiana Wright Sanders, Secretary



Becky Cochran, Recording Secretary

In Memory of
SRP

MEMBERS

who have passed away in 2022

“Wherever a beautiful soul has been,
there has been a trail of memories”

SRP
FEDERAL CREDIT UNION

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www.srpfcu.org

