

2020 ANNUAL REPORT



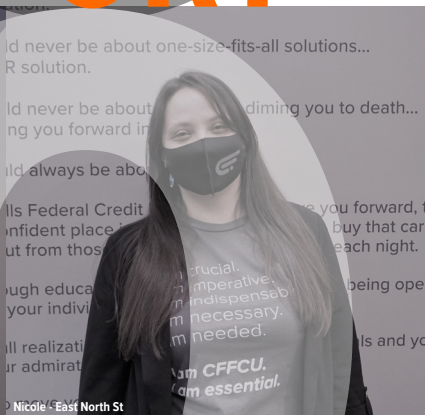
McKayla - Contact Center



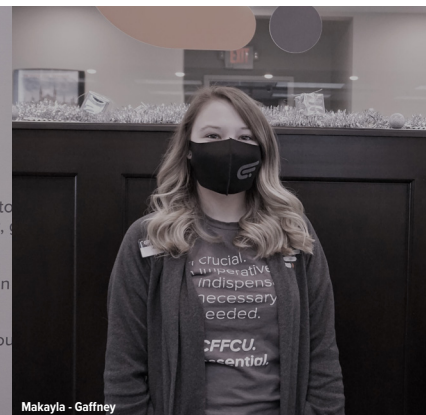
Emily - Gaffney



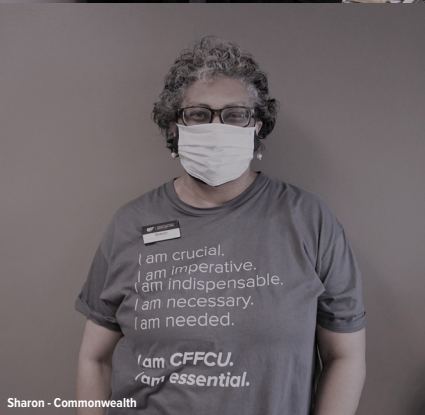
Susannah - Church St



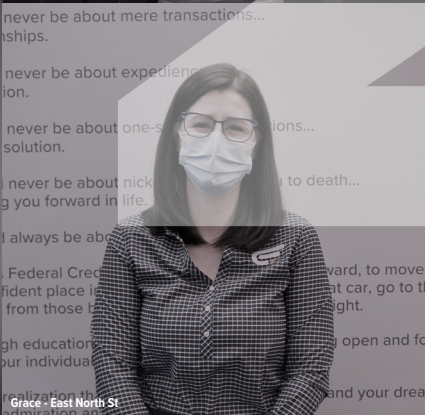
Nicole - East North St



Makayla - Gaffney



Sharon - Commonwealth



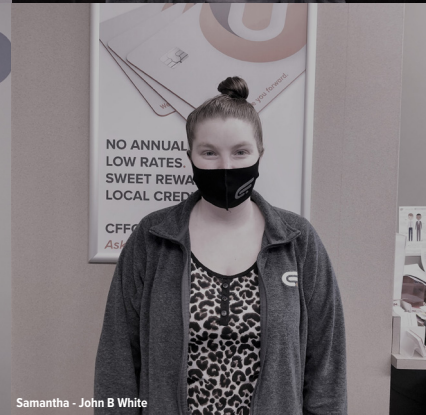
Grace - East North St



Andrew - Gaffney



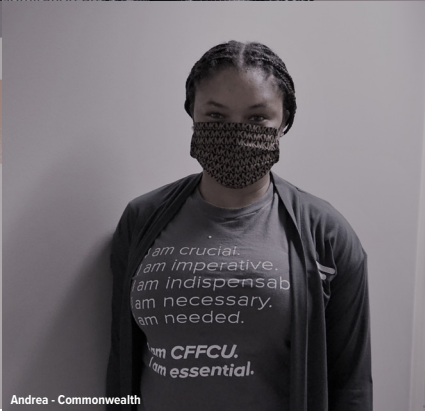
Tarsha - Church St



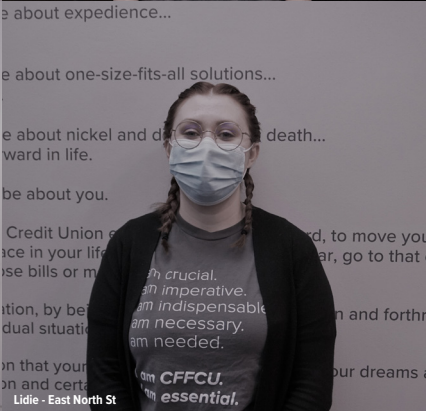
Samantha - John B White



Natasha - Church St



Andrea - Commonwealth



Lidie - East North St



Grant - Gaffney



Teneil - Church St

OUR VISION

To make membership a long-term relationship built on loyalty, education, confidence and a sincere concern for the members' well-being.

OUR MISSION

To enhance the financial futures of our member owners and their families.

CORE VALUE

To treat everyone with dignity and respect.

MANTRA

Because it should never be about our bottom line... But rather, yours.

Because it should never be about mere transactions... But rather, relationships.

Because it should never be about expedience... But rather, education.

Because it should never be about one-size-fits-all solutions... But rather, YOUR solution.

Because it should never be about nickel and diming you to death... But rather, moving you forward in life.

Because it should always be about you.

Carolina Foothills Federal Credit Union exists to move you forward, to move you to a more secure, comfortable, confident place in your life so that you can buy that car, go to that college, start that business, dig out from those bills or merely sleep easier each night.

We do this through education, by being approachable, by being open and forthright and considerate of your individual situation... and with the full realization that your concerns and your goals and your dreams are worthy of our respect and our admiration and certainly...our time.

We are here to move you forward.

That's why we come to work every day.

That's why we love what we do.

That's our reward.

And that's what makes us different from just about any other financial institution around.

Carolina Foothills Federal Credit Union

We don't move you from desk to desk...

We don't move you from line to line...

We move you forward.

Throughout this year's annual report, you will find images of our staff. As an essential business, our staff braved the global pandemic to come to work each day and serve our members. They are the people who kept up daily operations, who adapted to an ever-changing work environment, who respected each other by limiting social interactions, and who assisted our both our business members and our regular members in some of the darkest hours. Now more than ever, they are essential, they are heroes.





THE 8 COOPERATIVE PRINCIPLES

As a cooperative, Carolina Foothills operates under a set of what was seven but is now eight cooperative principles. One of the most beautiful things about our nation is melting pot aspect of our culture. Americans represent many different backgrounds, cultures, ideas, movements, beliefs, races, and values. We feel that it is important to represent and serve all people and accept members and employees regardless of differences. We believe we better and stronger together. For this reason, we've added an eight cooperative principle: diversity and inclusion.

1

VOLUNTARY & OPEN MEMBERSHIP

Cooperatives are voluntary organizations, open to all persons able to use their services and willing to accept the responsibilities of membership, without gender, social, racial, political or religious discrimination.

2

DEMOCRATIC MEMBER CONTROL

Cooperatives are democratic organizations controlled by their members, who actively participate in setting their policies and making decisions. Men and women serving as elected representatives are accountable to the membership.

3

MEMBER ECONOMIC PARTICIPATION

Members contribute equally to, and democratically control, the capital of their cooperative.

4

AUTONOMY & INDEPENDENCE

Cooperatives are autonomous, self-help organizations controlled by their members. If they enter into agreements with other organizations, they do so on the terms that ensure democratic control by their members and maintain their cooperative autonomy.

5

EDUCATION, TRAINING, & INFORMATION

Cooperatives provide education and training for their members, elected representatives, managers, and employees so they can contribute effectively to the development of their cooperatives.

6

COOPERATION AMONG COOPERATIVES

Cooperatives serve their members most effectively and strengthen the cooperative movement by working together through local, national, regional and international structures.

7

CONCERN FOR COMMUNITY

Cooperatives work for the sustainable development of their communities through policies approved by their members.

8

DIVERSITY & INCLUSION

To promote awareness and provide a supportive training and education, enabling opportunities to provoke thoughtful dialogue and action.

CONGRATULATIONS TO OUR 2021 SCHOLARSHIP WINNERS!



Annabelle Backus

Annabelle will be attending Anderson University beginning in the Fall of 2021. She will be studying Nursing. Annabelle is a member of the Teen Leadership Board at Ronald McDonald House, serves in her church's student ministry, and participates in missions trips to local areas.



Zain Taylor

Zain will be attending the University of South Carolina - Columbia beginning in the Fall of 2021 and will be studying Economics. Zain is an Eagle Scout with the Boy Scouts of America, he is a member of the National Beta Club, the National Honor Society and participates in his school's fishing club.



Alyssa McGhee

Alyssa will be attending Tulane University beginning in the Fall of 2021 to pursue a Master's Degree in Social Work. Alyssa has experience in Youth/Adult Mental Health First Aid, Crisis Prevention, and Naloxone Training. Alyssa has also worked for AmeriCorps and served on her school's Racial Coalition.

CONGRATULATIONS TO OUR 2021 MICRO-GRANT WINNERS!

Big Brothers Big Sisters of the Upstate

Big Brothers Big Sisters of the Upstate provides one-on-one mentoring to “at risk” children in our area to help them achieve education success, develop essential life skills, and avoid high-risk behaviors. The micro-grant will contribute to the mentorship of 120 disadvantaged children in Spartanburg.



Hub City Farmers Market

The Hub City Farmer’s Market works to increase the supply, access and demand of healthy and local foods. With this grant, they will work to create a cookbook highlighting local farmers and the importance of their work within the local food system. Proceeds from the book will help to feed thousands of local families impacted by COVID-19.



The Service Dog Institute

The Service Dog Institute is dedicated to enriching the lives of differently-abled by providing trained service dogs to boost confidence, improve self-sufficiency, provide companionship, and perform skilled tasks that enable partners to lead more independent lives. This grant will help support their program which provides service dogs in homeless shelters, public disaster zones, government fatigue areas, healthcare facilities and other areas where moments of crisis have occurred in the Upstate and across South Carolina. These dogs provide relief and comfort to the public.



OUR IMPACT

since 2015, we've saved members almost

\$16,000,000

because it should never be about nickel and diming you to death...



199

credit-builder loans



405

student accounts



\$73,773

saved by students



27

second checking

PAYMENT PROTECTION PROGRAM (PPP) STATS

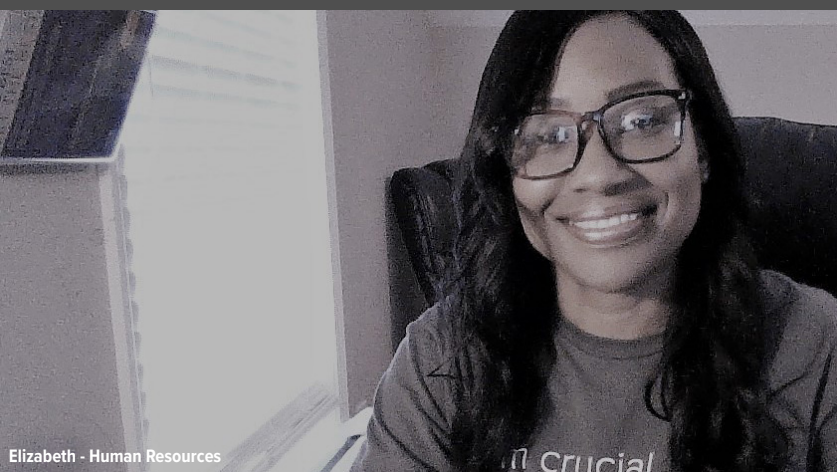
because it should always be about you...

\$1,700,000

distributed in PPP loans

57% of businesses were minority-owned

46% of businesses were woman-owned



75

*no-chance
accounts*



41

*habitat for humanity
participants*



14

first-time homebuyers



88

*hours of financial
literacy classes*

PRESIDENT'S REPORT

Wow! What a year 2020 was! Our members, as well as most in our country, had to make incredible sacrifice and adapt to the changing environment. Carolina Foothills had to adapt as well. As COVID hit we quickly moved to form a pandemic committee to address the needs of our members and employees. In the beginning we met several times a week to formulate a plan to keep everyone as safe as possible while serving the needs of our members. We continue to meet weekly to assess the plan. I am extremely proud of our staff for doing their jobs without any complaint. I hope, you our members, could see this in how you were served and are being served as we continue to navigate this trying time.

Some things we did to help our members in this time of need included, but not limited to; 450 free loan deferrals of up to 90 days to help members bridge the gap between layoff and unemployment, 98 SBA PPP loans totaling \$1.7 million to help small business in our community when they wouldn't be helped by other financial institutions, no credit check loans, waived fees on certain transactions and simply worked one on one with our members to navigate the tough times. All of these things led to the success of our member, which speaks to our success as a cooperative.

Even through a pandemic, Carolina Foothills continues to lead in many areas, and I am happy to report 2020 was another great year. Net income, for the fourth year in a row topped \$1 million, leading to an improved capital position. Our Return on Assets of 1.183% was well above our national peers. Net worth (our reserve for bad economic times) increased to \$15,990,716, a growth rate (ROE) of 11.19%. Our capital ratio is 10.53%. Assets grew a robust 26.33%. Demand for our loans is very strong and diversified over all products. For the year, we grew 10.18%, which is very strong compared to our industry. We continued to Move Our Members Forward and serve low to moderate income members with innovative products and counseling services. The results have been consistent loan demand and lowered charged off and delinquent loans.

Strong financial performance was not the only area of emphasis at Carolina Foothills. For the sixth year in a row, we won regional and national honors.

- a. 1st Place Des Jardins Youth Financial Literacy – Bridges to a Brighter Future at Furman University and our matching savings for participants.
- b. 1st Place Dora Maxwell Social Responsibility -- Donation to local food banks at the beginning of Covid-19 taken from our travel budget. We won a national honorable mention from CUNA for this one.
- c. 1st Place Louise Herring Philosophy In Action – for our response to small business needs during Covid-19; mobilizing to offer Payroll Protection loans.
- d. 2nd Place Des Jardins Adult Financial Literacy – adapting our financial literacy efforts during Covid-19, pivoting from in-person to video segments.

At Carolina Foothills, we believe that we are only as strong as the community surrounding us. For that reason, we commit many hours of volunteer time educating members of the community. I am proud of our partnership with Spartanburg City to provide loans and counseling to participants in their Amplify program which helps African American entrepreneurs start businesses. We are active participants in both Spartanburg and Greenville Habitats for Humanity. We have now funded \$2.7 million in zero percent loans for them. Though the pandemic slowed us down, staff still conducted educational seminars/workshops on various topics including basic budgeting and purchasing a home. We continue to provide financial education sessions with topics such as credit improvement, home buying, budgeting and “The Reality of Money” which teaches students valuable financial lessons. We now have 18 certified financial counselors to help members with budgeting needs and have saved members over \$15 million by refinancing higher priced loans over the past few years. Because learning how to save early is vital, we are proud of our efforts to help students build savings at Meeting Street, Cleveland Academy and Luther Vaughan Elementary schools. This program is a huge success as students learn the value of saving money.

Overall, it was a great year for Carolina Foothills and we look forward to continued success in 2021.

In Conclusion

We remain committed to Moving You Forward in your, our member/owners’, pursuit of financial well-being. Our ultimate goal is to be your source of financial education to help you make informed decisions and we are now positioned better than ever to do that. On behalf of the staff, I want to thank you for your continued support and loyalty.

Scott Weaver

Scott Weaver
President, CEO



CHAIRMAN'S REPORT

2020 was an unprecedented year for the world and certainly for Carolina Foothills Federal Credit Union. All told, our employees worked hard and it has been the most successful year in the credit union's history.

Looking back at 2020, I am more than pleased at the direction this credit union has taken. As one of the remaining locally based credit unions, we are proud to be celebrating 61 years of service and financial viability. The communities we work in have been hugely affected by COVID-19, but our staff has worked diligently and has adapted quickly to re-route funds and best serve our Upstate community. I am encouraged by our staff and the time they take to understand the needs of their members. Each employee works tirelessly to provide innovative solutions to individual needs.

We are working to hire at least one bi-lingual employee in each branch so we can best serve our Hispanic community. I am especially proud of our Business Development team, who mobilized quickly to offer Small Business Administration loans. These Payroll Protection Program loans helped the small businesses in our area, who are the backbone of our local economy. I am very appreciative for each member that actively participates in Carolina Foothills, ensuring its viability and sustainability. It's our members who provide us the opportunity to give back and be bigger than just a credit union. As we move forward to embrace change, welcome technologies, and grow this credit union, our focus remains on you. We look forward to serving you in 2021.

Isaac Dickson

Isaac Dickson
Board Chairman



SUPERVISORY COMMITTEE REPORT

Carolina Foothills Federal Credit Union continues to grow and strengthen over time. The role of our committee is to ensure we comply with all laws that govern federally chartered credit unions.

The Supervisory Committee with regularly scheduled reviews is charged with the duty of seeing that independent and required regulatory audits are performed each year. I am proud to report that once again our audit firm, Doreen Mayhew, has delivered an opinion that our financial statements fairly represent the financial position of Carolina Foothills.

Carolina Foothills remains well prepared to serve our member's needs. Our board of volunteers and the staff of Carolina Foothills are thankful for your continued support and your vested interest in our cause.

We will continue to focus our efforts on our members and the communities we serve in the coming year.

Donna Hicks

Donna Hicks
Supervisory Committee Chair



FINANCIALS

Assets

Loans	\$94,287,277
Allowance for Loan Loss	(\$614,360)
Total Net Loans	\$93,672,917
Foreclosed or Repossessed	\$5,252
Cash/Checking	\$17,654,316
Investments	\$26,070,961

Fixed Assets

Land & Building	\$4,129,649
Furniture & Equipment	\$221,509
Other Assets	\$8,246,339
Share Insurance	\$1,218,851
Other	\$566,540
Total Assets	\$151,786,334

Liabilities

Accounts Payable	\$1,995,822
Dividends Payable	
Other Liabilities	\$316,806
Total Liabilities	\$2,312,628

Deposits

Share Accounts & Clubs	\$54,826,232
Drafts & MMAs	\$55,673,092
Share Certificates	\$14,192,175
IRAs	\$8,789,505
Other Shares	\$1,985
Total Deposits	\$133,482,989

Equity Accounts

Regular Reserves	\$2,720,762
Undivided Earnings	\$13,269,955
Total Equity	\$15,990,717
Total Liabilities & Equity	\$151,786,334

Income

Interest on Loans	\$4,925,786
Investment Income	\$366,831
Other Operating Income	3,666,714
Total Income	\$8,959,331

Expenses

Compensation & Benefits	\$3,179,067
Travel & Conference	\$113,996
Association Dues	\$44,135
Office Occupancy	\$399,817
Office Operations	\$1,114,989
Education & Promotions	\$368,011
Loan Service	\$533,559
Professional Services	\$612,211
Member Insurance	
Operating Fees	\$32,150
Cash Over/Short	\$1,890
Int./Borrowed Funds	-
Annual Meeting	\$8,383
Misc. Operating Expenses	\$48,463
Total Non-Interest Expenses	\$6,456,671

Provision for Loan Losses	\$302,725
Total Expenses	\$6,759,396

Dividend & Interest

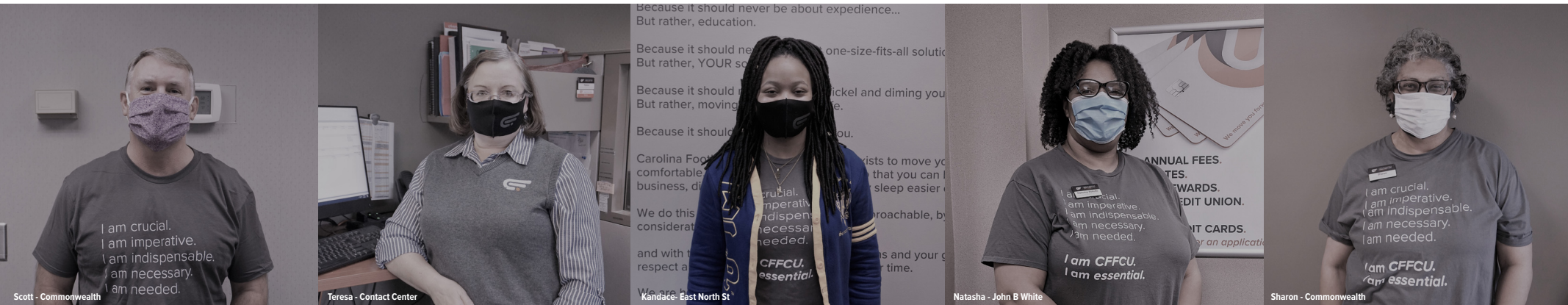
Share Accounts & Clubs	\$83,187
Draft & MMAs	\$188,011
Share Certificates	\$232,905
IRAs	\$90,160
Total Dividends & Interest	\$594,262
Non-Operating Gains/(Loss)	\$3,517

Net Gain	\$1,609,190
-----------------	--------------------

Distribution of Gain

Reserves	\$2,720,762
Undivided Earnings	\$13,089,768
Number of Members	16,975
Number of Loans	9,464

***Thank you for a great 2020,
we are ready to move you forward in 2021.***



**CAROLINA FoothILLS
FEDERAL CREDIT UNION**
We move you forward.

www.carolinafoothillsfcu.coop | 1.800.922.4403

