

**SUFFOLK VA  
CITY EMPLOYEES  
FEDERAL CREDIT UNION**



AMERICA'S  
CREDIT UNIONS™

*"People Helping People"*

**Suffolk VA City Employees  
Federal Credit Union**

**2011 Annual Meeting  
March 21, 2011**

**Suffolk City Council Chambers**

## **BOARD OF DIRECTORS**

Wesley King, President (12)  
Retired, Suffolk Public Works

Betty Jo English, Vice-President (11)  
Retired, Suffolk Public Schools

Calvin Bowe, Treasurer (11)  
Suffolk Sheriff's Department

Deborah F. Brinkley, Secretary (11)  
Western Tidewater Community Services Board

Linda S. Story (12)  
Suffolk Purchasing Department

Lovey J. Lyons (12)  
Retired, Suffolk Public Schools

S. Eugene Porter (11)  
Suffolk Public Schools

( ) Indicates year office expires

## **SUPERVISORY COMMITTEE**

Sheron Gibson, Chairperson  
Suffolk Fire Department

Linda Cooper  
Suffolk Parks & Recreation

Lori Hedgepeth-Dodge  
Suffolk Public Works

Shawn Felts  
Suffolk Fire Department

Sandra Hall  
Suffolk Public Schools

## **CREDIT UNION STAFF**

Carol Lee Smith, Office Manager  
Jodie B. Brinkley, Assistant Manager  
Edna D. Porter  
Miguel D. Atkins

# **ANNUAL MEETING AGENDA**

March 21, 2011

- I. Call to Order
- II. Roll Call of Officers and Directors
- III. Establishment of Quorum
- IV. Reading and approval of March 15, 2010 Annual Meeting Minutes
- V. Report of Directors
- VI. Report of the Treasurer
- VII. Report of the Supervisory Committee
- VIII. Unfinished Business
- IX. New Business
- X. Elections for the Board of Directors
- XI. Other
  - a. Door Prizes
- XII. Adjournment

## MESSAGE FROM THE PRESIDENT

Welcome,

The economic crisis continues to impact all credit unions thru the Corporate Stabilization Act and the difficulties being encountered by families trying to survive the continued economic down turn. Thru diligent work and planning the Credit Union has been able to continue to offer competitive rates both on loans and savings plans as well as maintain the myriad of benefits available to our members. The Board long range outlook is for a continued sound operating posture.

The Credit Union continues to grow in membership and services and the Board is committed to providing the most flexible policy possible in regards to loans and services while insuring the protection of your investment.

As members you should be aware that the City is planning for construction of the new City Municipal building and has notified the Board of its desire to purchase our property. Negotiations are in the preliminary stages with appraisals and relocation cost currently being established. The Board will remain open minded as to the needs of our members as well as the City's need for the property. The Board is committed to a fair and equitable resolution to the request. We will keep you apprised as to the status of the request in upcoming newsletters. Finalizations of any negotiations are dependent on the City's budgetary process. Again, I emphasize that every aspect is still in the preliminary stages with future decisions predicated on the City's budgetary availability of funding.

I wish to thank the many volunteers who have dedicated their time and effort to the successful completion of another year. Several audits were conducted. Federal review of the operational policy and procedures was completed with capitalization ratios still remaining a minor issue. On a positive note, thru diligent effort by the Staff and Board the Credit Unions capitalization ratio continues to improve in spite of the slow economy. Many hours of Board meeting time and extended work efforts by the staff have all been a part of the successful year during these continued difficult economic times.

Again I thank all who have volunteered, for without them, the Credit Union would not exist.

## MANAGER'S REPORT

While the country works to rise above these tough economic times, your Credit Union board and staff have worked diligently towards maintaining the Credit Union as a viable and sound financial cooperative for you, the member-owner. Work has been done to reduce every controllable cost and increase profitability in order to build capital while maintaining competitive loan and share rates. After review of the financial statements, you will see that this was modestly accomplished. As we look ahead, plans are to continue building a strong capital foundation while adding beneficial services to encourage member participation in the Credit Union.

Last year was filled with regulatory change requirements, increased bankruptcies, resource limitations, and changes in frequency and method of the City's payroll. Even with these challenges, the Credit Union experienced growth in many areas. While management worked towards controlling asset growth to comply with regulatory capital requirements, a growth rate of less than 2% was still seen. Management constantly works to balance the borrowing needs of its members while protecting the shares of all members. Last year, approximately 586 loans were reviewed with 439 loans totaling slightly less than \$2.0 million approved and disbursed. Loans grew by about 12%, with the majority of that growth experienced in VISA Credit Cards. Total Operating Income increased slightly less than 3%. Of all income earned, 85% comes from loans to members with less than 2% coming from investments and the remaining 13% coming from fees and miscellaneous income. The Credit Union strives to keep fees charged for services or penalty at a minimum for the membership. Capital increased by a little over 6%, helping to move it towards required levels. The Credit Union worked closely with the City's Finance personnel as they began working to change the frequency of weekly paid employees to a semi-monthly pay and then later converting payroll deduction to direct deposit. These changes required members to make several updates with the Credit Union and the City Finance Department to continue having the convenience of automatic deposits and payments to the Credit Union. Only a handful of members elected to stop their payroll or close their account with the Credit Union. For those of you who worked with us and the City through this change, we thank you wholeheartedly for your patience and continued support.

The Credit Union management continuously reviews and updates policies and procedures to broaden services, rates, and benefits to the membership. While effort is consistently made towards keeping the Credit Union operating in a safe and sound manner, consideration is made towards future services and benefits to offer the membership based upon demand and resources. Members have indicated that they would like to see the Credit Union add share draft checking accounts, bill pay services, ATM's and access to Credit Union Service Centers to the list of services offered. As resources allow, we hope to be able to make these available. As the Credit Union grows through member participation it will help provide these resources enabling it to add these and other services and benefits. The Credit Union continues to provide a survey on it's website to allow for your continued input. Please continue to let us know how we can better serve you.

Your Credit Union board and staff are thankful for your continued support. As the Credit Union grows, we will continue to provide the same friendly, member-first service that you have come to expect and deserve. We are here to serve you, the member-owner of your financial cooperative.

Most sincerely,

Carol Lee Smith  
Manager

# Financial Report

For Periods Ending

	<u>December 2009</u>	<u>December 2010</u>
<b>ASSETS</b>		
Loans to Members	2,558,864	2,811,036
Credit Cards to Members	138,427	204,496
Less Allowance for Loan Losses	(37,035)	(19,290)
Net Loans	\$ 2,660,257	\$ 2,996,243
Cash	251,944	231,442
Investments	496,510	77,525
Other Assets	62,779	229,154
NCUA Share Insurance	28,121	32,560
<b>Total Assets</b>	\$ 3,499,611	\$ 3,566,924
<b>LIABILITIES &amp; EQUITY</b>		
Accounts Payable	4,015	8,159
Taxes Payable	2,457	2,580
Dividends Payable	5,182	4,570
Accrued Expenses	22,973	18,421
Member Shares	3,256,000	3,311,498
Reserves	74,172	89,075
Undivided Earnings	134,813	132,622
<b>Total Liabilities &amp; Equity</b>	\$ 3,499,611	\$ 3,566,924
<b>OPERATING INCOME</b>		
Interest on Loans	222,946	242,449
Interest on Credit Cards	8,279	15,010
Income from Investments	8,682	5,275
Other Income	53,466	39,310
<b>Total Operating Income</b>	\$ 293,374	\$ 302,044
<b>OPERATING EXPENSES</b>		
Salaries & Benefits	128,146	128,830
Travel and Conference	1,463	133
Association Dues	2,935	304
Office Occupancy	13,598	9,933
Office Operations	37,176	44,826
Education & Promotional	2,783	2,192
Loan Servicing	13,271	17,875
Professional & Outside Services	33,754	36,926
Provision for Loan Losses	38,425	10,100
Federal Operating & Examination	29,031	13,846
Other Expenses	1,322	1,312
<b>Total Operating Expenses</b>	\$ 301,904	\$ 266,279
Dividends	20,676	19,509
Gain (Loss) on Investments	16,147	3,545
<b>Net Gain (Loss)</b>	\$ (45,352)	\$ 12,712
TOTAL MEMBERSHIP	1,684	1,693

## **SUPERVISORY COMMITTEE REPORT**

Dear Members,

Your Supervisory Committee continued to experience a transition in the last year as several members resigned and new members came on board. Through this transition, the required review of your Credit Union was still conducted. The Annual Audit and a Bank Secrecy Act Audit were accomplished effective September 30, 2010, with no areas of concern noted in the report that affect the viability or integrity of the Credit Union. These reviews, along with periodic input from the membership, should reassure all members that your Credit Union is functioning successfully and efficiently.

During 2010, your Supervisory Committee found no areas of concern and reports to the membership that the Suffolk City Employees Federal Credit Union is financially sound, and managed in a professional manner that justifies the membership's continued trust and support.

**Supervisory Committee**

## EDUCATION COMMITTEE REPORT

This year our Cooperative Education (COE) Student is Miguel D. Atkins. He is a senior at Kings Fork High School. Help us welcome him and thank him for his hard work!

**Vacation Club Holders!** Your money will roll over to your share account on April 15<sup>th</sup>! Didn't save for this year's vacation? Come see us to open a Vacation Club Account and save for next years!

Sign up for **Home Financial Services**, check out your credit union's **website** ([www.svcefcu.org](http://www.svcefcu.org)), and see what other services we offer that may benefit you.

**Your funds are insured!** The National Credit Union Administration (NCUA) is backed by the full faith and credit of the US Government and insures your funds up to \$250,000.

**Set up Direct Deposit!** Don't forget that you can have money from Social Security, *Federal and State Tax refunds*, Child Support, Virginia Retirement, and your employer electronically transferred into your account. It is easy and available immediately. No waiting for your check to get to you in the mail.

Tired of writing checks to pay your bills? Set up regular bills to be deducted automatically from your credit Union **E-Share Account**. Call us for more information at (757) 809-3640!

Apply for a Suffolk VA City Employees Federal Credit Union **VISA Platinum Credit Card** and enjoy a low rate of 4.99% for the first 6 months, 9.99% thereafter. No Annual Fee! Also earn points towards merchandise and travel when you use your card with the ScoreCard Rewards Program.

**Share Certificates available!** We are offering 12-month certificates. Please call the Credit Union for rates or check them out online at [www.svcefcu.org](http://www.svcefcu.org).

Avoid paying overdraft fees with your credit union's **CUMoney Prepaid Debit Card**. Load it automatically with payroll deduction and have access to your funds without having to come into the office. Use wherever VISA is accepted.

### Loan Interest Rates

100% Share Secured	2.00% above secured share or share certificate dividend rate
75% Share Secured	4.00% above secured share or share certificate dividend rate
50% Share Secured	6.00% above secured share or share certificate dividend rate
Partially-Secured	3.00% above rate as determined by vehicle securing loan
New Vehicle (titled less than 180 days)	as low as 4.00% *
Used Vehicle (titled more than 180 days and older)	as low as 4.50% *
Signature	as low as 10.00% *
90-Day Note	as low as 10.00% *
Pay Day Alternative (\$300 minimum/\$500 maximum)	18.00%

\* APR based upon individual creditworthiness and term of loan

### Share Dividend Rates

Share Accounts	0.25 % APR on \$100 or more (0.25% APY)
Children's Share Accounts	0.25 % APR on \$ 25 or more (0.25% APY)
Individual Retirement Accounts	0.50 % APR on \$100 or more (0.50% APY)

\*Rates subject to change monthly as determined by the Credit Union's Board of Directors.

**SUFFOLK, VIRGINIA CITY EMPLOYEES FEDERAL CREDIT UNION**

Annual Meeting March 15, 2010

Minutes

The Suffolk Virginia City Employees Federal Credit Union Annual Meeting was held on Monday, March 15, 2010, at 5:30 pm in the Suffolk City Council Chambers. Board members and staff attending were:

Wesley King, President  
Betty Jo English, Vice President  
Debbie Brinkley, Secretary  
Lovey Lyons, Board Member  
Linda Story, Board Member  
S. Eugene Porter, Board Member  
Linda Cooper, Supervisory Committee  
Carol Smith, Credit Union Office Manager  
Jodie L. Brinkley, Credit Union Assistant Manager  
Edna Porter, Credit Union Staff  
Kaitlyn Knight

President Wesley King called the meeting to order at 5:35p.m. A Credit Union Annual Meeting booklet (attached to these minutes) and other items were distributed to all members present. Secretary Deborah Brinkley called the roll of Board members and established a quorum was present. Forty-four (44) Credit Union members were present. Those present were asked to review the minutes from the annual meeting held on March 16, 2009 as they appear in the Annual Meeting Booklet.

MOTION: "To accept the minutes from the March 16, 2009 annual meeting as presented"  
Seconded and approved.

Mr. King presented the President's Report.

As Treasurer Calvin Bowe was not present, President King referred members to the financial report in the booklet.

Linda Cooper presented the Supervisory Committee report and indicated the Credit Union was very professionally run and in sound condition.

Mr. King thanked the staff and all of the volunteers for all of the hours they put in.

MOTION: "To accept the Financial, Supervisory and Managers Report as it appears in the annual meeting booklet."  
Seconded and approved.

Old Business

There was no old business discussed.

New Business

There was no new business.

Election of Board of Directors

Three nominees were seeking reelection; no nominees were suggested from the floor.

MOTION: "To accept the nominees as presented."  
Seconded and approved.

The following members were elected to the Board:

Wesley S. King, Suffolk Public Works (Retired); Linda S. Story, Suffolk Purchasing Department; and Lovey J. Lyons, Suffolk Public Schools (Retired).

Door prizes were given out.

There being no further business, the meeting adjourned at 6:00 p.m.

Respectfully submitted,

\_\_\_\_\_  
Deborah F. Brinkley, Secretary

\_\_\_\_\_  
Wesley King, President

## THANK YOU

A special thank you to the businesses, business owners, employees, and/or members who helped to provide or donated door prizes for the Credit Union's Annual Meeting.

### What Is A Credit Union?

A credit union is a cooperative financial institution, owned and controlled by the people who use its services. These people are members. Credit unions serve groups that share something in common, such as where they work, live, or go to church. Credit unions are not-for-profit, and exist to provide a safe, convenient place for members to save money and to get loans at reasonable rates.

Credit unions, like other financial institutions, are closely regulated. And they operate in a very prudent manner. The National Credit Union Share Insurance Fund, administered by the National Credit Union Administration, an agency of the federal government, insures deposits of credit union members at more than 12,000 federal and state-chartered credit unions nationwide. Deposits are insured up to \$250,000.00

What makes a credit union different from a bank or savings and loan? Like credit unions, these financial institutions accept deposits and make loans - but unlike credit unions, they are in business to make a profit. Banks and savings loans are owned by groups of stockholders whose interests include earning a healthy return on their investments.

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