



ANNUAL REPORT

2023

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OUR PURPOSE

MISSION

Our mission is to enhance the financial futures of our member owners and their families.

VISION

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

CORE VALUE

We create relationships by treating everyone with dignity and respect.



2023 was a tough year. One of rising rates, inflation and liquidity issues, but it was another successful year for Carolina Foothills FCU and I am extremely proud of our results. We delivered strong financial results, yet again, and earned high returns for the membership. Gains were muted from what we have come to expect, but came in at our budgeted forecast. I was satisfied with the staff's achievement.

We had many things to be proud of in 2023, among the more noteworthy was being recognized by the Carolina Credit Union Foundation with the Advancing Equity Award for our affordable housing and minority business lending programs. Employee engagement increased to 72%, moving us into elite company, and was named one of the Best Places to Work in SC and credit unions. We also rolled out DoubleCheck giving members an extra day to make good on NSF's.

During 2023, we had lower loan demand due to the high rate environment. Mortgages and business loans were again the top loan products in 2023. But mortgages slowed due to members not being able to find homes in their price range. We funded \$1.5 million in Habitat loans though. Grants have been a welcome source of funding for loans to low-income individuals and small businesses in our target market. As a Community Development Financial Institution, we are actively pursuing grants to help us serve our community and were a big part of our success in 2023, as we were awarded \$1.8 million in grants.

Carolina Foothills remains financially vibrant. Net income topped \$2.3 million, leading to an improved capital position. Our Return on Assets of 1.23% was well above our national peers. Net worth (our reserve for bad economic times) increased to \$23,933,083.00, a growth rate (ROE) of 9.07%. Our capital ratio is 12.12%. Assets grew 6.87%, in line with expectations. Our industry continues to experience pressure on liquidity due to the rise in rates, the result of inflationary pressures. Demand for our loans was a respectable 5.03%. Our loan growth has averaged double digits over the last 6 years, an excellent indication that we are serving our members' needs. Although we saw a slight uptick in 2023, delinquency and charge off remained historically low as well, but high inflation is having an effect on members and we are experiencing more losses as a result.

We continued to Move Our Members Forward, serving low to moderate income members with innovative products and counseling services. The results have been consistent loan demand and lower charged off and delinquent loans.

At Carolina Foothills, our belief in community has driven us to do more for it. We commit many hours of volunteer time educating members of the community. We are active participants in both Spartanburg and Greenville Habitats for Humanity where we volunteered many hours at their builds and coached their participants to financial success; not to mention the \$1.5 million in two and zero percent loans funded in 2023. We finished the year with 34 financial literacy sessions totaling 128.5 staff/board hours, reaching 760 adults and 1,445 youth; of which 40% were African American, 27% Hispanic and 33% Other. We made \$1.65 million in micro business loans in 2023, of which, \$1 million were funded as a part of our partnership with OneSpartanburg's Small and Minority Business program, Powerup. We now have 23 certified financial counselors to help members with budgeting needs and have saved members over \$21 million

by refinancing higher priced loans over the past few years. It all starts early in our schools where we are proud to have branches at Meeting Street, Cleveland Academy, Mary H. Wright and Luther Vaughan Elementary schools. This program is a huge success as students learn the value of saving money.

Overall, it was a solid year for Carolina Foothills and we look forward to continued success in 2024.

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.



**R. SCOTT WEAVER
PRESIDENT/CEO**

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.



Looking back at 2023, 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 make strides in our Upstate community. I am thankful for the countless hours of service that our volunteers have given on behalf of their fellow members to ensure that Carolina Foothills is compliant in all areas. Also, 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.

I am especially proud of our involvement with PowerUp Spartanburg, providing loans to existing small and minority businesses. I am very appreciative of each member that actively participates in Carolina Foothills, ensuring its viability and sustainability. 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 2024.

ISAAC DICKSON
CHAIRMAN
BOARD OF DIRECTORS



Carolina Foothills Federal Credit Union continues to grow and strengthen over time. The role of our committee is to ensure that 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, Doeren Mayhew, CPAs, has delivered an opinion that our financial statements fairly represent the financial position of Carolina Foothills. Carolina Foothills remains well prepared to serve our members' 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
CHAIRMAN
SUPERVISORY COMMITTEE



IAN DOWNS

Ian attends Clemson University.

Congratulations, Ian!

LAUREN OLSON

Lauren will attend USC Upstate.

Congratulations, Lauren!

MARYANNA DAWKINS

Maryanna attends Clemson University.

Congratulations, Maryanna!

CHEROKEE COUNTY UNITED LIONS CLUB

The Cherokee County United Lions Club was chartered in December of 2018 with the goal of fulfilling basic needs in Cherokee County, in the hopes that this assistance will blossom into long-term stability and prosperity for county residents.

The Cherokee County United Lions Club works to fulfill a variety of needs in our community, including vision screening and assistance. In providing eye exams and glasses, the Lions Club helps children to read and succeed in the classroom, living out their motto of "we serve."

BROWN GIRLS READ

Brown Girls Read's mission is to inspire girls of color to become lifelong readers, improve their literacy skills, and develop leadership skills necessary to prepare and empower them for leadership in their communities and success in their personal lives.

HABITAT FOR HUMANITY OF SPARTANBURG

Habitat for Humanity of Spartanburg is committed to empowering deserving, hardworking families. We often think of them as the people who build houses, but their work goes far beyond this. By involving families directly in the building, financing, and educational aspects of their homeownership journey, Habitat for Humanity of Spartanburg is providing spaces for families that are structurally safe and financially sound.

USC UPSTATE FOUNDATION

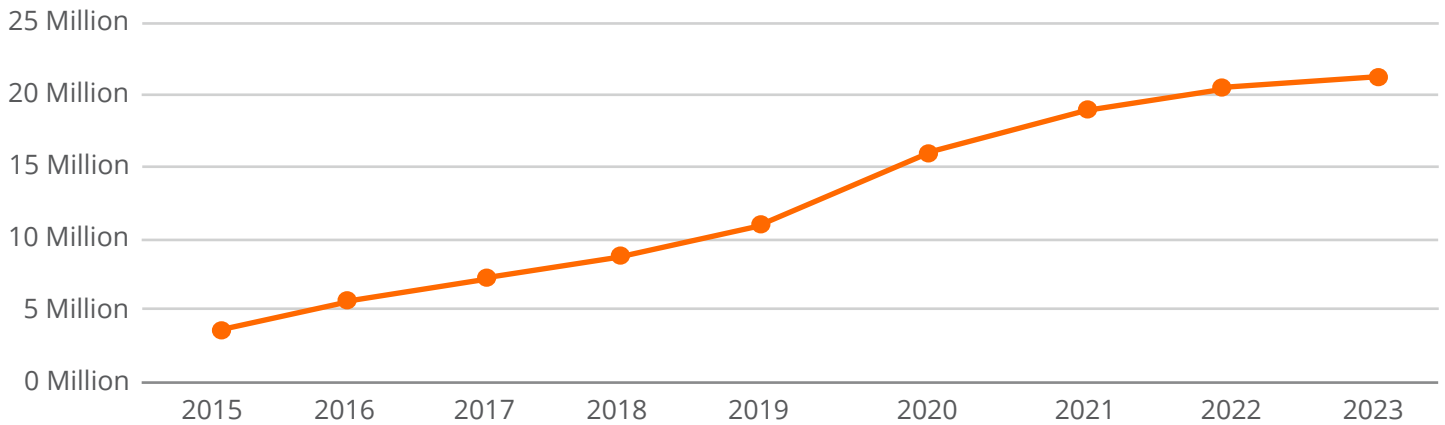
Since 1973, the USC Upstate Foundation has worked to provide educational resources for students in the Upstate. The Start:ME Spartanburg program, supported by the USC Upstate Foundation, provides a platform for Spartanburg residents looking to launch their business. This free intensive 14-week business training program provides Northside community residents with hands-on knowledge and networking opportunities to make their dream a reality. Promising ventures can take advantage of loan opportunities and grants.

409
second-chance
checking
accounts

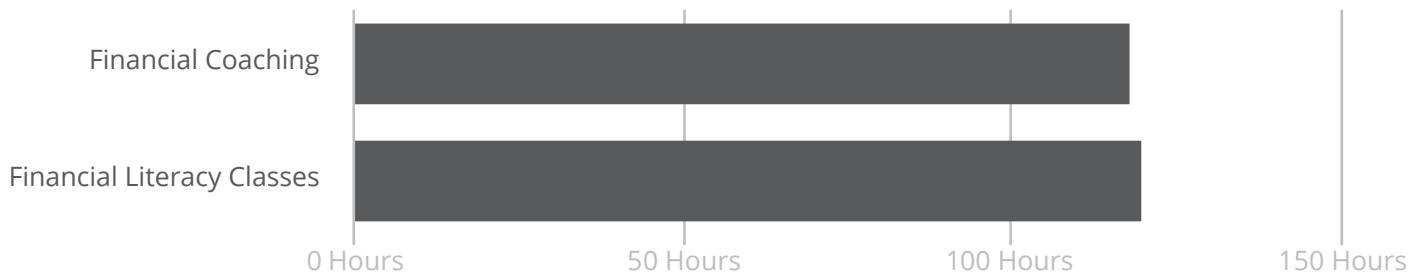
251
credit builder
loans

84
small business
loans

Since 2015, we've saved our members over \$21,232,323.78



545 STUDENT ACCOUNTS
with over \$64,910 saved



PowerUp
SPARTANBURG

\$1,002,500 in loans



Assets

Loans	\$137,931,318
Allowance for Loan Loss	(\$1,195,402)
Total Net Loans	\$136,735,916
Foreclosed or Repossessed	\$43,073
Cash/Checking	\$18,227,914
Investments	\$26,293,321

Fixed Assets

Land & Building	\$5,922,361
Furniture & Equipment	\$181,465
Other Assets	\$7,795,505
Share Insurance	\$1,590,116
Other	\$668,894
Total Assets	\$197,458,565

Liabilities

Accounts Payable	\$3,820,438
Dividends Payable	-
Other Liabilities	\$667,869
Total Liabilities	\$9,488,307

Deposits

Share Accounts & Clubs	\$64,614,831
Drafts & MMAs	\$60,244,203
Share Certificates	\$31,011,900
IRAs	\$8,165,240
Other Shares	\$1,001
Total Deposits	\$164,037,175

Equity Accounts

Regular Reserves	\$23,752,896
Undivided Earnings	\$180,187
Total Equity	\$23,933,083
Total Liabilities & Equity	\$197,458,565

Income

Interest on Loans	\$7,225,405
Investment Income	\$966,799
Other Operating Income	\$8,792,882
Total Income	\$13,985,086

Expenses

Compensation & Benefits	\$4,422,874
Travel & Conference	\$172,198
Association Dues	\$49,442
Office Occupancy	\$583,790
Office Operations	\$1,488,724
Education & Promotions	\$509,738
Loan Services	\$774,427
Professional Services	\$667,768
Member Insurance	-
Operating Fees	\$23,064
Cash Over/Short	\$2,955
Int./Borrowed Funds	\$65,500
Annual Meeting	\$3,325
Misc. Operating Expenses	\$60,700
Total Non-Interest Expenses	\$8,821,504

Provision for Loan Losses	\$908,373
Total Expenses	\$9,729,877

Dividend & Interest

Share Accounts & Clubs	\$291,282
Drafts & MMAs	\$683,885
Share Certificates	\$816,825
IRAs	\$112,142
Total Dividends & Interest	\$1,904,134
Non-Operating Gains/(Loss)	-
Net Gain	\$2,351,075

Distrubution of Gain

Reserves	\$23,752,896
Undivided Earnings	\$108,187

Number of Members	23,752,896
Number of Loans	180,187

FIVE YEARS OF SERVICE

Andrew Peeler
Makayla Thomas

TEN YEARS OF SERVICE

Terri Hendrix

TWENTY YEARS OF SERVICE

Heather Alexander
Angela Carpenter

**THANK YOU FOR YOUR SERVICE AND
DEDICATION TO OUR MEMBERS!**

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 you can buy that car, go to that college, start that business, dig out from those bills, or merely, sleep easier at 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.





**THANK YOU FOR A
WONDERFUL 2023**

**WE LOOK FORWARD TO
SERVING YOU IN 2024!**

Minutes of the Annual Meeting of CFFCU Membership February 2023

The 63rd Annual Meeting of the membership of Carolina Foothills Federal Credit Union was held at the Cleveland Academy of Leadership and Chair Dickson thanked Principal Clark for allowing us to hold our meeting there! The meeting was called to order by Isaac Dickson at 7:00 p.m. on Thursday, February 16, 2023. There were 112 members, and 9 guests present. A quorum was declared. Dickson welcomed all to the meeting.

Laura Olson led the group in Pledge of Allegiance.

Angela Geter announced the three recipients of the 2023 Student Scholarships of \$2,000 each: Cason Rogers, Kam’Ron Hopper, Kaitlyn Metz, Benjamin Hammontree and Lumamba Bilamu.

The minutes of the 62nd Annual Meeting held on February 17, 2022, were approved after a motion by Candy Franklin and a second by Jermaine Smith.

Business

1. Old Business- None to discuss.
2. New Business- None to discuss.

Isaac Dickson announced the organizations which were recipients of the 2023 Community Micro Grants: Hub City Farmers Market, Brown Girls Read, and Cherokee County Meals on Wheels received \$2,500 each.

Eric Sullivan presented the slate of nominees from the Nominating Committee: Isaac Dickson, Elvira Else and Marquice Clark. Mr. Sullivan declared them elected by acclamation in accordance with the Bylaws.

Johnny Lester recognized staff that had milestone years of service.

The business portion of the meeting was adjourned at 7:20 p.m.

Bingo was then played and cash totaling \$600.00 was presented to the lucky winners.

Isaac Dickson read the Prayer of St. Francis of Assisi and a boxed supper was served by the credit union staff to the members.

Respectfully Submitted,

Elvira Else, Secretary of the Board