



2023 Annual Report
S.C. State Federal Credit Union

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Table of Contents

Agenda.....	1
Report of Chairman & CEO.....	2
Report of Treasurer.....	3-4
Income and Expense Statement.....	5
Balance Sheet.....	6
Financial Charts.....	7
Report of Supervisory Committee.....	8
Report of Nominating Committee.....	9
Minutes of 2023 Meeting.....	10-13
Service Recognition.....	14
Membership.....	15
Officials and Staff.....	16
Highlights in History	17-19

Agenda

71st Annual Membership Meeting

**February 10, 2024 9:00 a.m.
Brookland Banquet & Conference Center, 1066 Sunset Blvd., West Columbia, SC**

Call to Order

Pledge of Allegiance

Invocation

Roll Call

Approval of the February 11, 2023 Meeting Minutes

Introductions

Reports:

Report of Chairman

Report of Treasurer

Report of Supervisory Committee

Remarks – CEO

Service Award Recognition

Performance by: Brookland Baptist Church Choir

Unfinished Business

Elections:

Report of Nominating Committee

Election of Board of Directors

Adjournment

Drawing for Prizes

Report of Chairman & CEO



Good morning and welcome to South Carolina State Credit Union's 71st Annual Membership Meeting. Thank you for your continued support of State Credit Union. 2023 was another year of strong financial growth and performance for State Credit Union.

With \$316.5 million in loans granted, SCU met a large number of member borrowing needs. During 2023, net loan and credit card balances grew by \$75.5 million. At the same time and due to solid loan underwriting and collections efforts, loan-related delinquency and loss remained well in check. In keeping with SCU's continued commitment to meet the borrowing needs of those more credit-challenged members, approximately \$46.9 million of SCU's new loans in 2023 were granted to members with lower credit scores.

SCU's capital increased from \$135.4 million in 2022 to \$157 million. Due to member confidence in SCU's safety and soundness and rates that fall among the most competitive in SC's major markets, member deposits held steady at \$1.114 billion. Likewise, assets climbed by \$87 million and, at year end, stood at \$1.387 billion.

As the chapter closes on 2023, and as we look into 2024 and beyond, we are both grateful and optimistic for the future of our credit union. We are excited to see the progress of our new Headquarters and Operations building and look forward to utilizing it to serve our members well into the future.

I thank you for the privilege of having served as Chairman of the Board and for the participation and support which has enabled SCU to serve, grow and prosper for the past 71 years.

Respectfully submitted,

Vince Rhodes
Chairman of the Board

Report of Treasurer

Year Ending December 31, 2023



2023 was an exceptionally strong year for State Credit Union in terms of financial growth and performance. This was made possible by the loyal support of SCU's members and the commitment of SCU's dedicated staff.

The following financial statements and comparative information are provided for your review. SCU grew loans by a record \$75 million during 2023 and grew capital by a record \$35 million. Deposits decreased by \$41 million, following the extreme deposit surge from the pandemic years, when deposits grew by \$412 million during the 3-year period from 2020-2022. This deposit decline trend was experienced industry-wide.

SCU assets increased by \$87 million during 2023 as a result of a \$100 million borrowing. As deposit growth slowed and loans continued growing, the industry experienced a tightening of liquidity. While SCU's liquidity remained healthy throughout the year, conservative measures were taken to ensure ample liquidity, regardless of any potential deposit loss scenarios. A one-year borrowing was drawn from the Federal Reserve's Bank Term Funding Program, at a very favorable interest rate, with the option to repay at any time with no penalty. This government program was designed to help assure the stability of the banking system and provide support for the economy following the failure of several regional banks earlier in the year. This opportunity served SCU well, supporting a healthy liquidity posture and supplementing the bottom line. SCU's liquidity level remains healthy, with projected cashflows over the coming months and years expected to cover all obligations and be supplemented with available lines of credit only if necessary.

SCU did experience an increase in charge-offs and delinquency during the year, in keeping with the trend experienced industry-wide. SCU monitors these indicators closely and adjusts underwriting and collection practices as necessary to ensure the continued health of our loan portfolio. These charge-off and delinquency increases contributed to the reserve for loan losses. However, the largest driver of the increase in the reserve was the mandated accounting change in the way the reserve is calculated. This change went into effect in January of 2023, and it more than doubled SCU's reserve for loan losses.

Following the success of the investment swap done in 2022, two additional investment sales were executed in 2023. These involved selling a large amount of low-yielding term investments in SCU's portfolio, and using the funds to either purchase investments with much higher yields, or provide additional cash to supplement liquidity while also taking advantage of the current high interest rates. While this strategy does involve taking a loss on the securities sold, it guarantees sizable additional income over the coming years from the securities purchased, while also improving the interest rate risk posture by locking in higher rates longer into the future. The investment loss taken can be seen on SCU's income statement which is presented in the pages that follow. Even with these losses, SCU achieved record net income ("Contribution to Reserves") of over \$14 million and maintained a very healthy ROA, as can be seen below.

In the years ahead, State Credit Union will continue to prudently and judiciously safeguard the assets of the credit union while maintaining a strong balance sheet.

We appreciate the opportunity to serve you and we sincerely thank you for your support.

Respectfully submitted,



Gary L. Turner
Treasurer

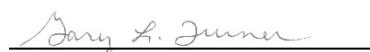
	<u>2022</u>	<u>2023</u>
Assets.....	\$1,300,320,675	\$1,387,254,154
Deposits.....	\$1,154,758,956	\$1,114,052,910
Liquidity	15.04%	27.90%
Total Capital.....	\$135,398,162	\$170,695,021
Loans Outstanding.....	\$680,674,897	\$756,169,565
Contribution to Reserves.....	\$11,648,157	\$14,150,451
Net Charge-off Ratio	0.57%	0.85%
Delinquent Loan Ratio	0.65%	0.80%
Net Capital Ratio.....	12.08%	11.85%
Gross Capital Ratio.....	12.46%	12.85%
Return-on-Assets Ratio.....	0.89%	1.05%
Net Operating Expense to Average Assets Ratio.....	2.18%	2.49%

Income and Expense Statement

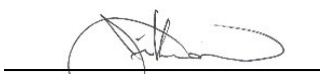
Year Ending December 31, 2023

INCOME	YTD ACTUAL
Interest Income from Loans	\$36,600,614.07
Interest Income from Credit Cards	7,272,506.06
Investment Income	15,368,25.22
Fees & Charges	8,502,685.74
Interchange Income	9,007,868.66
Insurance Income	1,614,715.52
Misc. Operating Income	1,986,661.71
Total Income from Operations	\$80,353,309.98
Gain (Loss) on Investments	(\$8,278,432.79)
Non-Operating Income from CDA Trading Investments	\$208,869.81
Non-Operating Income/Expense	\$0
Total Income	\$72,283,747.00
EXPENSES	
Compensation	\$14,660,750.94
Employee Benefits	4,673,101.26
Travel & Conferences	223,448.43
Management Expense Account	3,934.94
Association Dues	92,934.06
Office Occupancy Expense	2,556,611.07
Office Operations Expense	3,030,975.95
Promotional Expense	1,381,023.37
Loan Servicing Expense	491,354.62
Credit Card Expense	2,213,756.82
Repossession Expense	92,887.40
Professional & Outside Services	5,332,844.18
Data Processing Expense	3,385,543.08
Provision for Loan Losses	8,126,313.49
Supervision & Examination	214,867.47
Cash Over & Short	1,618.49
Interest on Borrowed Money	3,225,835.61
Annual Meeting Expense	24,492.73
Fraud & Forgery Expense	579,249.71
Misc. Operating Expense	16,144.55
Loss (Gain) on Disposition of Fixed Assets	(177,422.74)
Loss (Gain) on Disposition of Other Assets	60,823.00
Total Expenses	\$50,211,088.43
Income after Ops. Expense	\$22,072,658.57
Dividends	\$7,922,207.36
Net Income after Dividends	\$14,150,451.21

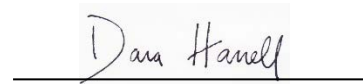
To the best of our knowledge, this statement and the related statements, are true and correct and present fairly the financial position and the results of operations for the period covered.



 Gary L. Turner, Treasurer / Board Member



 James Kinard, Jr., President/CEO



 Dara Harrell, CFO

Balance Sheet

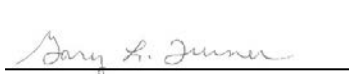
Year Ending December 31, 2023

Assets		
Loans 2 to 6 Mos. Delinquent	1,205	\$5,102,016.59
Loans 6 to 12 Mos. Delinquent	119	725,285.93
Loans Over 12 Mos. Delinquent	5	225,358.64
Subtotal	(A) 1,329	\$6,052,661.16
Consumer Loans Current	44,403	\$660,863,273.57
Credit Cards Current	28,751	87,448,808.51
Deferred Loan Expense		1,804,821.40
Total Loans	74,483	\$756,169,564.64
Allowance for Loan Losses		(13,751,945.00)
Net Loans		\$742,417,619.64
Other Receivables		\$7,070,900.21
Cash on Hand and on Deposit		26,609,146.06
Other Real Estate Owned		35,100.00
Charitable Contribution Trading Investments, net		\$1,966,600.69
Available For Sale Term Investments, net		272,263,554.37
Other Investments		267,480,187.82
Prepaid Expenses		1,647,066.04
Fixed Assets - Net		43,114,579.30
Accrued Income on Investments		1,413,866.46
Accrued Income on Loans		2,521,497.09
Other Assets		3,895,932.89
NCUSIF Deposit		11,001,207.96
In Process Items		5,816,895.91
Total Assets		<u>\$1,387,254,154.44</u>
Liabilities		
Accounts Payable		\$5,520,993.48
Notes Payable		100,000,000.00
Dividends Payable		19,151.59
Taxes Payable		3,553.41
Other Liabilities		10,714,468.90
Total Liabilities		\$116,258,167.38
Savings and Equity		
Regular Shares		\$408,279,551.52
Holiday Clubs		644,455.35
Sharedraft Accounts		225,968,517.80
Money Market Accounts		262,575,059.75
Shares - IRA		21,383,724.25
IRA Certificates		20,836,116.45
Certificates		174,365,485.32
Total Savings		\$1,114,052,910.44
Equity From Mergers (B)		\$2,310,906.35
Unrealized Gain/(Loss) on AFS Securities		(7,501,122.11)
Undivided Earnings		147,982,841.17
Net Income		14,150,451.21
Total Equity		\$156,943,076.62
Total Savings, Equity & Liabilities		<u>\$1,387,254,154.44</u>

(A) Includes credit cards.

(B) Consists of equity from the 2009 Anderson County Educators FCU, 2012 Anderson SC City Employees FCU, 2015 SC Members First FCU, 2019 Sangamo Oconee Employees FCU and 2020 TRMC Employees FISCO mergers.

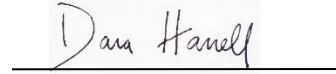
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Gary L. Turner, Treasurer / Board Member



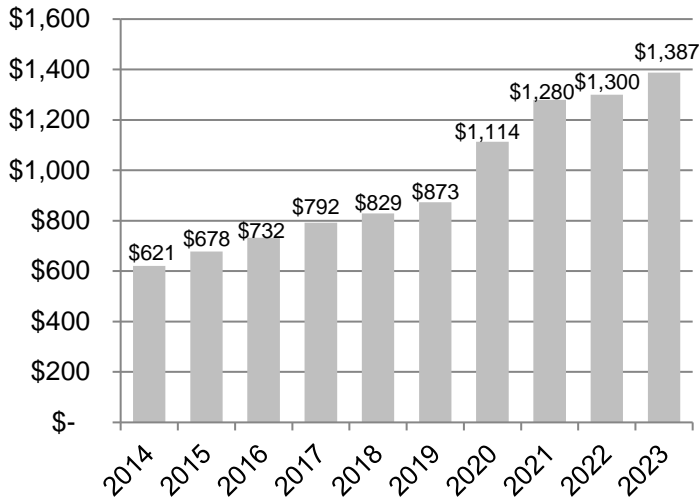
James Kinard, Jr., President/CEO



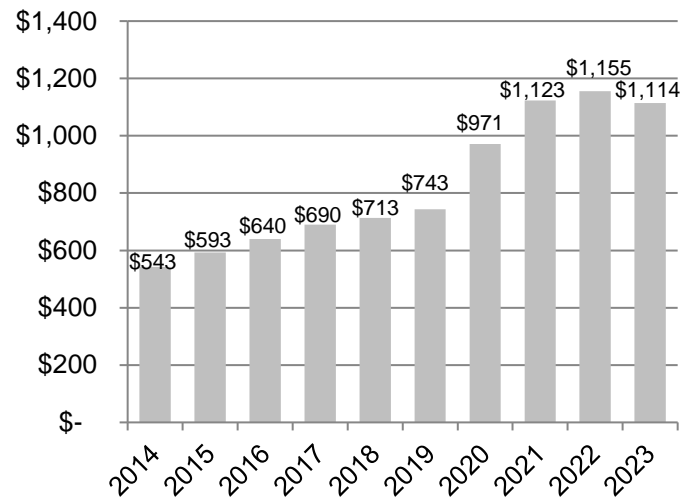
Dara Harrell, CFO

Financial Charts

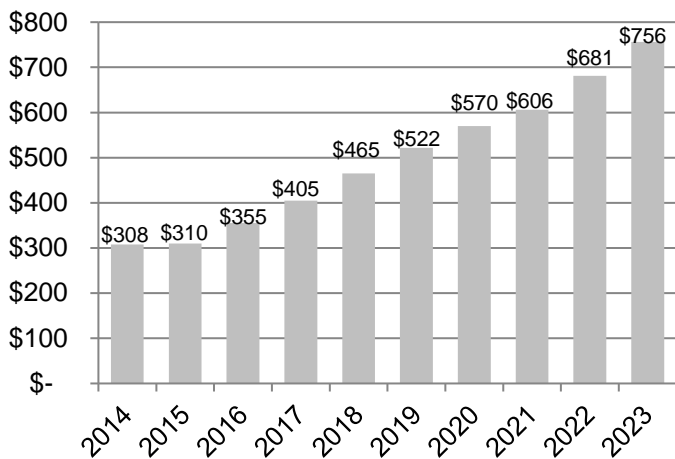
Assets (millions)



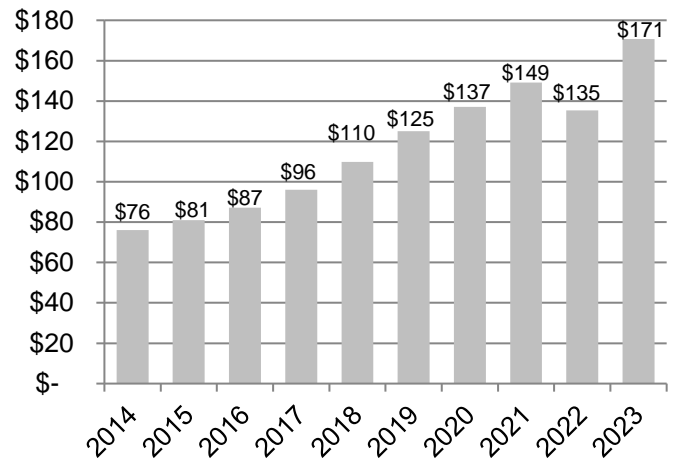
Deposits (millions)



Loans (millions)



Gross Capital (millions)



Report of Supervisory Committee

Year Ending December 31, 2023



The Supervisory Committee of SC State Federal Credit Union (State Credit Union) is composed of member volunteers and plays several critical roles at State Credit Union. The Supervisory Committee oversees a professional Internal Audit department, who performs assurance work over the course of the year. We also engage qualified external auditors and outside consultants to perform additional audits and assurance projects to provide a level of assurance commensurate with the credit union's size and complexity.

One of the Committee's most important tasks is engaging and overseeing an annual financial statement audit. We engaged a qualified CPA firm to perform this "external" audit for the year ending 2022. The credit union received an "unqualified" opinion, meaning the annual financial statements fairly presented the credit union's financial position and conformity to generally accepted accounting principles. This opinion was based on testing of controls and transactions, in accordance with generally accepted auditing standards. An "unqualified" opinion is also known as a "clean" opinion and should provide our members with comfort that the financial statements are free of material errors and omissions. The 12/31/23 audit is in process.

As a federally regulated entity, State Credit Union is subject to periodic examination by the National Credit Union Administration (NCUA). NCUA conducted an examination of the credit union as of 12/31/22, during the 1st quarter of 2023. The few low-risk findings have been addressed by credit union management.

The Supervisory Committee has direct authority and supervision of the Internal Audit Department. Internal Audit is an independent, objective, consulting assurance designed to add value to the credit union and improve its operations. In line with professional standards, Internal Audit uses a systematic and disciplined approach to evaluate the effectiveness of risk management, internal control, and governance processes. The Committee meets with Internal Audit regularly and makes monthly reports to the Board of Directors. We believe, based on the cumulative results of assurance and consulting projects, that State Credit Union is well positioned.

The Supervisory Committee is an advocate for and representative of you, our members. Please use the contact information included on the credit union's website to contact your Supervisory Committee regarding situations not resolved through normal channels.

Respectfully submitted,

A handwritten signature in black ink that reads "Carole Seebode". The signature is written in a cursive, flowing style.

Carole Seebode, Chair

Report of Nominating Committee

The Nominating Committee consists of:

Thomas R. Gorman, Chair
Retired, State Government

Frank V. Grobusky
Retired, State Government

Vince Rhodes
Retired, State Government

Jim Kinard
President/CEO, State Credit Union

The Nominating Committee met on September 26, 2023 and agreed unanimously to submit the following for nomination:

Board of Directors (3-year term)

Marie J. Isert

Frank Grobusky

The following is a brief description of the individuals who have been nominated for a position of elected official for State Credit Union. We believe the slate of nominees presented by the Nominating Committee is highly qualified and that it represents a good cross-section of the membership.

Marie J. Isert - Ms. Isert has served as an elected official since 1976. Her service includes serving on the Credit Committee for 15 years, on the Board of Directors from 1991 to 1993, chairing the Supervisory Committee and again being elected to the Board of Directors in 2001. Ms. Isert retired in 1994 as the Program Information Supervisor with the Human Resources Management Division where she had been employed since 1970.

Frank Grobusky - Mr. Grobusky is a graduate of the University of South Carolina where he earned a Bachelor's Degree in psychology. He went on to earn his Master's Degree in counseling and guidance from Winthrop University in 1975. Mr. Grobusky also served in the United States Navy where he was awarded the Gallantry Cross. He went on to work for the SC Department of Mental Health and the SC Department of Vocational Rehabilitation, where he retired from in 2001. Mr. Grobusky was appointed to the State Credit Union Nominating Committee in 2001, the Supervisory Committee in 2014 and the Board of Directors in April of 2019.

Minutes of February 11, 2023 Meeting

The 70th Annual Membership Meeting of S.C. State Federal Credit Union was held at Brookland Banquet and Conference Center in West Columbia, SC, on Saturday, February 11, 2023.

Call to Order

Chairman Vince Rhodes called the meeting to order at 9:00 a.m. and introduced the Parliamentarian, Mrs. Linda Bush. Jesse Washington, Secretary, verified a quorum was present.

Pledge of Allegiance

Brooks Galloway, 2nd Vice Chairman, led the membership in the Pledge of Allegiance.

Invocation

Jesse Washington gave the invocation and led the membership in a moment of silence in memory and honor of our departed members.

Roll Call

Chairman Rhodes called for a motion to dispense with the roll call of over 87,000 members.

Daniel Harms (moved) to dispense with the roll call of over 87,000 members. Jim House (seconded). **Motion Carried.**

Approval of the February 11, 2022 Meeting Minutes

Chairman Rhodes called for a motion to approve the minutes of the February 11, 2022 Annual Meeting.

David Safdi (moved) to approve the minutes of the February 11, 2022 Annual Membership Meeting. Eric Graves (seconded). **Motion Carried.**

Introductions

Chairman Rhodes introduced and thanked the members of the Board of Directors, Supervisory Committee and Nominating Committee for their dedication.

Reports

Report of Chairman

Chairman Rhodes welcomed everyone to the 70th Annual Meeting of S.C. State Federal Credit Union and said we are grateful to meet in person. He thanked the membership for how supportive they were during the pandemic. Chairman Rhodes spoke on how well trained the staff is and the hard work they do in serving the membership.

Chairman Rhodes reported that State Credit Union has had growth due to the continued support and commitment of the membership. SCU has had the groundbreaking of the new headquarters building on Huger Street and looks forward to utilizing the building to better serve our membership. Chairman Rhodes said this facility will serve the memberships needs in the present and in the future.

In conclusion, Chairman Rhodes thanked the elected officials and the group of dedicated employees for the unbelievable job they perform at State Credit Union. Chairman Rhodes thanked the membership for allowing SCU to serve them now and into the future.

Report of Treasurer

Gary Turner, Treasurer, noted in 2022, State Credit Union had another strong year of financial growth and performance.

Mr. Turner reported that in 2022 SCU assets increased by \$20 million, driven by deposit growth. Loans grew by \$74 million, and delinquency and net charge-offs, which were very low in the pandemic, returned to more normal levels.

Mr. Turner stated there was a sudden and steep rise in interest rates during 2022 presented SCU with a unique opportunity for an “investment swap”. Mr. Turner said this involved selling a large amount of term investments in SCU’s portfolio and using the funds to purchase investments with much higher yields. He also stated that while this strategy does involve taking a loss on the securities sold, it guarantees sizable additional income over the coming years, while also improving the interest rate risk posture by locking in higher rates longer into the future.

Mr. Turner reported SCU’s capital fell from \$149.1 million in 2021 to \$135.4 million in 2022. This drop was solely driven by an accounting change relating to investments. Mr. Turner stated that the unrealized loss at 12/31/22 was \$26.6 million, which is shown on the balance sheet. He reported without this change, SCU’s 2022 capital would have grown notably over 2021.

Mr. Turner said SCU makes diligent efforts to keep operating expenses low, evidenced by this third year in a row of declines in the net operating expense percentage (2.67% in 2019, 2.44% in 2020, 2.21% in 2021, and now 2.18% in 2022). These low operating expenses contribute to SCU’s strong ROAs.

Mr. Turner said in the years ahead, State Credit Union will continue to prudently and judiciously safeguard the assets of the credit union while maintaining a strong balance sheet.

Report of Supervisory Committee

Carole Seebode, Supervisory Committee Chair, reported the Supervisory Committee of SCU is composed of member volunteers. The Supervisory Committee oversees a professional Internal Audit department, who performs assurance work over the course of the year. Ms. Seebode said the Supervisory Committee engages qualified external auditors and outside consultants to perform additional audits to provide a level of assurance commensurate with SCU’s size and complexity.

Ms. Seebode said SCU engaged a qualified CPA firm to perform an annual financial statement audit for the year ending 2021. Our credit union received an “unqualified” opinion, meaning the annual financial statements fairly presented SCU’s financial position and conformity to generally accepted accounting principles. This opinion was based on extensive testing of controls and transactions, in accordance with generally accepted auditing standards. An “unqualified” opinion is also known as a “clean” opinion and should provide our members with comfort that the financial statements are free of material errors and omissions. Ms. Seebode said the 12/31/22 audit is currently in process.

Ms. Seebode stated the National Credit Union Administration (NCUA) examines the credit union because we are a federally chartered credit union and are federally insured. Ms. Seebode said the NCUA has been auditing SCU the past two weeks, examining the credit union as of 12/31/22. Upon receipt of the final report, the Supervisory Committee will review the results and any of the credit union’s applicable action plans. Credit union staff, including the Internal Audit department, is critical to completing this examination process.

Ms. Seebode said the Supervisory Committee has direct authority and supervision of the Internal Audit department. Internal Audit is an independent, objective, consulting assurance designed to add value to the credit union and improve its operations. In line with professional standards, Internal Audit uses a systematic and disciplined approach to evaluate the effectiveness of risk management, internal control, and governance processes. The Committee meets with Internal Audit regularly and makes regular monthly audit reports to the Board of Directors.

Remarks – CEO

Mr. Kinard welcomed everyone to the 70th Annual Membership Meeting. He said in 2022 SCU continued to perform at high levels in both service and soundness in striving to fulfill the mission of “Improving the financial lives of our members”.

Mr. Kinard said during 2022, SCU added 3,375 new members while increasing the average number of products and services our members maintained. He said the marketing department, through direct mail campaigns, helped re-establish membership to a good percentage of former or inactive members. Through our business development efforts, SCU is actively and successfully reaching additional employer groups to partner with to extend membership benefits to their employees.

Mr. Kinard reported that SCU met the financial needs of almost 22,000 members, by extending \$292 million in loans in 2022. In keeping with SCU’s continued commitment to meet the borrowing needs of those more credit-challenged members, approximately \$80 million of SCU’s new loans in 2022 were granted to members with lower credit scores. Mr. Kinard said due to solid loan underwriting and collection efforts, SCU was able to keep loan related delinquency and losses at acceptable levels.

Mr. Kinard reported SCU continues to be a very safe and sound financial institution. Through smart and timely investment management, SCU was able to take advantage of the current and future interest rates in order to maximize the returns in the years ahead. At the same time, robust credit demand and loan portfolio management has provided increased net interest income. Mr. Kinard said through recent NCUA examinations and additional external audits, SCU continues to be classified as a well-capitalized and low risk credit union.

Mr. Kinard said SCU looks forward to continue being our member’s financial champion and thanked SCU members for their continued loyalty, membership, and support.

Mr. Kinard then presented Shannon Henry, Founder and President of SASS GO, with a monetary donation. SASS Go aids in providing education, self-defense courses and critical case consulting to help end violence across South Carolina.

Service Award Presentations

Mr. Kinard reported several employees have reached anniversary milestones. Staff tenure awards will be presented at a later time. The list of staff tenure awards may be found on page 14 of the Annual Report.

Performance by Sister Strings

Next, Mr. Kinard introduced the entertainment, Sister Strings.

Mary Sickler found joy in music at a very young age when she started to play the piano. This sparked an interest in other instruments, so she soon started to study the cello. She continued to pursue music her entire academic career and graduated from the South Carolina Governor's School for the Arts & Humanities. She now continues to play cello for weddings and other events and enjoys recording music as a hobby on the piano.

Jewel Canty is a pianist and violinist with over 20 years of experience playing for weddings and other special events. She earned a Bachelor of Music in music therapy from Converse College with an emphasis in piano. Currently she plays violin at Greenlawn Baptist Church, piano at Unity Church, and regularly plays for weddings and special events in the Midlands. Since 2010, Jewel, her sister, and friends have collaborated on Christmas albums to share with family and friends. You can hear the albums on the Sister Strings YouTube channel.

Elections

Report of Nominating Committee

Tom Gorman, Chairman, reported The Nominating Committee met on September 27th, 2022. They reviewed the slate of nominees whose terms were expiring and have expressed an interest in continuing to serve. They are R. Brooks Galloway, Ronald T. Herrin, and Gary L. Turner.

Mr. Gorman said there were no petitions received and in accordance with our Bylaws, no nominations are accepted from the floor. Since the number of nominees equal the number of positions to be filled, the Nominating Committee recommends R. Brooks Galloway, Ronald T. Herrin, and Gary L. Turner each be re-appointed to the Board of Directors for an additional three-year term.

Voting Results: Election of Board of Directors

Chairman Rhodes stated since there are three nominees to fill the three vacant positions, and no petitions were received that R. Brooks Galloway, Ronald T. Herrin, and Gary L. Turner are each appointed to three-year terms on the Board of Directors.

Adjournment

Chairman Rhodes called for a motion to adjourn.

Daniel Harms (moved) to adjourn. Eric Graves (seconded). **Motion Carried.** The meeting adjourned.

Employee Service Awards

Employee Name	Years of Service
Michele Shealy	30
Crystal Jacobs	25
Marie McIntosh	25
Beth Warren	25
Latoya Bellamy	20
Jody Hill	20
Justin Joy	20
Darla Lucas	20
David Safdi	20
Cindy Scott-Durham	20
Jennifer Walker	20
Alea Delarye	15
Robin Spires	15
Tiffany Swygert	15
Lauren Culpepper	10
Dan Graziano	10
Jessica Moody	10
Heather Nero	10
Amanda Porter	10
Olivia Tatum	10
Nikki Wooten	10
Nakiba Bethea	5
Monifa Byrd	5
Crystal Looney	5
Serenity Thomas	5

Membership

State Credit Union is a member-owned financial institution providing services to state, city, county and school district employees, as well as anyone eligible to participate in the SC State Retirement System. It serves those employed by or attending any school in the South Carolina Technical College System or state-chartered college or university. Anyone who is related to another member by blood or marriage may also join the credit union.

In addition, any individual who lives, works or attends school in Aiken, Anderson, Florence, Greenwood, Oconee, Orangeburg, Pickens or Spartanburg counties is eligible to join.

Members retain their membership for life even though they may change employment or retire.

Officials and Staff

The following is not a complete list of responsibilities, but rather an overview of the various functions of the elected officials and staff members.

The **Board of Directors** consists of nine members, each of whom serves a three-year term of office. Terms are staggered; three directors are elected for a full term each year. Others may be elected to fill unexpired terms or any vacancies. The Board may appoint any person to fill a vacancy until the next election. From its own number, the Board elects a Chairperson, 1st Vice Chairperson, 2nd Vice Chairperson, Secretary and Treasurer. These five officers make up the Executive Committee.

The **Executive Committee** may meet as often as necessary. The Board must meet no less than monthly. Board members serve without compensation. It is the responsibility of the Board of Directors to make policy. The Board also employs a Chief Executive Officer to manage the day-to-day operations of the credit union and to implement its policies.

The **Supervisory Committee** consists of three to five members, each of whom serve a one-year term of office. From its own number, the committee elects a Chairperson and a Secretary. The Committee meets as often as necessary, but no less than quarterly. Its members serve without compensation. The Supervisor Committee has the responsibility to make, or have made, an annual audit of the records and business of the credit union and to make reports to the Board of Directors of its findings. If necessary, the Committee may seek outside assistance to perform its duties. Should a vacancy occur, the Board shall vote on a person to fill the vacancy until the next election.

The **Nominating Committee** consists of three members. The Committee is appointed by the Board Chairperson and elects a Chairperson from its members. It is the responsibility of the Nominating Committee to seek and nominate persons who are interested in serving the credit union to fill any elected position which is vacant. In making its selection, the Nominating Committee is charged with the responsibility of selecting qualified persons who represent a cross section of the members. The Nominating Committee serves without compensation and is dissolved after making its official report.

The **Chief Executive Officer (CEO)** is employed by the Board of Directors. It is the duty of the CEO to act on behalf of the elected officials in the day-to-day operations of the credit union. The CEO is charged with the responsibility of employing and training the staff. He or she is also responsible for proposing and implementing policies. The CEO is responsible for representing the members' interests, the elected officials' interests and the staff members' interest at all time. He or she is responsible for research, development and implementation of new and improved services. The CEO is a full-time employee and is compensated for services.

The **Staff** is employed by the CEO. It is the responsibility of the staff to deliver service to the members in an efficient and professional manner. Staff members are full-time and part-time employees and are compensated for their services.

Highlights in History

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| 1952 | SC State Employees' Cooperative Credit Union was chartered on May 26. | 1988 | Electronic Teller program began. Rate Line service added. |
| 1960 | First full-time staff member was employed on January 28. | 1989 | Aiken office moved into its own facility at 210 Beaufort Street. |
| 1973 | Accounting system converted from posting machine to computer. | 1990 | Completed ten-year Huger Street land utilization and building plans. Branch office opened on Broad River Road, Columbia. Relocated Charleston office to 5420 Rivers Avenue. |
| 1974 | Employed first full-time management Officer. | 1991 | Branch offices opened at 7905 Farrow Road and 1200 Main Street, both in Columbia. |
| 1975 | Credit union name changed to SC State Employees' Credit Union. As of December 31, SCU's assets totaled \$3,745,156. | 1992 | Branch office opened at 1504 Cashua Drive in Florence. |
| 1976 | Credit union moved into its own facility at 800 Huger Street. | 1993 | As of December 31, SCU's assets totaled \$106,118,096. |
| 1977 | First branch office opened in Clemson. First addition made to Huger St. office. | 1994 | Completed the expansion of the home office at 800 Huger Street. |
| 1978 | Branch office opened at 1910 Savannah Highway in Charleston on January 9. | 1995 | Personal check card (debit card) was added as a new service. SCU Gold Card introduced. As of December 31, SCU's assets totaled \$128,465,298 |
| 1980 | Began offering checking services. General Assembly passed law permitting persons eligible for participation in State Retirement System to belong to the credit union. | 1996 | Established an Automatic Teller Machine (ATM) Network. |
| 1981 | Individual Retirement Accounts offered for all wage earners. | 1997 | Call center opened. |
| 1982 | Loanliner lending program established. Began offering direct deposit with state agencies and Money Management accounts to members. | 1998 | Moved Walhalla branch office to Seneca and established a full-service Mortgage department. |
| 1983 | Branch office opened in Aiken. Automated Teller Machine Service implemented. | 1999 | Retirement of President F.M.C. "Mack" Fralix after 25 years of service. A.E. "Rick" Hammond named President. R.L. Bryan Credit Union merger completed. As of December 31, SCU's assets totaled \$200,488,559. |
| 1984 | Persons related to members by blood or marriage were included in field of membership. | 2000 | Opened branch at 9221 1/2 Two Notch Road in Columbia. Opened branch at 5454 Augusta Road in Lexington. Opened ATM at 4900 Broad River Road. Launched Financial Counseling program for members. SCU Online made available to members. SCU Platinum Card introduced. As of December 31, SCU's assets totaled \$235,233,857. |
| 1985 | Branch office opened in Florence. Mr. Arthur J. Jenkins appointed as a lifetime member of the Board of Directors.

In-house computer system installed July 1. Second addition made to Huger Street. | | |
| 1986 | Branch offices opened in Greenville, Walhalla, and at 3100 Colonial Drive, Columbia. Credit union name changed to SC State Credit Union. | | |
| 1987 | VISA credit card program added. | | |

- 2001** Opened branch office at 1081 Boulevard Street, NE in Orangeburg. Launched FHA home mortgage program. Merged in the Darlington County Teachers Federal Credit Union. Introduced KidSavers Club and Youth Savings Certificate. Assumed leadership role in National Endowment for Financial Education. Granted community charter status for Richland and Lexington counties.
- 2002** Greenville office moved into its new facility at 1435 Cleveland Street. Received community charter status for Orangeburg County. Introduced free online bill payment service.
- 2003** Opened branch at 2099 S Pine Street in Spartanburg. Received community charter status for Oconee and Greenwood counties. Relocated Irmo branch into new building at 7438 Broad River Road. Merged with BASF Employees Federal Credit Union, Anderson. Introduced indirect lending, "SCU Sign & Drive," at select automobile dealerships. As of December 31, SCU's assets totaled \$318,744,329.
- 2004** Opened branch at 1000 Montague Avenue in Greenwood. Introduced Secured Visa card. Joined the CO-OP ATM Network, providing our members with access to almost 20,000 surcharge-free ATMs throughout the U.S. and Canada. Opened branch at 2116 N Highway 81 in Anderson. Launched eStatements through SCU Online. Granted community charter status for Florence and Spartanburg counties. Introduced Courtesy Pay service for members.
- 2005** Granted community charter status for Anderson County. Opened branch at 7845 Garners Ferry Road in Columbia. Introduced toll-free, extended hours, financial counseling services in affiliation with Accel. Launched Identity Theft 911, a free program designed to assist members whose identities have been stolen or compromised. Established partnership with Anderson & Strudwick, to offer members expanded investment and financial planning services.
- 2006** Granted community charter status for Aiken and Pickens counties. Implemented new core data processing system, SCU Online program. Telephone Teller replaced ART. Upgraded Billpayer. Awarded Desjardins award for Financial Education program.
- 2007** Introduced Relationship Rewards. Launched an online vehicle-purchase resource center. Awarded three scholarships in the Financial Education Scholarship Program. Waived fees at an additional 41 ATM locations, providing members with a total of 195 free ATMs across the state. Produced and aired television spots advertising State Credit Union for the first time.
- 2008** Charleston office moved into new facility at 6750 Rivers Avenue, offering drive-thru and ATM service. Launched new web site design for www.scscu.com and new online account alerts. Became an IRS-certified Volunteer Income Tax Assistance site offering free tax preparation services to low-income households. Waived fees at all ATMs located at Publix Super Markets in South Carolina. As of December 31, 2008, SCU's assets totaled \$415,868,508.
- 2009** Spartanburg office moved into new facility at 165 Camelot Drive, offering drive-thru and ATM services. Merged in Anderson County Educators Federal Credit Union. Introduced Shared Branching allowing SCU members to conduct basic SCU business at 46 other credit unions state wide and 3,600 nationwide.
- 2010** Changed from state-chartered to federally-chartered institution February 11, 2010. Relocated Operations and Member Relations departments to 1624 Browning Road in Columbia. Transitioned Farrow Road location to a transaction-only, drive-thru branch. Anderson Main Street branch moved to 306 Pearman Dairy Road, offering an additional drive-thru and night depository. Introduced a multi-factor authentication for greater security within SCU Online.
- 2011** Introduced eStatements for SCU Visa credit cardholders. Began partnership with Money Management International to offer additional educational resources to members. Introduced reloadable Visa Prepaid cards that work like a Visa debit card. As of December 31, SCU's assets totaled \$520,129,604.
- 2012** Established a member services specialist team to provide expert assistance. Added a "Second Look" loan initiative. Upgrades to SCU's ATM network. Merger with the City of Anderson Federal Credit Union completed.
- 2013** Launched modernized corporate logo and branding initiative. Began offering self-serve kiosks in select branches. As of December 31, SCU's assets totaled \$590,577,524.
- 2014** Installed electronic signature program for easier document signing. Opened a second Lexington branch on Highway 378, and new facility for Anderson's branch on E. Greenville Street. Implemented new mobile banking platform with remote check deposit. Developed social media presence on Facebook and Twitter. Launched new Visa credit card program with UChoose Rewards.

- 2015** Developed new responsive-design website with sliding banners, events calendar and news section. Implemented new debit cards rewards program and EMV Visa credit cards with chip protection. Successfully merged with SC MembersFirst Federal Credit Union. As of December 31, SCU's assets totaled \$677,564,419.
- 2016** Opened 20th branch at 529 St. Andrews Road in Columbia. Enhanced mobile banking platform with new QR code. Launched ApplePay, POP Money, online account opening and SCU Financial to offer members assistance with investments, insurance and retirement.
- 2017** Installed new ATM in Clemson. Enhanced Mobile Banking and BillPay. Added a second Financial Advisor to SCU Financial. Launched SCU's Teacher Grant Program. Enhanced accessibility of scscu.com for those with vision or hearing impairments. As of December 31, SCU's asset size totaled \$791,548,613.
- 2018** Launched online banking responsive interface and Instagram. Rick Hammond, President, retired June 30 after 19 years of service. Jim Kinard promoted to President. Launched new corporate Vision Statement: To be our members' CHAMPION.
- 2019** Developed formal strategic plan consisting of five Senior Management teams tasked with increasing assets, increasing deposits, and increasing membership, ensuring safe and sound financial operations and providing quality and relevant products and services. Launched new Visa Signature card. Completed merger with Sangamo-Oconee Employees Federal Credit Union. As of December 31, SCU's asset size totaled \$872,783,813.
- 2020** Relocated Two Notch Road branch in Columbia to Hard Scrabble Road. Began construction on a new building for the Orangeburg branch. Installed first deposit-accepting ATM at Huger Street branch. Completed a merger with The Regional Medical Center Credit Union in Orangeburg. As of December 31, 2020, SCU's assets totaled \$1.1 billion.
- 2021** Built a new facility for the Orangeburg branch. Launched "Card Controls" allowing members to turn their SCU debit and credit card on or off. Launched "Skip-A-Pay" allowing members to skip a qualified loan payment for a \$20 fee. Began construction of the new corporate office building to house employees from Browning Road which will be torn down by SCDOT to rework Interstate 26. As of December 31, 2021, SCU's assets totaled \$1.28 billion.
- 2022** Installed deposit-accepting ATMs at five branches; Aiken, Farrow Rd., Florence, Orangeburg and Seneca. Made significant progress on the new Corporate Office / Operations Center building and renovations of the existing building at 800 Huger Street. As of December 31, 2022, SCU's assets totaled \$1.3 billion.
- 2023** Installed deposit-accepting ATMs at seven additional branches: Anderson 28 Bypass, Greenville, Greenwood, Lexington Hwy 1, Lower Richland, Northeast, Spartanburg. Completed construction on the new Corporate Office at 800 Huger St., including placement of drive-thru ITM's. As of December 31, 2023, membership had grown to 97,031. Assets totaled \$1.38 billion.