



2019

ANNUAL REPORT

Neighbors
Federal
Credit
Union

Building
Relationships
That
Matter



NEIGHBORS FEDERAL CREDIT UNION



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Charlotte Placide
Board Chair

**Everything we do at
Neighbors revolves
around our purpose.**

BOARD CHAIR REPORT

Every day, members trust our organization with their financial well-being. Whether it is something as simple as opening a first savings account or the colossal task of buying a home, these transactions are the basis for building a relationship. The board, management and staff of Neighbors takes these relationships seriously. These relationships are the backbone of our purpose: To Build Relationships That Matter.

Everything we do at Neighbors revolves around our purpose. Our top priority is ensuring the financial well-being of you, the member. We also strive to ensure that the employees of Neighbors recognize this as a place to build a career. Dedicated employees help us provide the level of service you deserve. In 2019 our organization was once again recognized as one of the Best CUs to Work For by CU Journal. Neighbors was one of only 50 institutions nationally to receive this honor. This award demonstrates the dedicated effort that our board and management put forth to ensure that we have the very best employees to assist you when you need them.

At Neighbors, we take an interest in your financial success. We are here to help you build a financial future you can depend on and build a relationship that you can trust will be there for you. We are continually searching out new ways to improve your experience as a member. In 2019 Neighbors partnered with Everfi to introduce Money Matters. Money Matters is a free financial education platform that affords members the opportunity to expand their money management knowledge through online courses via the Neighbors website. Through the same agreement with Everfi, Neighbors has also been able to offer free financial education courses to local schools. These courses assist in meeting state financial-education requirements at no extra cost to schools.

Neighbors was built to help our members achieve their financial goals. For over 60 years that goal has not changed. We are here to build relationships that we hope will last you a lifetime.

BOARD OF **DIRECTORS**



Andrew Redmond



Bill Robbins



Bob Toepfer



Gail Johnson



Grady Hazel



Jeanne Wallace



Keith Bennett



Melanie Brunson



Steve E. Webb, Jr., CCUE
President/CEO

“Neighbors Federal Credit Union is really showing us what it is to co-create a positive community by reaching out and responding to the different needs in our community by partnering with various organizations.”

Mayor Sharon Weston Broome

PRESIDENT/CEO REPORT

In 2019, the management of Neighbors continued our mission to improve the experience of our members and build closer relationships with the Baton Rouge community as a whole. With these goals in mind, we continued our branch upgrade project, completing the transformation of our Central, Prairieville, and Zachary branches.

These branch upgrades have been designed so that members can now enjoy a more convenient in-branch experience while improving on the personal service they’ve come to expect from Neighbors. Our Live Teller system is there to help with everyday transactions. Allowing our branch staff to concentrate on matters that require more time and personal attention. Our Live Teller system has greatly improved transaction times while also improving the safety and security of our branches for both our staff and members.

Neighbors was also able to expand our community outreach in 2019, growing both our Neighbors Day tradition and the Neighbors Way Tuition Assistance Award program. Neighbors

Day, which we celebrate each Columbus Day, is a day for Neighbors employees to go out and volunteer with local nonprofit community organizations. This year, Mayor Sharon Weston Broome proclaimed October 14th as Neighbors Day in the city of Baton Rouge. Our employees contributed more than 1,000 hours of service to the community. Our Neighbors Way Tuition Assistance Award has grown to include a 4-year scholarship for our top senior as well as a one-time monetary award to a senior from each of our area Mascot schools.

Neighbors continues to grow because of these efforts to build relationships that matter with both our members and our surrounding community. By living up to our purpose of building relationships that matter, the board, management and staff are helping to build a financial institution that our members can be proud to call home.

EXECUTIVE **MANAGERS**



Dan Robichaux
Chief Administrative Officer



Greg Inman
Chief Operations Officer



Jody Caraccioli
Chief Financial Officer



Steve Schexnayder
Chief Information Officer

Statement of Condition

Assets

Cash and equivalents	\$58,092,772.43
Loans to members	\$784,784,007.06
Less: allowance for loan loss	(\$4,483,643.80)
Investments	\$18,195,588.42
National credit union share insurance fund deposit	\$8,100,355.27
Property and equipment (net)	\$40,406,515.63
Other assets	\$29,811,899.60
Total Assets	\$934,907,494.61

Liabilities and equity

Accounts payable and other liabilities	\$23,397,869.05
Regular shares	\$238,748,595.13
Share drafts	\$160,346,584.48
Money market	\$27,741,838.81
IRA deposits	\$50,842,944.64
Other share accounts	\$27,266,230.51
Share certificates	\$265,467,833.39
Public fund certificates	\$0.00
Non-member certificates	\$65,034,541.54
Regular reserves	\$4,006,076.07
Undivided earnings	\$75,811,328.55
Equity - KeyPoint FCU merger	\$3,013,099.95
Accumulated other comprehensive loss	(\$6,625,974.96)
Unrealized gain/loss on investments	(\$143,472.55)
Total Liabilities and equity	\$934,907,494.61

Statement of Income

Interest income

Interest on loans	\$33,699,381.70
Income from investments	\$2,437,592.68
Total interest income	\$36,136,974.38

Interest expense

Dividends to members	\$10,431,046.04
Interest on borrowed money	\$51,470.54
Total interest expense	\$10,482,516.58

Net interest income before provision	\$25,654,457.80
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Provision	\$4,031,958.10
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Net interest income after provision	\$21,622,499.70
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Non interest income

Fee income	\$11,538,847.39
Other operating income	\$8,622,580.37
Miscellaneous gain/loss	(\$702,407.37)
Total non interest income	\$19,459,020.39

Net operating income before expense	\$41,081,520.09
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Non interest expense

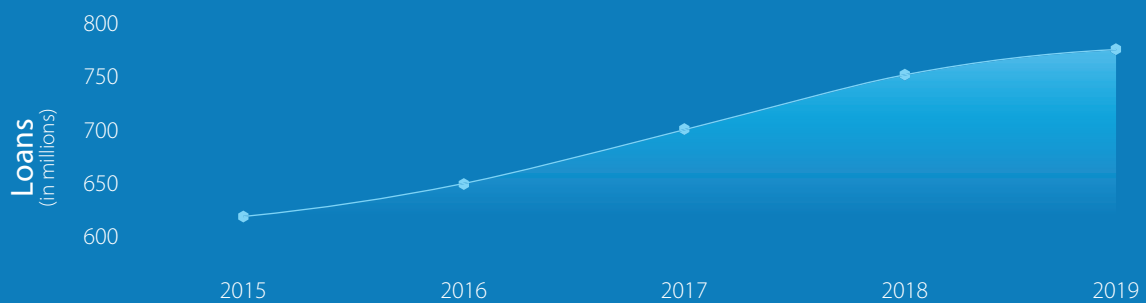
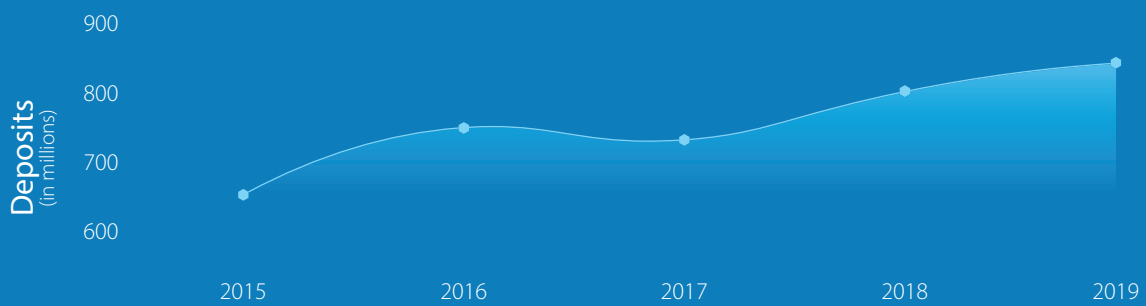
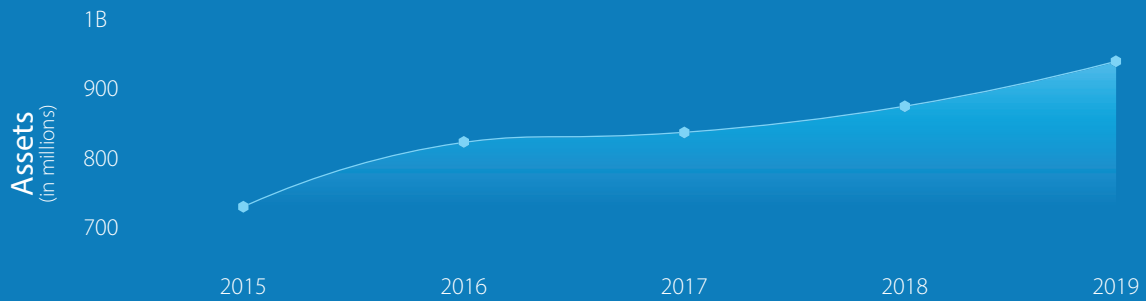
Salaries and benefits	\$19,589,916.39
Occupancy and operations	\$11,093,868.66
Marketing and promotional	\$1,064,302.62
Professional and outside services	\$3,226,341.33
Loan servicing	\$2,058,359.86
Member insurance	\$0.00
Federal operating expenses	\$235,689.75
Miscellaneous	\$866,501.75

Total non-interest expense	\$38,143,980.36
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Net income	\$2,937,539.73
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Transfer to undivided earnings	\$2,937,539.73
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AT A GLANCE



OUR PURPOSE

TO BUILD RELATIONSHIPS THAT MATTER

Our credit union's purpose is the driving force behind every decision that is made by our organization. The board, management, and staff of Neighbors continually strives to make connections with our members as well as our colleagues. These connections help our organization build trust, ensuring our members know that we are always looking out for their best interests.

This purpose also guides our continued emphasis on community involvement. For over 60 years, many in the Baton Rouge community have entrusted Neighbors with their

financial well-being. Helping to support that community is one way that Neighbors can show our gratitude for that trust. Be it through volunteering or monetary donations, our support of local charitable organizations is driven by a deep appreciation of everything our community has provided.

We build relationships with our members and our community. We want everyone that does business with Neighbors to know we are here for them.

Preparing food sufficient to make

3480

meals for families in need



Putting together

500

care packages for sick children



Caring for

220

shelter dogs



Utilizing

6330

pounds of landscape material for
beautification projects



Organizing

1500

articles of donated clothing



We are:
SERVANT-MINDED



EMPATHETIC



RESOURCEFUL



VOLUNTEER-FOCUSED



ENGAGED

FINANCIAL EDUCATION

Neighbors Federal Credit Union provides financial education to its members and the general public. In an effort to provide resources that enable members of the community to make wise financial decisions, Neighbors offers financial education through classroom instruction, loan assistance and financial counseling.

More than 200 attendees participated in Neighbors on-site financial workshops in 2019. These workshops were held at the Neighbors state-of-the-art Financial Literacy Center and boasted hands-on activities and special guest presentations from experts in each field.

In April, Neighbors celebrated “Financial Literacy Month.” Age-specific contests were held at each branch including essay, poster and coloring contests aimed at sparking interest in financial fitness in its youth.

Neighbors strives to make banking accessible to those living in low-to moderate-income communities. We recognize that these individuals may not have the means to travel to workshops held at our branches. By providing

workshops at locations in their communities, we eliminate barriers that might otherwise have prevented them from obtaining financial resources and education. These workshops and resources are not limited to our members, but are free and open to the public.

Neighbors serves these communities through partnerships with The Department of Housing and Urban Development, Habitat for Humanity, Mental Health Association of Greater Baton Rouge and The Urban League of Greater New Orleans, which serves populations in the Greater Baton Rouge area as well as those in New Orleans.

Schools in the community may request on-site financial-education classes from a Certified Credit Union Counselor. These classes may be requested for students or teachers and staff. Coursework focuses on basic banking, budgeting and credit to establish the foundational knowledge of banking basics.

Neighbors offers personal financial assistance with Certified Credit Union Financial Counselors at each of its branches. Members have the opportunity to meet one on one to discuss topics ranging from personal budgeting to credit management. Members also

have access to more than 200 financial counselors through a partnership with GreenPath Financial Wellness. Through this program, members have access to private phone consultations and debt management. In addition, Neighbors has partnered with EverFi to offer Money Matters, a digital, financial-education resource accessible through our website.

NEIGHBORS WAY TUITION ASSISTANCE AWARD

In 2019, the Neighbors Capital Area Foundation continued and grew the Neighbors Way Tuition Assistance Award program. The scholarship program was established in an effort to celebrate outstanding students in the community who would benefit from financial assistance in their pursuit of higher education. The creation of the scholarship program was inspired by the Neighbors Way Award, a recognition award granted by Neighbors to students and faculty in the community who demonstrate strong character and live the “Neighbors Way.”

Once per year, high schools participating in the Neighbors Federal Credit Union Mascot Checking Program are invited to nominate one graduating senior to receive the Neighbors Way Tuition Assistance Award. Nominated students must meet eligibility requirements and submit an original essay.

Students have the opportunity to receive between \$1,000 and \$5,000 to offset the cost of their first year’s college tuition. Recipients of the award are also invited to participate in a financial literacy boot camp preceding their freshman year of college. The boot camp aims to provide tools to make wise financial decisions as the students embark on their adult lives.

In 2019, Neighbors granted \$30,000 in scholarships to 13 area students. Neighbors plans to continue to grow this program, investing in the futures of our youth.



2019 Neighbors Way Tuition Assistance Awards



neighborsfcu.org
225-819-2178

