

Neighbors Federal Credit Union  
2020 Annual Report



W E ' R E H E R E F O R Y O U

[neighborsfcu.org](http://neighborsfcu.org)





## A Message From The President



**“Our branch and virtual staff have worked tirelessly to ensure that the member experience remains at the highest of standards”**

To say that 2020 was an unusual year doesn't begin to describe the changes and challenges that our community has endured. In the face of these challenges our community and our credit union have learned to adapt and overcome. One of the bright spots through all of this was witnessing the way our board, management, and staff were able to find ways to not just continue serving our members but also assist those most affected.

With our Live Teller system, Neighbors was one of the first financial institutions in the area to be able to safely reopen our branches. Because of this system we are able to limit physical contact and still provide the personal service that our members expect. Our branch and virtual staff have worked tirelessly to ensure that the member experience remains at the highest of standards, while taking steps to provide an environment where our members can feel safe and comfortable.

Through the hard work of our Commercial Services department, Neighbors was also able to help many area businesses who were struggling. Neighbors was able to fund 432 Paycheck Protection Program loans for over \$16 million, directly affecting the lives of over 2,800 employees in our community.

Our community and our credit union have been challenged in the past year and in the face of this challenge we have been able to find ways to strengthen and grow. This growth is a testament to the people that we are fortunate enough to call our friends and neighbors.

## A Message From The Board Chair



**“Your trust in our credit union is our most valuable asset, and assisting this community is our way of saying thank you for that trust.”**

Every day the board, management, and staff of Neighbors strive to live up to our purpose of Building Relationships That Matter. 2020 has taught us these relationships are the backbone of a community that we have helped to establish and that, when challenged, our community can stand and grow. Our members trust us daily with not only their money but with their financial well-being. We take this responsibility very seriously and we are honored for the privilege.

Our purpose guides us in everything that we do. From assisting area businesses with easy access to Paycheck Protection Program loans when necessary to providing \$50,000 in scholarships and tuition assistance to area students looking to further their education. These efforts are made with the intent of strengthening our bond as a community and a credit union. The Board of Neighbors is proud of the way our organization has handled these difficult situations. We have found ways to preserve the service you expect while making every effort to ensure the safety and comfort of our staff and members.

Neighbors strives to help our members achieve their financial goals. We have built a strong foundation at our organization so that when difficult times arise you can rest assured that your credit union will be here. Your trust in our credit union is our most valuable asset, and assisting this community is our way of saying thank you for that trust.

## 2020 Board of Directors



Charlotte Placide  
Chair



Grady Hazel  
Vice Chair



Melanie Brunson  
Secretary



Keith Bennett



Emi Gilbert



Andrew Redmond



Domoine Rutledge



Keith Schultz  
Supervisory Chair



Bob Toepfer



Gail Johnson  
Supervisory Chair (retired)

## Senior Management Team



Steve Webb  
President/Chief Executive Officer



Jody Caraccioli  
Chief Financial Officer



Greg Inman  
Chief Operations Officer



Dan Robichaux  
Chief Administrative Officer



Steve Schexnayder  
Chief Information Officer



Brandi Cummins  
Senior Vice President  
Member Experience



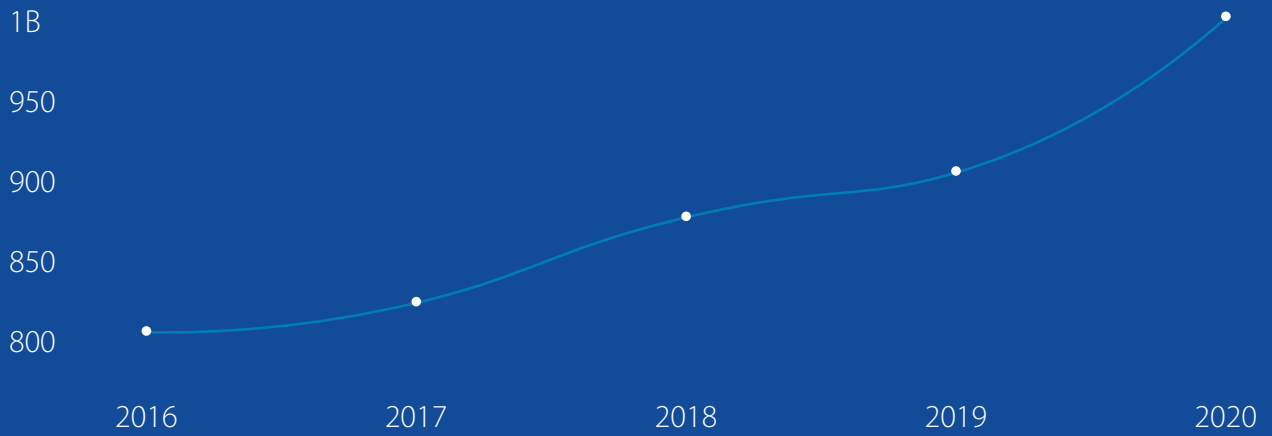
Jodi Korner  
Senior Vice President  
Lending



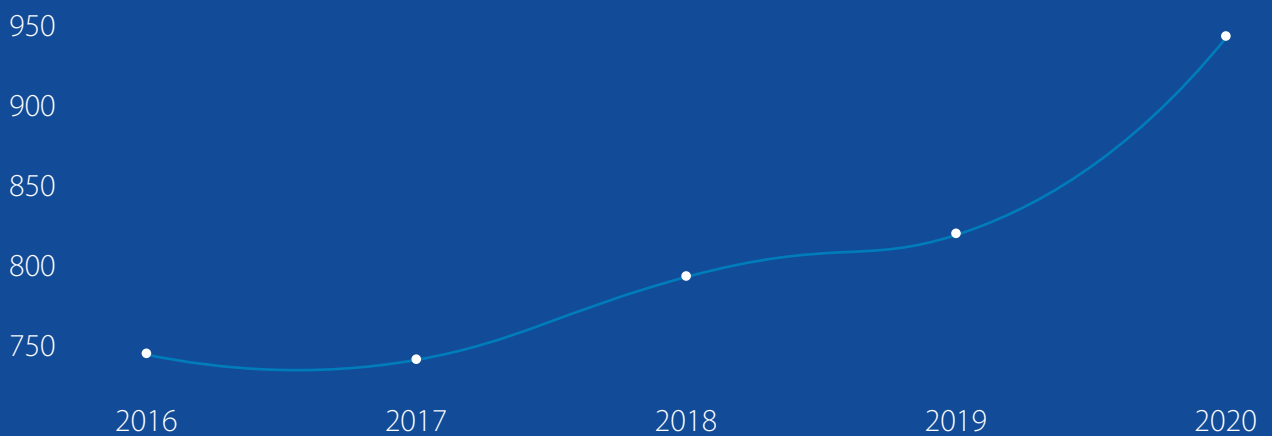
Tanya Lawrence  
Senior Vice President  
Strategic Solutions

# At a Glance

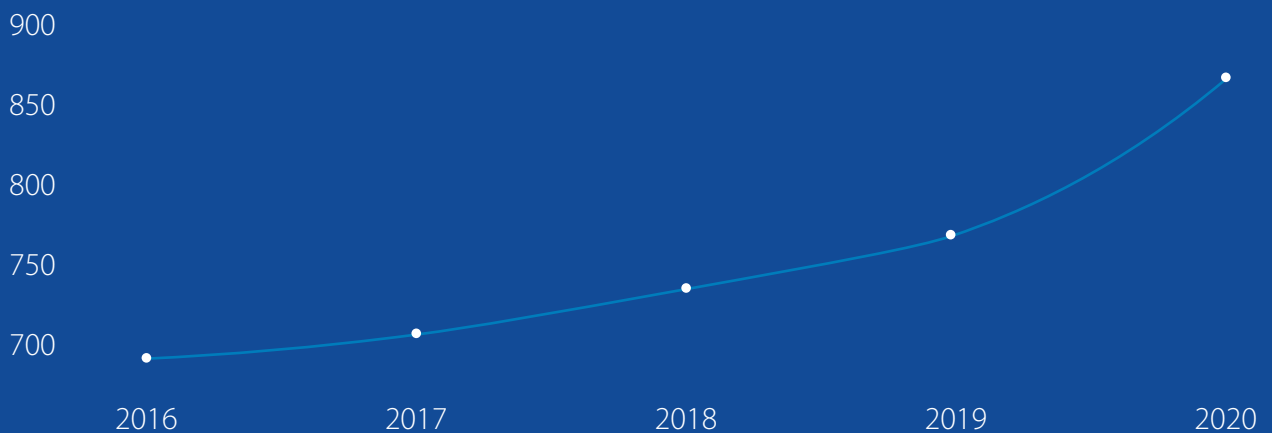
Assets (in millions)



Deposits (in millions)



Loans (in millions)



## Statement of Condition

### Assets

Cash and equivalents	\$77,007,665.77
Loans to members	\$866,037,614.96
Less: allowance for loan loss	(\$4,180,299.64)
Investments	\$32,817,212.79
National credit union share insurance fund deposit	\$8,708,804.63
Property and equipment (net)	\$41,267,795.15
Other assets	\$49,485,863.66
<b>Total assets</b>	<b>\$1,071,144,657.32</b>

### Liabilities and equity

Accounts payable and other liabilities	\$32,135,433.74
Regular shares	\$296,718,868.02
Share drafts	\$248,317,355.62
Money market	\$29,602,903.48
IRA deposits	\$51,262,206.93
Other share accounts	\$35,854,594.63
Share certificates	\$219,787,582.05
Public funds certificates	\$0.00
Non-Member certificates	\$65,966,333.92
Regular reserves	\$4,006,076.07
Undivided earnings	\$83,312,962.32
Equity-KeyPoint FCU merger	\$3,013,099.95
Accumulated other comprehensive loss	(\$6,708,194.92)
Uninsured secondary capital	\$8,000,000.00
Unrealized gain/loss on investments	(\$124,564.49)
<b>Total liabilities and equity</b>	<b>\$1,071,144,657.32</b>



## Statement of Income

### Interest income

Interest on loans	\$38,571,263.32
Income from investments	\$488,116.91
<b>Total interest income</b>	<b>\$39,059,380.23</b>

### Interest expense

Dividends to members	\$9,719,210.90
Interest on borrowed money	\$286,757.20
<b>Total interest expense</b>	<b>\$10,005,968.10</b>

**Net interest income before provision** **\$29,053,412.13**

Provision \$2,201,651.51

**Net interest income after provision** **\$26,851,760.62**

### Non-interest income

Fee income	\$9,829,247.33
Other operating income	\$9,058,518.54
Miscellaneous gain/loss	\$1,026,220.60
<b>Total non-interest income</b>	<b>\$19,913,986.47</b>

**Net operating income before expense** **\$46,765,747.09**

### Non-interest expense

Salaries and benefits	\$19,131,677.35
Occupancy and operations	\$12,434,931.67
Marketing and promotional	\$877,211.34
Professional and outside services	\$3,442,302.73
Loan servicing	\$2,596,647.27
Member insurance	\$0.00
Federal operating expenses	\$254,715.55
Miscellaneous	\$526,627.41

**Total non-interest expense** **\$39,264,113.32**

**Net income** **\$7,501,633.77**

Transfer to undivided earnings \$7,501,633.77

# Community Impact

## Major Contributions

### Mascot Checking Program \$75,086

Neighbors launched the Mascot Checking program in 2014 with one school, which received just over \$600. Since then, the program has grown to 15 schools in the Greater Baton Rouge Area that received \$75,086 from the program in 2020. Each participating school receives a custom-made debit card branded with the school's logo. For every purchase, the respective school receives a monetary donation from Neighbors.

### Neighbors Way Scholarship \$50,000

The Neighbors Capital Area Foundation launched this initiative in 2018 as a way to supplement the Mascot Program and provide opportunities to local students. Funds for the scholarships primarily come from NFCU's annual sporting clays tournament, Clays For A Cause, and the Employee Payroll Donation Program.

### Greater Baton Rouge Food Bank \$30,580

The COVID pandemic and its economic impact increased the demand on the Greater Baton Rouge Food Bank. In an effort to support our local food pantry, Neighbors donated over \$30,000 to help feed our community in this time of need.

### Keep BR Serving Gift Cards \$10,000

The pandemic heavily impacted the local service industry. Neighbors took part in the local Keep BR Serving program to help area restaurants and their employees.



- EDUCATION \$179,668
- FINANCIAL LITERACY \$147,840
- MISCELLANEOUS COMMUNITY EMPOWERMENT \$74,389
- SUPPORT FOR LOCAL BUSINESS \$74,014
- COVID & HEALTH SERVICES RELIEF \$48,979



