



"We've come a long way  
*Together...*

Thanks for your  
membership & support."

# ANNUAL REPORT 2020

ArrowPointe Federal Credit Union





[www.ArrowPointe.org](http://www.ArrowPointe.org)

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## Mission Statement

ArrowPointe Federal Credit Union's mission is to build a legacy of excellence for our members through service, commitment, and value.





The 2019 Annual Membership meeting was held Tuesday, April 14, 2020, at the credit union's Patriot Center office in Rock Hill, SC. Due to the pandemic, members were invited to attend virtually via a toll-free conference call number. Board members present/on the call were Fred Steele, Wayne Conner, Allen Blackmon, Ed Johnson, Mary Anne Sheppard, Paula Tuten and Jock Williams. The business meeting began at 12:02 p.m.

Fred Steele, Board Chairman, called the meeting to order and ascertained there was a quorum present/on the call with a total of 34 calls/attendees. Mr. Blackmon gave the opening invocation. Motion was made to approve the minutes of the 2018 Annual Meeting with two minor name spellings corrected. There was no other discussion, and the motion passed.

Mr. Steele welcomed everyone attending and thanked them as we celebrated another year. Mr. Steele directed everyone to his report in the annual meeting booklet, which was provided on the credit union's website for all. Mr. Steele mentioned the commitment the credit union has made to our community through giving back both financially and in volunteer service time. Highlighting the increased usage of technology, Mr. Steele elaborated on the recent upgrades and security features to our ATMs. He also discussed how the credit union's extensive cybersecurity focus continues to protect members when and where it matters most.

Mrs. Mary Anne Sheppard gave the Treasurer's report as of December 31, 2019. Mrs. Sheppard highlighted the fact that the credit union increased the dividends paid year over year by over 22%.

Loans Outstanding	\$110,021,996
Deposits	\$143,251,948
Cash and Investments	\$33,695,080
Total Operating Income	\$9,265,715
Operating Expenses	\$7,609,788
Loan Loss Provision	\$449,106
Dividends Paid	\$1,102,163
Net Income	\$165,983
Reserves	\$17,958,313

Tim Lyda, on behalf of the Supervisory Committee, reported that Cantey, Tiller, Pierce and Green, CPAs, performed an annual comprehensive audit of the credit union's records for the period ending April 30, 2019, and found no material exceptions. In addition, the credit union's regulator performed an examination and gave us a good review.

Mr. Lyda called for new business and, on behalf of the Nominations Committee, presented the slate of nominees to fill the open positions on the credit union's Board. There were three nominees for the three open positions. Nominated were Ed Johnson and Jock Williams for three-year terms and Paula Tuten to finish out an unexpired term of one year. Because the number of nominees was equal to the number of open positions, all were elected by acclamation.

There being no further business, the meeting adjourned at 12:25 p.m.

Respectfully submitted,

**Mary Anne Sheppard**

*Secretary/Treasurer*





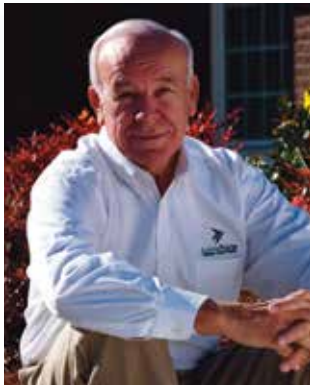
## *Present Board of Directors*

### **Terms Remaining**

Wayne Conner	2020 Annual Meeting
Fred Steele	2020 Annual Meeting
Paul Barton	2020 Annual Meeting
Allen Blackmon	2021 Annual Meeting
Mary Anne Sheppard	2021 Annual Meeting
Jock Williams	2022 Annual Meeting
Paula Tuten	2022 Annual Meeting



# Report of the Board of Directors



On behalf of all the elected officials and staff of the credit union, I welcome and thank you for your attendance at the 2020 Annual Meeting of ArrowPointe Federal Credit Union.

We started the year filled with hope and excitement for a year

of celebrating not only our People Helping People philosophy, but also 60 incredible years of serving our valued members. This isn't just our momentous anniversary milestone – it's yours! Our members are the very reason we exist, and your support over all these years is why we have so much to celebrate together. Having served on the Board for over 40 years, I can say firsthand that this credit union holds our members and the community we serve in the absolute highest regard. No pandemic can ever take away from that.

What better way to show our appreciation than to give back to the community that has grown so much with us over the years. Last year, we gave \$5,000 in scholarships to students in the Lancaster/York County Area. We also made monetary contributions to help build the new Miracle Park in Rock Hill for disabled children and to support Great Falls Elementary and Mt. Holly Elementary schools. And that was just the beginning.

We were called, like never before, to step up for our community and our members when the pandemic hit. We received a sign (quite literally) of the formidable changes to come for 2020 when a major storm damaged our Lancaster sign. But just like we repaired that sign quickly, we worked diligently to help our members repair their financial matters in the face of the pandemic. In doing so, we maintained our commitment to the reasons we were founded: to provide fair rates and better returns. We made the decision to keep our share rates competitive and paid members over \$1,060,935 in dividends, ending the year with a net income of \$217,155 despite the pandemic.

The credit union also chose to continue paying for Excess Share Insurance, which guarantees members' insurance coverage is double that of the standard NCUA's coverage.

Members noticed our dedication to doing the right thing even in hard times, and new and loyal members alike saw ArrowPointe as one of the best choices around for their money. This resulted in over \$20 million of growth (34.91% in deposits and 29.97% in assets) by the end of May 2020, with an increase of \$13.5 million in regular shares and \$6.9 million in checking.

ArrowPointe dividends come in many forms – and getting paid to get better is another example. In response to our community's healthcare concerns during the pandemic, we rolled out an enhanced version of Recuperative Care, a supplemental insurance product that pays members up to \$1,400 per week if hospitalized due to sickness and up to \$2,400 per week if hospitalized due to injury.

As Chairman of the Board, we led what may be the largest initiative that we've had in many years when our friend and CEO of 25 years, Tim Lyda, announced his retirement. Having served as CEO for 1st Patriots Federal Credit Union and also at CUNA Mutual prior to leading ArrowPointe toward our strategic vision, Tim has certainly earned our admiration and well wishes and will be greatly missed. With his pending retirement, the Board of Directors carefully weighed all options and decided that partnering with a neighboring credit union would be the most prudent action. This decision will afford valuable member benefits commensurate with expanding member needs and compliance regulations, continuing the high level of service that our membership deserves.

This credit union is resilient, and even in the face of unprecedented times and significant change, we will always stand strong for our members. I am deeply grateful for the opportunity to serve you.

**Fred T. Steele**

*Chairman*



**Tim Lyda**  
CEO

## Thanks and Best Wishes on Your Retirement, Tim!

After nearly 22 years as CEO of ArrowPointe Federal Credit Union, Tim Lyda is off to a well-deserved new adventure – retirement. We make this announcement with both great happiness for Tim and a bit of a heavy heart in saying goodbye. Tim came to us after five years of service at 1st Patriots Federal Credit Union, which later merged with ArrowPointe. That’s not even counting his years of service with CUNA Mutual. So, technically, he’s served in the credit union industry for over 30 years!

Tim has been a widely adored and admired leader by our Board, staff and members, and he has always put the best interests of the credit union and membership first. We owe a great measure of our ArrowPointe growth and success to his leadership and his ability to embrace opportunity as well as manage change in the dynamic financial landscape.

Tim, we can't thank you enough for all of your hard work, compassion and guidance. You will truly be missed! We wish you the very best.

## Report of the Treasurer

*It is my pleasure to report the following:*

As of December 31, 2020

Assets total	\$185,497,969
Loans outstanding total	\$110,084,419
Deposits total	\$166,967,342
Cash and investments total	\$56,570,534
Total Operating Income for 2020	\$8,706,720
Operating expenses totaled	\$7,190,577
Loan Loss Provision	\$275,163
Dividends paid totaled	\$1,060,935
Total Non-Operating Income/Expense	\$37,110
Net Income for 2020 totaled	\$217,155
Reserves total	\$18,146,695



**Mary Anne Sheppard**  
Secretary/Treasurer



# Report of the Chief Executive Officer



If there was ever a success story in the eye of a storm, it would be our story during 2020. Our team went from planning a year-long 60th anniversary celebration to quickly moving into full pandemic preparedness. All around us, there

was an all-out crisis in healthcare, politics and the economy. Yet, we stood strong and calm, armed with nothing more than a determination to succeed. And the results are remarkable, to say the least!

A total of 1,322 accounts were opened – 87 of which used our new online member application, which was created in response to social distancing and stay-at-home orders. We also booked 13.4% more loans than last year, a number that is all the more impactful given the tremendous loan paydowns our members achieved to maintain financial security in a year of uncertainty.

To prioritize and protect the health and safety of our members and staff, we exercised extra precautions and responded quickly and effectively to people's needs. With Treasury Secretary Steven Mnuchin speaking of high unemployment rates, our "People Helping People" philosophy came into play, as did our teamwork and the agility of our products.

Fortunately, many of the products and services members needed most were already in place due to our commitment to anticipating

expectations as well as accommodating new, challenging circumstances. In 2020, we simply strived to enhance the top-notch service our members expect with:

- Easier deferments on loans
- Exterior/desktop appraisals incorporated for added safety/distancing
- Consideration of Skip-A-Pay Programs for those with an immediate need
- Enhancements to the CardValet®-branded app to make it more user friendly and add card control capabilities
- Additional postings from night drops during the day
- Increased cash holdings for liquidity
- More frequent filling of ATMs
- Temporary closures of lobbies, appointments and drive-throughs
- Implementation of Families First Coronavirus Response Act in our staffing efforts
- Extra deep cleanings for branches and acrylic shields in offices and teller lines to further protect members and staff

The storm is passing, and your credit union continues to shine. We did it together. I extend my heartfelt thanks to our devoted staff and members for your support, loyalty, strength and resilience.

**Tim Lyda**

CEO







## Report of the Nominations Committee

The Nominations Committee consisted of Tommy Ayers and Joey Vahle. The Committee met on January 26, 2021. Three names were received for the open Board positions. Nominated for three-year terms were Fred Steele and Wayne Conner. Nominated for a two-year term was Paul Barton. There were no petitions received. Since the number of nominees is sufficient to fill all the open seats, those nominated are elected by acclamation.

Respectfully submitted,

**Tommy Ayers**  
**Joey Vahle**

## Report of the Supervisory Committee

The accounting firm of Cantey, Tiller, Pierce, and Green performed a comprehensive audit of the credit union's records for the period ending April 30, 2020. Once again, the credit union received an excellent report from the auditors.

The credit union's federal regulator, the National Credit Union Administration, rated your credit union as very well managed and safe and sound at their last examination on December 31, 2019.

The Supervisory Committee review for 2021 has been scheduled, and the results will be presented to the Board of Directors upon completion.

Respectfully submitted,

**Gary Skaggs**  
*Chairperson*

## Statement of Financial Condition

### ASSETS

Loans to Members	110,084,419
Less: Allowance for Loan Losses	(494,546)
Net Loans	109,589,873
Cash	4,185,744
Investments	56,570,534
All Other Assets	15,151,818

**Total Assets** **185,497,969**

### LIABILITIES and EQUITY

#### Liabilities

Total - Accounts Payable	5,130,927
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#### Equity

Certificates	49,754,961
Share Draft Accounts	42,201,149
Share Accounts	75,011,232
Member Capital	13,399,700

**Total Liabilities and Equity** **185,497,969**

## Statement of Income and Expenses

### INCOME

Interest on Loans	5,524,490
Income from Investments	385,391
Fees and Charges	2,257,185
Other Operating Income	539,653
Other Non-operating Income	37,110

**Total Income** **8,743,829**

### EXPENSES

Total Operating Expense	7,190,576
Provisions for Losses	275,163
Dividends	1,060,935

**Total Expense** **8,526,674**

**NET INCOME OR LOSS** **217,155**

*A special thanks goes to each and every member for allowing ArrowPointe to serve you.*







## *Elected Officials*

### *Board of Directors*

Fred Steele	President
Allen Blackmon	Vice Chairman
Mary Anne Sheppard	Secretary and Treasurer
Wayne Conner	Director
Paula Tuten	Director
Jock Williams	Director
Paul Barton	Director

### *Supervisory Committee*

Gary Skaggs	Chairperson
Ed Johnson	Member

### *Asset Liability Management Committee*

Jock Williams	Chairperson
Randy Cauthen	Member





## *Locations and Hours:*

### ***Catawba Branch***

5298 Cureton Ferry Road  
Catawba, SC 29704  
(803) 324-1124  
Monday – Friday:  
7:45 a.m. – 4:30 p.m.

### ***Fort Mill Branch***

3064 Highway 21  
Fort Mill, SC 29715  
(803) 548-9270  
Monday – Thursday:  
8:00 a.m. – 5:00 p.m.  
Friday: 8:00 a.m. – 6:00 p.m.

### ***Great Falls Branch***

507B Chester Avenue  
Great Falls, SC 29055  
(803) 482-2057  
Monday – Thursday  
8:00 a.m. – 5:00 p.m.  
Friday: 8:00 a.m. – 6:00 p.m.

### ***Lancaster Branch***

100 Highway 200 North  
Lancaster, SC 29720  
(803) 285-2001  
Monday – Thursday:  
8:00 a.m. – 5:00 p.m.  
Friday: 8:00 a.m. – 6:00 p.m.

### ***Old Pointe Branch***

316 Old Pointe School Road  
Rock Hill, SC 29732  
(803) 323-6373  
Monday – Thursday:  
8:00 a.m. – 5:00 p.m.  
Friday: 8:00 a.m. – 6:00 p.m.

### ***Patriots Center***

2760 Home Depot Boulevard  
Rock Hill, SC 29730  
(803) 366-6148  
Monday – Thursday:  
8:00 a.m. – 5:00 p.m.  
Friday: 8:00 a.m. – 6:00 p.m.

### ***Rock Hill Branch***

462 South Anderson Road  
Rock Hill, SC 29730  
(803) 324-4111  
Monday – Thursday:  
8:00 a.m. – 5:00 p.m.  
Friday: 8:00 a.m. – 6:00 p.m.

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