



REVA

FEDERAL CREDIT UNION

2019 Annual Report

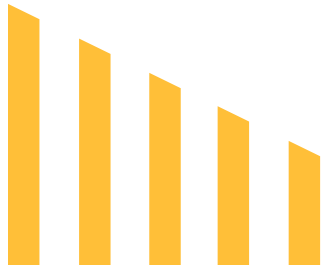


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Chairman, CEO & President Report

This has been a milestone year for the credit union, as we began writing the next chapter in the organization's history. Even though things are changing, our commitment to members, employees and the community we serve is unwavering. As our CEO, Jim McDaniel, prepares to retire after leading us for over 15 years, we thank him for his years of dedicated service and steadfast commitment to building a true community financial institution. **Under Jim's leadership, we doubled our asset size and built a reputation as a well-respected and financially sound credit union. Through his vision, we became the first and only financial institution in the Lowcountry to operate student-run branches in area high schools.** Jim was also instrumental in guiding the credit union through several branch remodels, the permanent relocation of Moncks Corner and our expansion into Mount Pleasant with the construction of the Park West community and Coleman Boulevard branch locations.

In 2019, the Board of Directors set out to finalize a succession plan that would introduce a new leader, allowing for a seamless transition. As part of the plan to further position the credit union for future growth, we welcomed our new President, Jason Lee, who joins us with extensive financial industry experience. His previous credit union leadership role provided him with overall strategic direction and strategy; directing financial functions, digital technologies and retail operations. He was also responsible for all growth and expansion initiatives. Jason's proven track record paves the way for the credit union's continued success as we transition the organization in a more progressive direction.

Under Jason's leadership, the credit union embarked on a project to evaluate its brand perception by conducting surveys of our members and the greater community. The results collected indicated the credit union's perception and visibility weren't having the impact we desired. This information presented us with the unique opportunity to reposition the credit union as we elevate the organization in a more modern and progressive way. After months of strategic planning sessions, we proudly unveiled our new identity as **REV Federal Credit Union**. The transition to REV is much more than just a name change. Through Jason's vision, we established four core pillars that emphasize a renewed focus on improving the member experience, increasing brand awareness, enhancing employee experience and achieving the financial strength that allows us to continue growing.

Further expanding upon the core pillars, we are launching new products while enhancing current offerings with more competitive rates. Additional features are being introduced to Digital Banking that offer greater functionality and an overall improved user experience. As part of our transition to REV, we have launched strategic advertising campaigns to improve brand recognition and elevate the credit union's image in the Greater Charleston Metro region. Our newest location in the WestEdge Development is nearly complete. This new facility will encompass greater technology and allow us to better serve our members on the Charleston peninsula. As REV, we are working towards a "Digital-First" approach that will ultimately improve the members' experience. We've also focused efforts on employees by implementing the digital-first methodology to provide greater access to technology in an effort to enhance efficiencies and improve service levels. We've made important changes to our employee benefit plans and implemented a minimum wage increase.

More announcements on how we will continue to grow the REV membership experience are coming soon!

Chairman, CEO & President Report

Through REV Cares, the philanthropic arm of the credit union, we stepped up to answer the call during COVID-19 launching efforts to specifically help our members and those impacted by the pandemic. To help the membership, we deferred over \$36 million in loans and deposited \$21,000 into the accounts of members facing financial hardships. Community outreach will continue to be a key component of our vision. As REV, we will increase our level of giving and employee engagement by supporting local organizations and causes that create positive outcomes in the community.

REV remains committed to promoting financial literacy. In 2019, we successfully launched our newest student-run branch at Philip Simmons High School. In addition to our student-run branch program, we continue to positively impact area youth by increasing access to our Reality of Money financial simulations. Over the course of the past year, over 5,000 students participated in this interactive activity. This year, we will be expanding our financial education offerings with the launch of the REACH financial education dashboard. This new tool will be available to members of all ages and provide a digital-first approach to financial wellness. The new platform offers members access to customized modules on key topics ranging from first-time homebuying to wealth management. Stay tuned as we unveil additional communications about how you can access this new resource!

Building on over 60 years of history in the lowcountry, we are continuing to propel the credit union forward. As an organization, we remain financially sound and regularly achieve top marks from our regulators. The future at REV is bright, and we look forward to further positioning the credit union in a way that will benefit generations of future members.



Troy D. Draughn
Chairman, Board of Directors



James H. (Jim) McDaniel, Sr.
CEO



Jason Lee
President

Supervisory Committee Report

The Supervisory Committee at REV Federal Credit Union consists of five members appointed by the Board of Directors. The Committee is responsible for ensuring that internal controls are effectively maintained, accounting records are accurately and promptly prepared, and that REV Federal Credit Union operates in accordance with the policies established by the National Credit Union Administration and the Board of Directors. The Committee works with internal and external auditors, the Board of Directors, the CEO and the employees of REV Federal Credit Union to ensure that all operations are performed with the highest degree of accuracy and integrity.

This year, the Committee retained the services of Clifton Larson Allen, LLP. They are a respected CPA firm specializing in the credit union industry. This engagement was performed in accordance with the Statement of Standards for Consulting Service of the American Institute of Certified Public Accountants. They have determined that the financial statements before you represent fairly, in all material respects, the financial position and results of operations of REV Federal Credit Union in conformity with Generally Accepted Accounting Principles.

It is the opinion of the Supervisory Committee that REV Federal Credit Union is financially sound, the financial statements accurately represent its financial condition, and all business activities are handled in accordance with the policies of the Board of Directors and with government regulations.

For any concerns or comments, please address your correspondence to:

Supervisory Committee
REV Federal Credit Union
P.O. Box 203
Summerville, SC 29484

Sincerely,



William D. Hamilton, Jr.
Supervisory Committee Chairman

STATEMENTS OF FINANCIAL CONDITION

DECEMBER 31, 2019 AND 2018

Assets	2019	2018
Cash and Cash Equivalents	\$61,140,818	\$20,890,830
Deposits in Other Financial Institutions	1,352,830	1,350,310
Securities - Available for Sale	47,109,100	83,544,966
Other Investments	5,291,886	5,257,785
Loans, Net	478,769,194	460,498,532
Accrued Interest Receivable	1,584,071	1,625,597
Premises and Equipment, Net	25,846,704	25,692,650
NCUSIF (National Credit Union Share Insurance Fund) Deposit	5,078,734	4,993,210
Other Assets	19,752,124	20,309,562
Total Assets	645,925,461	624,163,442

Liabilities and Members' Equity

Liabilities		
Members' Share and Savings Accounts	\$536,889,749	\$522,765,143
Borrowed Funds	35,000,000	35,000,000
Accrued Expenses and Other Liabilities	10,685,142	7,565,767
Total Liabilities	582,574,891	565,330,910

Members' Equity		
Regular Reserves	1,585,291	1,585,291
Undivided Earnings	61,741,743	58,442,650
Accumulated Other Comprehensive Income (Loss)	23,536	(1,195,409)
Total Members' Equity	63,350,570	58,832,532
Total Liabilities and Members' Equity	\$645,925,461	\$624,163,442

STATEMENTS OF INCOME

YEARS ENDED DECEMBER 31, 2019 AND 2018

Interest Income	2019	2018
Loans	\$24,019,241	\$22,531,451
Securities, Interest Bearing Deposits, and Cash Equivalents	2,651,226	2,308,438
Total Interest Income	26,670,467	24,839,889
Interest Expense		
Members' Share and Savings Accounts	2,340,630	1,720,014
Borrowed Funds	866,064	742,089
Total Interest Expense	3,206,694	2,462,103
Net Interest Income	23,463,773	22,377,786
Provision For Loan Losses	1,689,449	4,091,674
Net Interest Income After Provision for Loan Losses	21,774,324	18,286,112
Non-Interest Income		
Service Charges and Fees	10,831,934	11,007,612
Net Gain (Loss) on Sale of Investments	42,456	(26,739)
Net Loss on Disposal of Assets	(44,760)	(47,026)
Total Non-Interest Income	10,829,630	10,933,847
Non-Interest Expense		
Employee Compensation and Benefits	13,798,933	12,725,853
Office Occupancy	1,836,468	1,756,155
Office Operations	4,910,942	4,750,136
Professional and Outside Services	4,842,662	4,295,508
Other Operating Expenses	3,915,856	3,350,692
Total Non-Interest Expense	29,304,861	26,878,344
NET INCOME	\$3,299,093	\$2,341,615

Community Impact

The credit union actively works with local organizations to support causes that create positive outcomes in the community. Some of our most impactful initiatives from 2019 include a combination of donations and corporate gifts:

\$25,474

Corporate Sponsorships

Benefited Relay For Life, March of Dimes and the American Heart Association

\$2,000

Junior League of Charleston

Purchased 13,786 diapers which provided 275+ children a monthly distribution of 50 diapers

\$1,000

Charleston Basket Brigade

Provided Thanksgiving dinner to 33 lowcountry families

\$7,184

Donations, Fundrasiers & Gifts

Benefited Dorchester Paws, Walk for Autism, Habitat for Humanity, Walk to End Alzheimer's, Muscular Dystrophy Association and the YMCA

\$5,500

Salvation Army Angel Tree Program

Adopted 44 local children through Angel Tree. Between a corporate gift and employee donations, we donated \$5,500 in new clothing, games, toys and more

Leadership

BOARD OF DIRECTORS

Troy D. Draughn, Chairman
Bette Century Thomas, Vice Chairman
Susan J. Mertz, Secretary/Treasurer
Samuel M. Coleman
Tina B. Doscher
Jimmy L. Green
Diane M. Howard
Bradley W. Mallett, Jr.
Melvin D. Wilis

SUPERVISORY COMMITTEE

William Hamilton, Chairman
Rosetta Alexander
Jimmy Needham
Walton Orvin
Donald Smith

EXECUTIVE LEADERSHIP

James H. McDaniel, Sr., Chief Executive Officer
Jason Lee, President
Tara Smith, Chief Operating Officer
Steve Lattuca, Chief Finance Officer



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