



NEW HORIZONS CREDIT UNION

Solutions for the Real World

2020 ANNUAL REPORT



ANNUAL MEETING AGENDA

CALL TO ORDER

Invocation/Pledge
Welcome/Introduction
Quorum Determination

MINUTES

Previous Annual Meeting Minutes

REPORTS

Chairman’s Report
President’s Report
Treasurer’s Report
Supervisory Committee’s Report

ELECTION

Nominating Committee’s Report
Election of Officers

OLD BUSINESS

NEW BUSINESS

ADJOURNMENT

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MISSION STATEMENT

To **operate** as a consumer financial cooperative;

To **provide** for the safety of members' funds by effective, efficient, and legal management of all available resources;

To **promote** participation in the Credit Union of all persons within the defined field of membership;

To **educate** members to maintain and improve their financial stability.



BOARD OF DIRECTORS



Linda J. Brown
Chairman



Ralph Altice
Vice Chairman



Deloris Bagsby
Secretary



Craig Jones
Treasurer



Larry Landrum
Director



William W. Lewis
Director



Joe Mills
Director

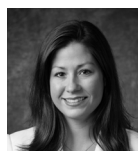
SUPERVISORY COMMITTEE



Scott Huval
Chairman



DeAnna Ferguson
Member



Ashley Zavros
Member

MANAGEMENT TEAM

Edith Franklin
Chief Executive Officer

David Brodeur
Vice President Operations

Patricia Veal
*Vice President Marketing
& Business Development*

Tamela Bartlett
Vice President Lending

Carolyn Brinkman
*Vice President Servicing &
Support*

MINUTES OF 2020 MEETING



New Horizons Credit Union held its Annual Meeting on April 24, 2020, 7 p.m. The meeting was originally to take place at the University of South Alabama Student Center. However, due to the pandemic - COVID-19, and state gathering restrictions which caused the campus of the University of South Alabama to close, the Annual Meeting was held at New

Horizons Credit Union's West Mobile Branch located at 6320 Airport Blvd. in Mobile, AL, and the meeting was conducted virtually via GoToMeeting which allowed for both call-in and log-in participants.

Mrs. Linda Brown, Board Chairman, called the meeting to order at 7:00 p.m. and gave the invocation and pledge of allegiance. Mrs. Brown continued by introducing the panel present which included Edith Franklin, NHCU President/CEO and Mr. Robert Johnston as Parliamentarian. Then, Mrs. Brown named all New Horizons Credit Union's elected Officials and recognized the New Horizons Credit Union employees to the membership.

An ascertainment of the quorum was determined based on those members present and those online as is required by Credit Union bylaws. Chairman Brown welcomed everyone to the first virtual Annual Meeting and reminded participants that a copy of the Annual Report was available online at the NewHCU.org website and a copy could be mailed if requested. A scan of the Annual Report was provided to GoToMeeting participants to follow along.

Chairman Brown made a motion to accept the Minutes of the previous Annual Meeting as printed in the Annual Report. A motion was made by Ms. Patty Veal to approve the minutes, and the motion was seconded by Mr. Joseph Rosa. Since there were no corrections, additions, or discussion, the Minutes were approved, and the motion passed.

Mrs. Brown continued by referring to Annual Report where the Chairman's Report, President's Report, Treasurer's Report, Supervisory Committee's Report, and Consolidated Statement of Financial Conditions were printed and gave a summary. She further commented on the community involvement of New Horizons Credit Union during the past year. Chairman Brown made a motion to accept the Reports as presented. A motion was made to approve the reports by Ms. Deloris Bagsby, and the motion was seconded by Ms. Patty Veal. Mrs. Brown called for discussion. Since there was no discussion from the floor, the Reports were approved, and the motion passed.

Mr. Robert Johnston, then proceeded to give the Nominating Committee's Report on behalf of Nominating Committee Chairman, Annie Josie Adcock. Per the report provided, the Nominating Committee had not received nominations from the membership. Consequently, the incumbent nominees were elected by acclamation since there was no opposition.

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MINUTES OF 2020 MEETING

The nominees for Board of Directors included Linda Brown, Craig Jones, and Larry Landrum, each for a 3-year term, and for the Supervisory Committee: DeAnna Ferguson for a 3-year term.

Chairman Brown continued with Old Business. Since there was no new business brought up during the previous Annual Meeting, there was no Old Business to discuss.

Chairman Brown moved on to New Business.

Chairman Brown asked for any New Business from the floor. There was no New Business introduced.

Since there was no New Business to discuss, Mrs. Brown made a motion to adjourn the Annual Meeting. The motion to adjourn was made by Ms. Patty Veal, and the motion seconded by Ms. Deloris Bagsby. Upon motion made, seconded, and carried, the meeting adjourned at 7:15 p.m.

Chairman Brown thanked all in attendance and online for their participation and wished them well.

Respectfully submitted,
Deloris Bagsby, Board Secretary

CHAIRMAN'S REPORT



The year 2020 will be a year we all remember. On behalf of my fellow Board members, the Supervisory Committee, Management, and Staff, I want to express our thanks to all our members for your patience when social distancing and other CDC requirements forced us to change the way your Credit Union conducts business.

We know nothing beats face-to-face interaction, but our environment has changed. Electronic services are becoming the new norm. So, rest assured, our staff is here to help educate you on how to use these services, as well as work with you to improve your financial stability during these challenging times.

Many free financial literacy and debt management webinars were offered throughout 2020 by our partner, GreenPath Financial Wellness. GreenPath Financial Wellness offers free resources and confidential counseling to our members. This was especially important because many members found themselves displaced from work or working differently due to the pandemic. Your Credit Union promoted savings through refinancing, our skip-a-pay program, and financial education.

During 2020, your Credit Union was honored for efforts that encourage member savings with the America Saves Designation of Savings Excellence Award. We earned this designation because of the programs we offer to our members such as GreenPath Financial Wellness which offers free debt management resources. New Horizons Credit Union was also honored with the national Military Saves Designation of Savings Excellence Award because of our Horizons Heroes Account and perks which are designed to encourage budgeting and saving. Members can learn more about these free programs by speaking with any of our representatives or by visiting our website at NewHCU.org.

New Horizons Credit Union believes in giving back to the community we serve. In 2020, we supported The Penelope House, St. Jude Children's Research Hospital, and the local Animal Shelters – to name a few. We work hard to preserve the credit union industry motto of "People Helping People." We have branded our outreach efforts as Horizons Helping Hands, and you can read more about all the organizations we have assisted on the Community Page of our website.

This 2020 Annual Report proves that your Credit Union was well managed through one of the most challenging years this country has ever faced. We know our success is largely due to our members' continued loyalty for which we are eternally thankful. We must also thank our employees for their professionalism and perseverance through the ever-changing work environment.

It has been my pleasure to serve as your Board Chairman.

Respectfully,
Linda Brown, Board Chairman

PRESIDENT'S REPORT



When COVID-19 hit our area in the spring of March 2020, your Credit Union immediately implemented safety precautions while continuing to serve our membership.

School and daycare closures caused disruption in many of our staff's ability to remain full-time; but still, our limited staff rose to the occasion to serve our members. For this reason, our Staff are our heroes because of the dedication to their front-line duties.

For members who were displaced from their employers, New Horizons Credit Union immediately offered Coronavirus Assistance Loans and payment deferment options. We also initiated an Anytime Skip-a-Pay program. We worked daily with members on a case-by-case basis to offer solutions for their new real world.

With all the challenges also came the opportunity to educate members on our many free electronic services. These services include our Mobile App with convenient 24/7 mobile deposit, our 24/7 Allpoint ATM Network partnership which gives members free access to over 55,000 ATMs nationwide, and of course, our free e-Statements since the US Post Office also experienced staff-shortage causing delays in mail handling.

New Horizons Credit Union also created a website appointment link so members could make appointments at the branch of their choice. We never fully closed our doors. In fact, at the end of December 2020, the Credit Union terminated the lease at Brookley to open our doors at Midtown and offer full lobby service without an appointment. So far, this has proven successful. We hope to slowly fully open more lobbies as the COVID vaccine is made more available. Members can read about all the ways your Credit Union has responded to the pandemic by visiting our website at NewHCU.org.

We continued to serve the underserved by partnering with the Bank on South Alabama program which is dedicated to improving the financial stability of the unbanked in our community through financial education and resources. We also partner with United Way to offer free office space for their Volunteer Income Tax Assistance personnel to offer qualified individuals free tax filing guidance.

Our Horizons Helping Hands efforts that support our local community prevailed even through COVID. Each year, our staff votes on the non-profits they wish to see our Credit Union support. These are above and beyond organizations the Credit Union continually supports such as the Mobile County Public School System's Hi-Q Scholastic Tournament, and many other non-profits listed on our website.

I want to close by thanking you, our members, for choosing New Horizons as your Credit Union. I would like to also express my gratitude to our officials and staff for their dedication to the success and longevity of our Credit Union.

Respectfully submitted,
Edith Franklin, President/CEO

TREASURER'S REPORT



We were all touched in some way during 2020 by circumstances beyond our control with the pandemic, natural disasters, and political unrest. However, your Credit Union remained steadfast and strong to serve our members, and we continue to do so in 2021.

It is the Treasurer's responsibility to ensure funds and resources are efficiently allocated to serve the membership which in turn preserves the longevity of New Horizons Credit Union. I am proud to report that in 2020 your Credit Union grew strong in both assets and loans.

We can track our asset growth directly to the incoming IRS Stimulus funds our members received in 2020. Many members used this opportunity to pay off debt, increase their savings, and used the funds for down payments on new homes or new vehicles.

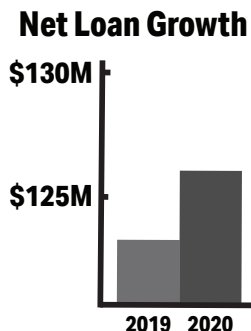
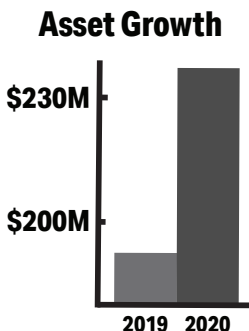
It is loan growth that keeps the lights on. Your Credit Union continues to offer very competitive rates on loans so that our volume remains high. This volume of loans ultimately affords us the ability to offer free electronic services and provide dividends to our saving products.

The Credit Union experienced a tremendous increase in mortgage loans with many members taking advantage of lower rates and financing with their Credit Union. Our Mortgage Center assisted members with a variety of Mortgage Loans including, but not limited to, Conventional 30-year Mortgages, Fixed Rate Mortgages, VA, FHA, USDA, and Fannie Mae First Time Home Buyers. If you have your mortgage elsewhere, you should talk to our Mortgage Center about refinancing with us while rates are still low.

Financial statements are reviewed monthly, as well as other operational reports. We create budgets and plan accordingly to meet the needs of the members and the Credit Union. As a financial cooperative, loan growth is vital so that we can add to our menu of services and enhance our technology.

It takes a team working together to make this Credit Union successful. I wish to express my appreciation to my fellow Directors, the Supervisory Committee, the Management Team, Staff, as well as, to all our members whose loyalty has helped the Credit Union accomplish the goals we have set forth.

Respectfully submitted,
Craig Jones, Board Treasurer



SUPERVISORY COMMITTEE'S REPORT



The Supervisory Committee is comprised of three volunteer members who are elected by the membership to provide an independent appraisal of the safety and soundness of New Horizons Credit Union's operations and activities. Collectively, the Committee functions as the Credit Union's audit committee.

The Committee also acts as a liaison between the membership and the Board of Directors. The Supervisory Committee duties include addressing member concerns promptly and fairly to ensure that New Horizons Credit Union continues to provide excellent service to our member-owners.

The year 2020 will be a year that no one will soon forget, and it was definitely a very productive year for the Supervisory Committee. We met regularly for Credit Union internal audits and discussed all matters brought to the Committee's attention.

It is with great pleasure that, we, the Supervisory Committee, report the operation of the Credit Union is in accordance with the policies and procedures established by the Board of Directors. We further confirm that internal controls are effectively maintained, and accounting records are promptly prepared and accurately reflect the results of operation.

Furthermore, the Committee employs an independent firm to verify the financial statements, the accuracy of member account statements, and compliance to the regulatory requirements of the Alabama Credit Union Administration (ACUA), the National Credit Union Administration (NCUA), and Board policy. The Committee engaged the firm of Warren Averett, Certified Public Accountants for the 2020 audit.

It is our opinion that the enclosed financial statements fairly and accurately reflect the financial condition of New Horizons Credit Union on December 31, 2020, and that the Credit Union operates under sound management practices, in accordance with current federal regulations.

We thank the membership for their continued loyalty, support, and participation in the Credit Union. It has been the Committee's pleasure to serve the membership.

Respectfully submitted,
Scott Huval, Supervisory Committee Chairman

NOMINATING COMMITTEE'S REPORT

The Nominating Committee is appointed by the Board Chairman with the sole purpose to independently review all nominations for vacant positions on the New Horizons Credit Union Board of Directors and Supervisory Committee and nominate a slate of qualified members in good standing who are willing to serve. This Slate of Nominees is then presented to the membership at the Annual Meeting.

The September 2020 member statements contained the Nominating Committee's Call for Nominations with a deadline of November 16, 2020. A notice was included in the December statements which contained instructions for submitting a nominee by petition. The deadline for submitting a nominee by petition was March 1, 2021.

The Credit Union received no official petitions for the election. Since there are no further nominees for consideration, the slate of officers will be elected by acclamation at the Credit Union's Annual Meeting on April 23, 2021.

A brief bio and statement of qualifications of each nominee is included in this report.

NOMINATING COMMITTEE SLATE OF OFFICERS NOMINATIONS

Board of Directors Nominees:

Ralph Altice (Incumbent) – 3-year term:

Ralph Altice has served on the Board of Directors for over six years and formerly served on the Supervisory Committee. He has been a member of the Credit Union for over 31 years. Ralph is retired and was employed at BASF Corporation as a Senior Production Cost Accountant. He is past Chairman of the Board of Directors for MARC and has served on the State of Alabama ARC Board of Directors. He holds a B.S. degree in Accounting and an MBA. He is a member of several local and national organizations. He is also an active member of his church.

NOMINATING COMMITTEE'S REPORT

William W. "W.W." Lewis (Incumbent) – 3-year term:

W.W. Lewis has served on the Board of Directors for over 12 years and formerly served on the NHCU Supervisory Committee for 13 years and served as Chairman for 10 years. He has been a member of the Credit Union for over 53 years. W.W. is retired from Kimberly Clark Corporation, formerly Scott Paper Company, after 38 years. He is an active member of his church where he has served as Deacon, Sunday School Superintendent, and other committees. He is a Master Mason and active member of Lodge #637 in Citronelle, AL.

Supervisory Committee Nominee:

Scott Huval (Incumbent) – 3-year term:

Scott C. Huval has served as a member of the New Horizons Credit Union Supervisory Committee for over nine years. Prior to that, Scott held an Associate Director position for the New Horizons Credit Union Board of Directors. Scott is currently employed as a Senior Accounting Manager at Volunteers of America, Southeast. He graduated in 1990 from Louisiana State University with a Bachelor's Degree in Accounting. Scott Huval also holds two accounting certifications, Certified Public Accountant and Certified Management Accountant.

Respectfully Submitted:

Annie Josie Adcock – Chairman

Joyce Morrisette

Tabitha Moore

NEW HORIZONS CREDIT UNION

Consolidated Statement of Financial Condition

December 31, 2020

ASSETS	2020	2019
Loans to Members	\$126,857,762	\$124,565,585
Less: Allowance for Loan Loss	(\$830,609)	(\$1,240,991)
NET LOANS	\$126,027,153	\$123,324,594

Cash and Cash Equivalents	\$34,144,720	\$13,576,683
Investments	62,910,193	47,971,222
Accounts Receivable	457,791	642,682
Fixed Assets	4,900,031	5,366,312
Other Assets	4,505,898	5,258,024
Accrued Income	427,584	544,689
TOTAL ASSETS	\$233,373,369	\$196,684,207

LIABILITIES AND EQUITY	2020	2019
Shares	\$119,892,164	\$97,971,719
Share Certificates	\$9,180,560	\$11,609,518
Ira Accounts	\$10,208,779	\$10,400,205
Share Drafts	\$58,406,512	\$43,482,129
Money Market	\$14,034,962	\$13,730,036
Other (Christmas, Vacation)	\$1,816,315	\$1,284,513
Accounts Payable/Other	\$2,534,512	\$2,532,688
Regular Reserves	\$17,895,990	\$12,608,728
Undivided Earnings	2,511,643	5,792,007
Accum Unrealized Gains/Losses AFS Securities	(314,318)	(579,337)
Accum Other Comprehensive Income/Pension Income	(2,793,748)	(2,148,000)
TOTAL LIABILITIES AND EQUITY	\$233,373,369	\$196,684,207

NEW HORIZONS CREDIT UNION

Consolidated Statement of Income & Expenses

December 31, 2020

INCOME	2020	2019
Interest on Loans	\$5,380,311	\$5,538,701
Income from Investments	\$808,575	\$1,268,466
Other Income	\$4,204,072	\$5,743,195
TOTAL INCOME	\$10,392,958	\$12,550,362
EXPENSES	2020	2019
Wages and Benefits	\$3,743,152	\$4,119,515
Office Occupancy/Operations	\$2,401,593	\$2,495,480
Professional Outside Services Expense	\$1,522,527	\$1,859,076
Provision for Loan Loss	(\$57,876)	(\$476,231)
Educational and Promotional Expense	\$305,710	\$331,904
Annual Meeting Expense	\$2,500	\$3,093
ACUA Dues	\$26,985	\$29,614
All Other Expenses	\$102,777	\$232,102
TOTAL EXPENSES	\$8,047,370	\$8,594,553
NON-OPERATING INCOME (LOSS)	\$4,414	\$91,878
EARNINGS BEFORE DIVIDENDS	\$2,350,003	\$4,047,687
MEMBER DIVIDENDS	\$343,105	\$364,046
NET INCOME (LOSS)	\$2,006,898	\$3,683,641

HORIZONS HELPING HANDS COMMUNITY SUPPORT

During the pandemic, the Horizons Helping Hands program stepped up in our local community to fundraise and sponsor several worthwhile nonprofit organizations.

The Horizons Helping Hands program is an internal team effort whereby our staff votes annually on the charities they would like to focus attention. Fundraising is primarily done via designated Jeans Days and via member participation. In 2020, the Horizons Helping Hands program was able to assist The Penelope House, St. Jude Children's Research Hospital, and the local animal shelters.

New Horizons Credit Union also gives back to the community in other ways by partnering with many school activities and local events. These efforts embrace the credit union industry philosophy of "People Helping People" with sponsorships, donations, and volunteerism such as, but not limited to, the following:

Hi-Q High School Academic Competition

Since 1986, New Horizons Credit Union has been a proud sponsor of Hi-Q, the oldest continuing academic competition in the U.S. organized by the Mobile County Public School System. Hi-Q encourages academic achievement, initiative, and good sportsmanship. Mr. Bob Grip, from FOX 10, presides as the Quiz Master, asking questions from 13 subjects to 15 area high schools competing for a cash prize for their school. Competition starts in January and goes through March.

Scholarships

For over 25 years, New Horizons Credit Union has awarded \$1,000 scholarships to local high school seniors seeking to continue higher education through the Credit Union's Annual Scholarship Program. Each year, five, \$1,000 scholarships are presented to deserving high school seniors. The deadline to apply is typically April of each year. All high school senior members are encouraged to apply by visiting our website at NewHCU.org each December for the current New Horizons Credit Union Scholarship Application & Information located on our New Wave Youth Savers Account web page.

United Way's Volunteer Income Tax Assistance (VITA) Program

New Horizons Credit Union has partnered with the local United Way to offer free office space at the NHCU West Mobile branch for United Way's VITA program for the past several years. The VITA program offers free tax services to qualifying consumers that apply through the Mobile, Alabama United Way office.

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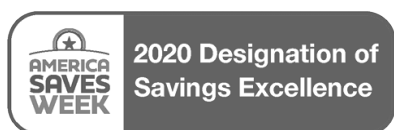
HORIZONS HELPING HANDS COMMUNITY SUPPORT

CUAid.coop & American Red Cross – Disaster Relief Efforts

When disaster strikes, New Horizons Credit Union offers both members and non-members ways to help. Through our website, New Horizons offers a direct link to CUAid.coop to receive relief funds to assist fellow credit union people affected by natural disasters. Plus, New Horizons Credit Union branches offer a safe place to make monetary contributions to the American Red Cross when disasters strike our local area.

Awards & Recognitions

America Saves Designation of Savings Excellence Award



Your Credit Union was honored for its efforts during National America Saves Week to encourage member saving with the America Saves Designation of Savings Excellence Award. New Horizons Credit Union offers GreenPath Financial Wellness resources, Youth

Club Accounts with financial education web links, free financial literacy seminars, and a Credit Re-builder Loan Program – all designed to encourage budgeting and saving. To learn more about these programs, visit our website at NewHCU.org.

Military Saves Designation of Savings Excellence Award



New Horizons Credit Union earned the National Military Saves Designation of Savings Excellence Award for the development of the Horizons Heroes Account and effort that encourage savings with our military personnel and their families. To learn more about the Horizons Heroes Account and its perks for first responders, active-duty military, healthcare workers, and educators, visit NewHCU.org.



SUMMARY OF SERVICES

- Allpoint ATM Network
- Cashier's Checks
- Christmas Club Accounts
- Consumer Loans
- Credit Cards
- Credit Life & Disability on Loans
- No-Cost Direct Deposit
- No-Cost E-Statements
- No-Cost Ultimate Checking Accounts
- GAP & Extended Warranty Program
- Home Equity & Mortgage Loans
- Horizons Heroes Club
- Individual Retirement Accounts (IRAs)
- Love My Credit Union Rewards
- Money Market Accounts
- No-Cost Debit Cards
- No-Cost Bill Pay Services
- No-Cost Mobile Banking App
- Reloadable Visa® Debit Cards
- Remote Deposit Capture
- Safe Deposit Boxes
- Share Certificate Accounts
- Voice24 Telephone Account Access
- New Wave Youth Club Accounts
- And more - **visit NewHCU.org**

CALL CENTER

622 Azalea Rd.
Mobile, AL 36609
M-F: 8:15am-5pm

DAPHNE BRANCH

7146 Stone Drive
Daphne, AL 36526
Lobby: M-F 9 am-5 pm
Drive-Thru: M-Thur 9 am-5 pm, Fri 9 am-6 pm
24/7 ATM (Deposit & Withdrawal)
24/7 Night Drop Box

JACKSON BRANCH

1225 Forest Avenue
Jackson, AL 36545
Lobby: M-F 9 am-5 pm
Drive-Thru: M-Thur 9 am-5 pm, Fri 9 am-6 pm
24/7 ATM & Night Drop Box

MIDTOWN BRANCH

1610 Government Street
Mobile, AL 36604
Lobby: M-F 9 am-5 pm
Drive-Thru: M-Thur 9 am-5 pm, Fri 9 am-6 pm
24/7 ATM & Night Drop Box

SARALAND BRANCH

103 Saraland Boulevard South
Saraland, AL 36571
Lobby: M-F 9 am-5 pm
Drive-Thru: M-Thur 9 am-5 pm, Fri 9 am-6 pm
24/7 ATM & Night Drop Box

SEMMES BRANCH

3385 Schillinger Road North, Suite 19
Semmes, AL 36575
Lobby: M-F 9 am-5 pm
Drive-Thru: M-Thur 9 am-5 pm, Fri 9 am-6 pm
24/7 ATM & Night Drop Box

THEODORE BRANCH

5500 Willis Road
Theodore, AL 36582
Lobby: M-F 9 am-5 pm
Drive-Thru: M-Thur 9 am-5 pm, Fri 9 am-6 pm
24/7 ATM & Night Drop Box

WEST MOBILE BRANCH

6320 Airport Boulevard
Mobile, AL 36608
Lobby: M-F 9 am-5 pm
Drive-Thru: M-Thur 9 am-5 pm, Fri 9 am-6 pm
24/7 ATM (Deposit & Withdrawal)
24/7 Night Drop Box



NewHCU.org | 251.316.3240
Voice24: 251.316.3268 | 1.800.447.6706

