

2010 Annual Report



A Letter from the Chairman of the Board and President/CEO

Dear Members:

Last year, as the country continued to face unprecedented economic challenges, Southeastern Federal Credit Union was able to grow and continue to provide extraordinary value and service to our members. On behalf of the board of directors and the entire staff, we are very proud of this fact.

We hope you will take the time to review the financials within this report and see for yourself the results of our commitment to sound financial management, even through difficult times. Amongst the highlights, the Credit Union's total assets grew by \$21.6 million during 2010 for a year-end total of \$151,902,673. We had solid earnings with year-end net income finishing at \$1,534,227, giving us a 1.09% return-on-assets.

In addition to our fiscal disciplines, we were able to grow and add value to our purpose in other ways. We spent much of 2010 focusing on improving the efficiency of our operations, looking for ways to reduce spending yet improve the service we provide. We also deepened our relationships within the communities we serve through business development functions and volunteering at a record level. The highlight of this was our partnership with other, prominent local companies

and organizations to help build the Students in Free Enterprise (SIFE) Skills Success Center located in the Ora Lee West Housing Community in east Valdosta. Being able to put our stamp on something that will help local kids for decades to come should be very rewarding to our members.

In closing, we would like to pay tribute to one of our own who passed away this year. Webster Morgan served on the Board of Directors for 14 years and was not only a dedicated member, but a friend to all who knew him. We will miss him and his service to the Credit Union very much.

To our members, employees, and board of directors, we have much in which to be thankful.

Sincerely,



A handwritten signature in black ink, appearing to read "Roy McNeal".

Roy McNeal
Chairman of the Board



A handwritten signature in black ink, appearing to read "Delbert Lee Morgan".

Delbert Lee Morgan
President/CEO

Supervisory Committee Report

The certified public accounting firm of OCM & Co. assisted the Committee in its efforts by conducting a comprehensive annual opinion audit. OCM & Co. issued an unqualified opinion (the highest possible opinion) that in all material respects, the financial statements present fairly the respective financial position, changes in financial position, and cash flows for the year. Additionally, the local CPA firm of Brandon, Rackley, and Dukes was engaged to perform quarterly agreed upon procedures. The Committee is also pleased to report that Brandon, Rackley, and Dukes, CPAs found that the Credit Union is in compliance with the tested agreed upon procedures.

The Supervisory Committee commends management and the entire staff for receiving an unqualified opinion on the Credit Union's financial statements and demonstrating their compliance in following sound financial management practices.

Sincerely,



H. Michael Beverly
Supervisory Committee

The Federal Credit Union Act, which governs federally-chartered credit unions, and the bylaws of Southeastern Federal Credit Union provide for the establishment of a Supervisory Committee. The Supervisory Committee works independently of the Board of Directors and Credit Union management and is made up of Credit Union members who volunteer their time to support the credit union movement. Its principal function is to assure the fairness of the Credit Union's financial statements and its compliance with sound business practices and procedures.

Treasurer's Report

As Treasurer of the Board of Directors, I am pleased to report that 2010 was a fiscally positive year for the Credit Union. The highlight was our net income growth. The year-end total of \$1,534,227 was a new milestone. Our year-end assets totaled \$151,902,673, which represents a positive 16.63% increase over 2009's total of \$130,247,240. Year-end deposits grew to \$138,716,512 from \$118,523,679. This was a 17.04% increase over '09. Total membership grew to an encouraging 22,980 members. All of these numbers represent a disciplined, yet accelerated approach in fiscal management. We also remain above peer average in almost all ratio comparisons. The 2009 and 2010 Financials are provided for you in this program.

The Board of Directors and the Credit Union management team meet at least once a month to assess the financial condition of the Credit Union, to evaluate the adherence to policies which affect each member, to review activities of our various committees, and to plan for the future of the Credit Union. Thank you for the opportunity to be able to serve in this capacity.

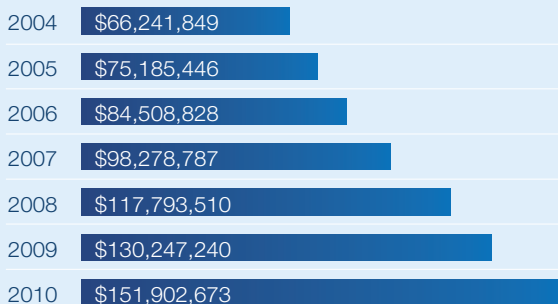
Sincerely,



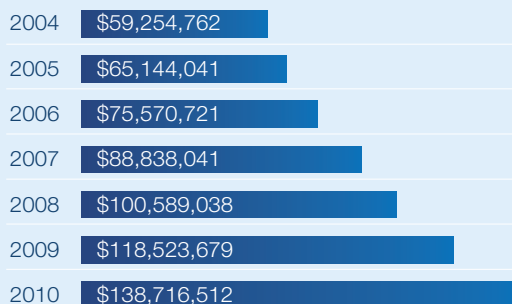
C. Anthony Payton
Treasurer

Growth Trend Graphs

Total Assets



Total Deposits



Comparative Financial Statements

Consolidated Statement of Financial Condition

As of December 31, 2010

	2010 (Unaudited)	2009 (Audited)
Assets		
Cash	\$2,965,881	\$2,939,411
Investments	28,222,414	10,537,633
Net Loans	109,750,764	105,706,744
Fixed Assets	9,974,630	9,971,310
Other Assets	988,984	1,092,142
Total Assets	\$151,902,673	\$130,247,240
Liabilities		
Total Liabilities	\$1,296,010	\$1,343,359
Equity		
Member Shares	\$138,716,512	\$118,523,679
Other Equity	11,890,151	10,380,202
Total Liabilities & Equity	\$151,902,673	\$130,247,240

Statement of Income

For the Periods Ended December 31, 2010

	2010 (Unaudited)	2009 (Audited)
Loan Income	\$7,383,213	\$7,092,661
Investment Income	89,583	87,957
Other Income	3,323,509	3,170,522
Total Gross Income	\$10,796,305	\$10,351,139
Operating Expense	\$7,176,074	\$6,925,765
Net Operating Income	\$3,620,231	\$3,425,374
Non Operating Gain/Loss	\$(4,801)	\$477,058
Net Income Before Dividends	\$3,615,430	\$3,902,432
Dividend Expense	\$2,081,203	\$2,326,360
Net Income	\$1,534,227	\$1,576,071

Adjustments to Financial Records

2009

NCUA Corporate Stabilization Program refunded - \$644,000.52 from December 2008 shown as non-operating income.

GCCU Paid in Capital 100% depletion \$50,000.00
GCCU Member Capital Shares 43.57% depletion \$106,675.20

NCUSIF Premium – 0.1027% of June 2009 insured shares \$117,752.39
TCCUSF Premium – 0.0473% of June 2009 insured shares \$54,232.60

2010

TCCUSF Premium – 0.134% of March 2010 insured shares \$160,199.93
NCUSIF Premium – 0.1242% of June 2010 insured shares \$151,503.74

Total Loans

2004 \$47,812,706

2005 \$63,376,812

2006 \$71,155,639

2007 \$70,264,239

2008 \$91,133,763

2009 \$106,434,837

2010 \$110,616,218

Total Members

2004 18,070

2005 19,217

2006 20,046

2007 20,339

2008 21,429

2009 22,828

2010 22,980

Minutes of 57th Annual Meeting

March 11, 2010

- I. Chairman Roy McNeal called the meeting to order at 7:00 p.m. at the Lowndes County Conference Center.
- II. The chairman appointed Steve Gupton as Parliamentarian and Jerry Permenter as recording secretary.
- III. The secretary determined a quorum was present with 186 members in attendance.
- IV. Chairman McNeal declared the meeting officially open and introduced the head table.
- V. An invocation was given by Reverend Martha King who is an employee and the Associate Pastor of Greater St. James A.M.E. Church.
- VI. The minutes were approved as presented.
- VII. Roy McNeal gave the Chairman's message.
- VIII. Webster Morgan gave the Treasurer's report.
- IX. Jerry Permenter gave the Supervisory Committee's report.
- X. Lee Morgan gave the President's report.
- XI. Webster Morgan was called upon to explain the election process. There were two positions open for election to the Board of Directors. The nominating committee selected one person for each position open. The nominees selected were C. Anthony Payton and Jerry Permenter. Jerry Permenter, Secretary, received no qualified petitions for nomination to the Board of Directors. The nominees were elected to the Board of Directors by acclamation.
- XII. Chairman McNeal recognized Lori Belflower for 5 years of service, and Sharon Smith with a 25-year service award.
- XIII. Old Business: There was none.
- XIV. New Business: There was none.
- XV. Mickey Garland held the drawings for the door prizes.
- XVI. There being no further business, the meeting was adjourned at 7:26 p.m.

Board Members



Roy McNeal
Chairman



Charles Eidson
Vice Chairman



C. Anthony Payton
Treasurer



Jerry Permenter
Secretary



H. Michael Beverly
Supervisory Committee
Chairman



Diane Kilgore
Director



John Leonard
Director

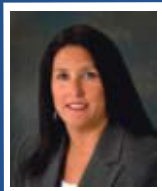
Senior Managers



Delbert Lee Morgan
President/CEO



Darryl Wood
Vice President of
Lending



Sharon Smith
Vice President of
Administration



Mickey Garland
Vice President of
Marketing &
Business Development



Sharon LaBranche
Vice President of Branch
Operations



David Rouse
Vice President of IT &
Product Development