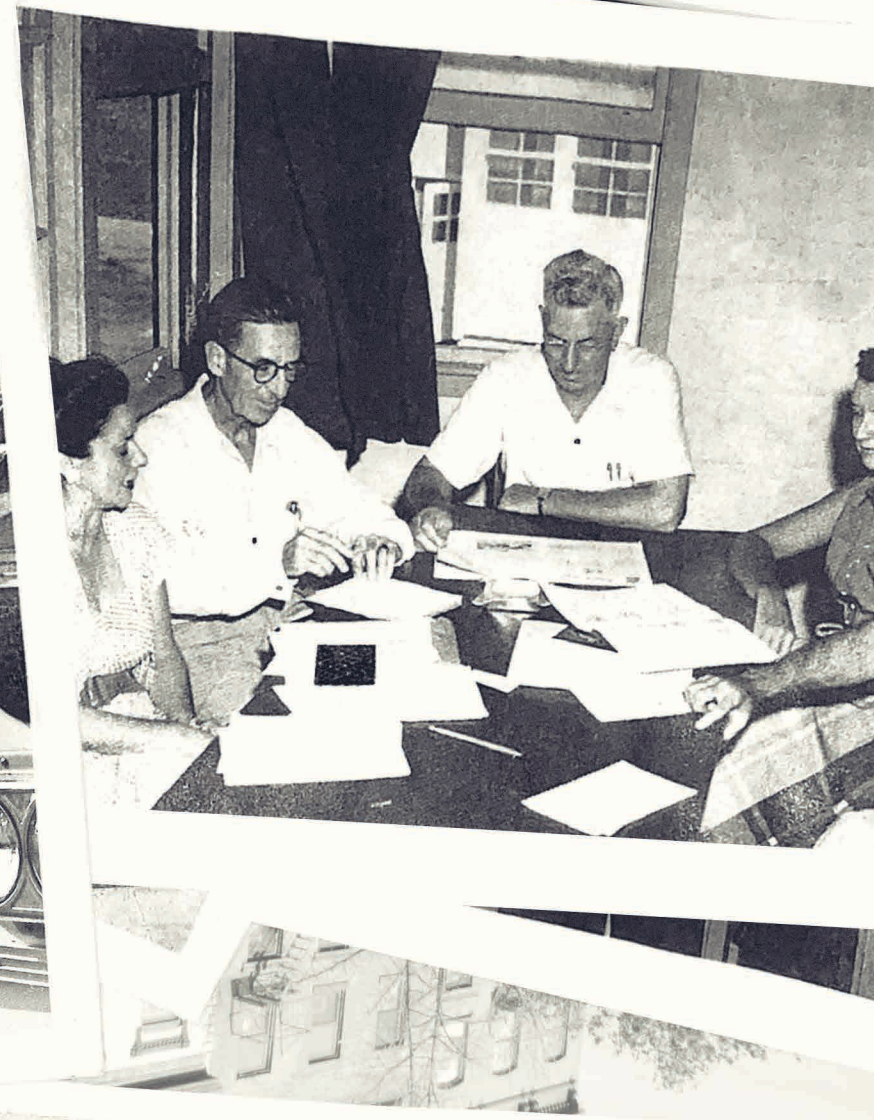


# 2021 ANNUAL REPORT



**SPACE COAST  
CREDIT UNION**

Your life. Your financial watchdog.



## **A LEGACY OF SERVING FLORIDA COMMUNITIES**

FEDERALLY INSURED BY NCUA



# Chairman's and President's Report



John G. Oertel  
Chairman

In 2021, we continued to be faced with many challenges as the pandemic lingered and lingered. This presented many operational challenges to the Credit Union and put pressure on our Team Members. We also realize that all of you faced your own challenges. We are hopeful that we all came out stronger for the experiences that 2021 brought us and that, for the first time in a long time, we see light at the end of the tunnel.



Timothy M. Antonition  
President, CEO

The SCCU Team had to continue to modify our operation due to positive COVID cases both inside and outside the Credit Union. At times, this meant reduced or modified branch hours or modified levels of service without a lot of notice. We are well aware that many of you were impacted by these decisions, and for that, we apologize. Thank you for your understanding, as we did what we could to minimize the disruption.

Despite the lingering pandemic, as a Team, we were once again able to produce record numbers of loans and new accounts, process record numbers of transactions and answer record numbers of calls. This is due to the amazing Team Members we have here at SCCU, whom it is our privilege to lead and guide. Hopefully to you, our members, this looked easy, but we can tell you it isn't. The unpredictable economy and market conditions threw us many curve balls we had to navigate just when we thought we might return to normal.

Once again, we made decisions to remain open and not slow production by raising rates. We are committed to providing you with the best loan rates possible so raising the rate just did not meet our Trusted Products brand promise. This did mean at times that we were busier than the volume of loans for which we were staffed, and we may not have gotten to your application as quickly as we normally would have. We have worked on this over the year, and we are pleased to say we have made significant progress in our call centers, and you will see on average our wait times greatly improved.

In 2021, we continued to modify both member-facing and internal processes with the goal of improving the member experience. We implemented many subtle changes that

resulted in big improvements to how we deliver service to you. We have many things in the pipeline that will be launched in 2022, so stay tuned! Our commitment to you is that we will never stop innovating and adjusting our processes to improve the service we deliver to you.

All of this was once again made possible by the dedication of our 1,000 Team Members from around the Credit Union, not just performing the functions of their jobs, but also assisting in areas of our operation where they do not normally work. This dedication and support are what we call the ONE SCCU spirit. It sets us apart from the competition and we are grateful and very fortunate for this ONE SCCU Team Spirit.

We surpassed a huge milestone as an organization this past year when we celebrated our 70th Anniversary. Seventy years ago, seven people had an idea, and Patrick Air Force Base Credit Union was founded with \$372. Over the last 70 years, now as Space Coast Credit Union, we have grown to over 525,000 members and almost \$7 billion in assets. We serve 29 counties online and through 63 branch locations with a full range of trusted products and services. This idea has turned into something pretty amazing.

We have more hope this year than we did this same time last year. With the vaccines now widely available and with the high vaccination rate both in the Credit Union and in our country in general, we feel that we will move to more normal operations over the coming months. This does not mean that we think the pandemic is over, but rather we have the tools, knowledge, and capabilities to co-exist however long it lasts. With that in mind, you will continue to see us adjust our member-facing protocols as we follow the guidance on the pandemic.

On behalf of Team Members serving you throughout our 300-mile footprint, our Leadership Team, and our Board of Directors and Volunteers, we wish you a safe and healthy 2022.

John G. Oertel  
Chairman

Timothy M. Antonition  
President and CEO

## Credit Manager's Report

SCCU enjoyed another great year of lending in 2021. As our Members' Watchdog, we continued to focus on our brand promise of delivering trusted loan products that are priced fairly and meet the growing needs of our membership. This focus continued to resonate with our membership as evidenced by the results shared below.

Last year, despite a worldwide shortage of vehicles, we helped our members purchase nearly one billion dollars in vehicles by providing financing at the dealership. Partnering with our local vehicle dealerships allowed us to add 20,925 new members to the credit union. In the process, we estimate to have saved our members \$20 million of annual interest expense when compared to our competitors.

We also helped our members save money by refinancing vehicle loans they originated elsewhere. In 2021, we refinanced over \$183 million in vehicle loans. Most members were able to complete their refinances from home, through our online application channel, accounting for nearly \$50 million of vehicle loans originated in 2021.

Historically low interest rates and rapidly increasing home values helped drive our mortgage lending. We originated over \$850 million in first mortgages and nearly \$230 million in home equity loans. This helped members save millions of dollars in interest payments and fund renovations or other projects that build equity in their homes.

Lastly, we refreshed our entire credit card product line and now provide members with the flexibility to choose a card with benefits they find the most value in. Members responded by opening over 13,600 new credit cards in 2021.

We celebrate the success of 2021 but remain focused on finding new ways to be more competitive and efficient in delivering value to our membership through trusted loan products. Our members deserve excellence and we are committed to delivering that in 2022 and beyond.

Gary A. Prager  
Senior Vice President, Lending

# Audit Committee Report

The Audit Committee is appointed by the Space Coast Credit Union (SCCU) Board of Directors. The Audit Committee operates under the rules and regulations of the Florida Office of Financial Regulation, Division of Financial Institutions, and the National Credit Union Administration (NCUA). It's charged with determining that the financial condition of SCCU is accurately and fairly presented in the financial statements and that management practices are in place to safeguard members' assets.

The primary functions of the Audit Committee are (1) to direct the Internal Audit Department, which monitors credit union operations through the development of a risk-based audit plan; scheduling and conducting a continuing program of reviews of credit union processes and procedures; and (2) contracting for an independent, external audit of the credit union's financial statements.

The combined skills of the Certified Public Accounting Firm of CliftonLarsonAllen LLP, with that of our in-house Internal Audit staff, have proven to be effective in maintaining an efficient and effective internal audit function for the credit union. The Internal Audit Department has unlimited access to all credit union Team Members and operations. It has developed a risk-based audit plan for the credit union, which is revised as credit union operations and controls change during the year. The Annual Audit Plan, approved by the Audit Committee, is updated during the year as processes, controls, and events change. All audits on the updated 2021 Audit Plan were successfully completed by the end of the calendar year.

The Certified Public Accounting Firm of Warren Averett, LLC was retained for the purpose of conducting the annual external audit of financial condition. In March 2021, Warren Averett's audit of the 2020 Financial Statements for SCCU resulted in an "unmodified opinion," which, in layman's terms, means everything went well and no irregularities were discovered. The financial information presented in this report for 2021 is unaudited, as the annual audit was not completed at the time of printing.

The Audit Committee reports the results of all internal and external audits to the Board of Directors.

Based on the results of the above-referenced activities and related reports, it is the Audit Committee's opinion that the books and records of Space Coast Credit Union are in order. The Audit Committee would like to thank the SCCU Board of Directors, Management, and all SCCU Team Members for their support and cooperation during this past year.

Respectfully submitted by,  
The Audit Committee



Stephen J. Bailey  
Chairman

Dr. Patricia Fontan  
Edith Lowery  
Dr. Karen O. Palladino  
Julie O. Robbins

# Condensed Financial Information\*

<b>CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION</b>		
	As of December 31, 2021	As of December 31, 2020
<b>ASSETS</b>		
Cash and cash equivalents	\$424,598,883	\$393,092,286
Investments		
Securities purchased under agreements to resell	-	225,000,000
Available for sale	1,129,196,669	671,232,739
Other	3,084,381	4,534,881
Loans held for sale	-	-
Loans to members - net of allowance for loan losses	4,880,266,323	4,325,147,738
Accrued interest receivable	10,907,859	9,954,616
Prepaid and other assets	92,788,394	128,372,934
Property and equipment - net of accumulated depreciation	86,912,584	90,230,463
Other real estate owned	-	474,020
Goodwill	64,592,669	64,592,669
National Credit Union Share Insurance Fund deposit	53,656,742	46,370,950
<b>TOTAL ASSETS</b>	<b>\$6,746,004,504</b>	<b>\$5,959,003,296</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
	As of December 31, 2021	As of December 31, 2020
<b>LIABILITIES</b>		
Members' shares and savings accounts	\$5,918,301,102	\$5,186,767,702
Borrowed funds	-	-
Dividends and interest payable	32,094	59,301
Other accrued liabilities	75,651,206	75,203,899
Total liabilities	5,993,984,402	5,262,030,902
<b>MEMBERS' EQUITY</b>	752,020,102	696,972,394
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$6,746,004,504</b>	<b>\$5,959,003,296</b>
<b>CONSOLIDATED STATEMENTS OF INCOME</b>		
	For the Year Ended December 31, 2021	For the Year Ended December 31, 2020
<b>INTEREST INCOME</b>		
Loans	\$160,066,754	\$151,651,677
Investments	6,549,962	8,245,647
<b>Total interest income</b>	166,616,716	159,897,324
<b>INTEREST EXPENSE</b>		
Members' share and savings accounts	15,300,275	27,572,908
Borrowed funds	1,744	249
<b>Total interest expense</b>	15,302,019	27,573,157
<b>Net interest income</b>	151,314,697	132,324,167
<b>PROVISION FOR LOAN LOSSES</b>	852,734	26,920,297
<b>Net interest income after provision for loan losses</b>	150,461,963	105,403,870
<b>NON-INTEREST INCOME</b>		
Fees and service charges	27,888,825	25,470,291
Other	53,568,581	61,157,019
<b>Total non-interest income</b>	81,457,406	86,627,310
<b>NON-INTEREST EXPENSE</b>		
Compensation and employee benefits	75,013,399	71,755,152
Office operating and occupancy costs	78,186,005	66,819,802
Other	8,584,343	7,809,349
<b>Total non-interest expense</b>	161,783,747	146,384,303
<b>NET INCOME</b>	<b>\$70,135,622</b>	<b>\$45,646,877</b>
	<i>*Unaudited</i>	<i>*Audited</i>

# 2021 ANNUAL REPORT

## Board of Directors

### Executive Committee

John G. Oertel  
Chairman

Thomas J. Myers  
Vice Chairman

Dale B. Neubert  
Treasurer

Herbert A. Fisher  
Secretary

### Board Members

A. Desmond Almarales  
Herbert A. Fisher  
Willie Howard, Jr.  
Kevin R. McKeown  
Thomas J. Myers  
Dale B. Neubert  
John G. Oertel  
Dr. Karen O. Palladino  
Julie O. Robbins

### In Memoriam

William H. Paine, Sr.  
Director Emeritus

## Management Team

Timothy M. Antonition  
President, CEO

Heather E. Hickman  
Executive Vice President,  
Chief of Retail Delivery

Hilary A. Eisbrenner  
Executive Vice President,  
Chief Financial Officer

Gregory E. DeRoy  
Senior Vice President,  
Member Services  
& E-Banking

Linda A. Hart  
Senior Vice President,  
Human Resources

Shane W. Hoyle  
Senior Vice President,  
Operations & Innovation

Christopher A. Matthews  
Senior Vice President,  
Card Services

Gary A. Prager  
Senior Vice President,  
Lending

Daniel J. Chiappone  
Vice President,  
Credit Solutions

Ann M. Roberts  
Vice President,  
Operations

Beverly B. Smith  
Vice President,  
Retail Services,  
Central Florida

Carmen M. Tapanes  
Vice President,  
Retail Services,  
South Florida

Kimberly K. Tyree  
Vice President,  
Consumer Sales

## Audit Committee

Stephen J. Bailey  
Chairman

Dr. Patricia Fontan  
Edith Lowery  
Dr. Karen O. Palladino  
Julie O. Robbins

## General Information

Headquarters Address  
8045 N. Wickham Road  
Melbourne, FL 32940-7920

Phone:  
321.752.2222

E-mail  
info@sccu.com

Web Address  
www.SCCU.com

## Branch Locations

Brevard County (20)  
Broward County (13)  
Flagler County (1)  
Indian River County (4)  
Miami-Dade County (15)  
Palm Beach County (1)  
Volusia County (9)



Your Life. Your Financial Watchdog.