



InsightTM

CREDIT UNION

2021

ANNUAL REPORT

CHAIRMAN'S REPORT



In 2021, the pandemic continued to be a vessel of change. We witnessed the ups and downs that came along with the long-awaited vaccines and the potential to resume daily activities, combined with continued economic uncertainties and rising inflation. Higher costs of living tightened budgets for many families across the nation. Despite the changing social and economic climate of the past year, Insight Credit Union remained unwavering in its growth and strength.

As many members felt the impacts of the ongoing pandemic, experiencing higher prices for goods and services, we worked hard to ensure members enjoyed the best rates possible on our savings and loan products. We helped them get the financing they needed to achieve their short- and long-term goals. It was and always will be important for us to be a relied-upon partner in the journey to financial wellness.

In 2021, the credit union launched the new online Education Center. The mobile-first, financial education resource offers a robust library of learning topics around important personal finance concepts including budgeting, investing, homeownership, retirement planning, and more. The interactive platform is designed to provide consumers with the tools and personalized knowledge necessary to make informed financial decisions through every stage of life.

Our devotion to helping the community continues to be something that sets us apart from other financial institutions. Through our new Education Center, we also offered in-person workshops to students on the campuses of Beacon College and Lake-Sumter State College equipping participants with the critical knowledge and skills they need to make the financial decisions that are best for them.

It remains our goal to support our partners in the community. In 2021, we continued to assist organizations such as Take Stock in Children Lake & Sumter, Stetson University Athletics, the Education Foundation of Lake County, and Mainstreet DeLand to name a few. We look forward to engaging with our community partners in 2022 and beyond.

The Insight Community Foundation marked six years of charitable giving to the Central Florida community in 2021. The foundation donated a total of \$16,000 to over a dozen organizations in support of educational initiatives designed to improve the financial well-being of those they serve including the Foundation for Seminole County Public Schools, United Way of Lake and Sumter Counties, Pace Center for Girls, Volusia-Flagler, and Give a Kid a Coat Foundation to name a few.

While 2021 was another year filled with unforeseen obstacles, our commitment to the communities where we live and work remained steadfast. The credit union ended the year with assets of over \$694 million, and we continue to seek new and effective ways to serve our members in an ever-changing landscape. We thank you for your continued support and for allowing us to serve your financial needs.

Mark Zickefoose, MBA, Acting Chairman

TREASURER'S REPORT



Maintaining the safety and security of our members' finances remains Insight Credit Union's top priority. In keeping with our standard procedures, Insight Credit Union took steps to ensure that all approved loans were within appropriate and safe operating guidelines as set forth by the Board of Directors and Management. Insight Credit Union ended the year with total Gross Loans Outstanding of \$293 million.

We sought to manage our deposits and ended the year with over \$631 million. We are proud to say that we ended 2021 with a strong membership of 49,000, signifying a substantial presence in the Central Florida community.

Our continued strength and strong capital position leave us not only proud, but optimistic. We have money to lend and strong lending practices in place to manage our delinquency and charge-off risk.

As we move through 2022, Insight Credit Union is committed to delivering exceptional financial solutions to current and future members. It is also our goal to maintain earnings and reserves, which promotes sound growth and encourages member confidence as well.

Floyd Bradley, Treasurer

PRESIDENT/CEO REPORT



In 2021, Insight Credit Union experienced continued growth in an uncertain environment, maintaining a strong financial foundation with a focus on our strategic initiatives and member support. We continued to offer low fees and competitive loan and savings rates in the market, and I am pleased to share a summary how we served our members.

While many of our branches remained open, we continued to encourage members to utilize our digital automated service options including Insight Online, our Mobile Banking App, and Digital Wallets whenever possible. We also looked for new and innovative ways to deliver the exceptional service our members expect in an ever changing social and economic environment.

In 2021, we introduced Video Banking, a new digital personal experience that gave members the flexibility to bank when, where and how it was most convenient for them. Video Banking combines face-to-face service with modern convenience and allows callers to facilitate transactions such as account opening, loan, or credit card applications, stop payments, routine account maintenance and much more while on a secure video chat with an Insight team member.

Like most companies in the world, we had our share of staffing challenges in 2021. Finding people to fill open positions proved difficult to say the least. With staffing shortages continuing and no assured resolution in the foreseeable future, the management team sought out alternatives so that our team members could remain fresh and engaged while still meeting the needs of our members.

As an organization, we decided to utilize available technology to offer Video Banking in our lobbies. This allowed members to visit their favorite branch and have a face-to-face interaction with a video banker through a kiosk just like they could through our website. This new strategy allowed us to fulfil our members' expectations of exceptional service with shorter wait times and more specialized assistance while allowing our staff to have more capacity and flexibility.

Insight has a deep-rooted history in Central Florida, and our commitment to improving the financial lives of those we serve and the communities where we all live, and work has never been stronger. In 2021, we opened our first student branch at Lake Minneola High School. It is an honor to be able to provide this learning laboratory branch where students can gain practical, real-life experience in conducting activities that further their training in the financial services industry. We look forward to a long, prosperous partnership at Lake Minneola High and with Lake County Schools.

As we move through 2022, we will undoubtedly face new challenges as economic uncertainties unfold. Insight is committed to delivering exceptional financial solutions with exceptional personal service. We thank you for your continued support and for allowing us to serve your financial needs now and in the future.

George R. Davis, President/CEO

SUPERVISORY REPORT



The Supervisory Committee is appointed by the Board of Directors, and they are charged with the responsibility to assure the Credit Union operates according to all of the rules and regulations set forth by the National Credit Union Administration (NCUA). The Supervisory Committee also confirms the policies and procedures set by the Board of Directors fall within government guidelines as administered by the NCUA and the State of Florida.

Under the direction of the Supervisory Committee, an independent certified financial audit, as required by the NCUA, is conducted each year by certified public accountants. Their audits include tests of compliance with internal accounting and administrative control procedures based on NCUA guidelines for credit unions. In addition to the CPA audit, the Credit Union is examined by the State of Florida Division of Banking and Finance examiner under the direction of the NCUA. Both audits reflected satisfactory operation.

It is the opinion of the Supervisory Committee that the Statement of Financial Condition of Insight Credit Union, as of December 31, 2021, presents a true and accurate picture of the Credit Union.

Robert Burke, Chairman, Supervisory Committee

Insight Credit Union

STATEMENT OF INCOME AND EXPENSE

	<u>12/31/2020</u>	<u>12/31/2021</u>
INTEREST INCOME		
Interest on Loans	\$ 12,917,353	\$ 10,967,850
Income from Investments	3,076,546	2,461,627
TOTAL INTEREST INCOME	15,993,899	13,429,477
INTEREST EXPENSE		
Dividends on Shares	504,512	551,930
Interest on Deposits	306,510	221,497
Interest on Borrowed Money	0	0
TOTAL INTEREST EXPENSE	811,022	773,427
NET INTEREST INCOME (Net Interest Margin)	15,182,877	12,656,050
Provision for Loan & Lease Losses (PLL)	1,184,588	(300,000)
NET INTEREST INCOME AFTER PLL	13,998,289	12,956,050
NON-INTEREST INCOME		
Fee Income	2,838,405	2,988,387
Other Operating Income	4,548,195	5,853,503
Gain/(Loss) on Sale of Investments, net	2,475,791	574,974
Gain/(Loss) on Disposition of Fixed Assets, net	122,339	72,230
Gain on Bargain Purchase (Merger)	-	-
TOTAL NON-INTEREST INCOME	9,984,730	9,489,094
NON-INTEREST EXPENSE		
Total Employee Compensation & Benefits	10,253,339	9,530,475
Travel and Conference Expense	59,161	36,105
Office Occupancy Expense	2,035,000	1,965,912
Office Operations Expense	1,876,697	1,678,509
Education and Promotional Expenses	373,697	279,036
Loan Servicing Expense	1,197,334	1,215,742
Professional and Outside Services	5,266,975	5,087,369
Member Insurance	-	-
Operating Fees (Examination and/or supervision fees)	117,764	128,283
Miscellaneous Operating Expenses	524,580	457,736
TOTAL NON-INTEREST EXPENSE	21,704,547	20,379,167
NET INCOME (LOSS)	\$ 2,278,472	\$ 2,065,977
Members	50,134	49,024
Delinquency	286,158	533,865
YTD Charge Offs	1,832,930	845,615
YTD Recoveries	754,770	328,424

Insight Credit Union

STATEMENT OF FINANCIAL CONDITION

ASSETS	<u>12/31/2020</u>	<u>12/31/2021</u>
CASH		
Cash on Hand	\$ 3,033,776	\$ 2,920,142
Cash on Deposit in Corporate CU & Other FI	74,995,420	88,582,101
TOTAL CASH AND CASH EQUIVALENTS	78,029,196	91,502,243
Investment Purchases Pending	4,090,106	-
INVESTMENTS		
Investment Securities - AFS	189,805,526	272,923,682
Deposits in Commercial Banks, S&Ls, Savings Banks	8,434,000	10,418,000
Membership Capital at Corporate One CU	1,466,782	1,466,782
FHLB Stock	497,900	311,800
Other Securities	141,216	231,018
TOTAL INVESTMENTS	204,435,530	285,351,282
LOANS AND LEASES		
Unsecured Credit Card Loans	15,293,097	13,023,958
All Other Unsecured Loans / Lines of Credit	5,251,354	4,437,693
New Vehicle Loans	35,240,724	22,775,942
Used Vehicle Loans	38,991,880	29,568,130
Total 1st Mrtg Real Estate Loans / Lines of Credit	59,789,865	66,765,013
Total Other Real Estate Loans / Lines of Credit	9,049,882	9,077,334
Total All Other Loans / Lines of Credit	4,192,290	4,198,565
Business Loans	66,176,203	61,457,240
Government Guaranteed Loans	82,576,135	77,182,827
Loans Held for Sale	1,475,382	5,051,106
TOTAL LOANS AND LEASES	318,036,812	293,537,808
Allowance for Loan & Lease Losses	(2,483,579)	(1,666,388)
TOTAL NET LOANS	315,553,233	291,871,420
OTHER ASSETS		
Foreclosed & Repossessed Assets:		
Other Real Estate Owned	69,838	-
Assets Acquired in Liquidation (including Automobiles)	20,225	8,885
Total Foreclosed & Repossessed Assets	90,063	8,885
Fixed Assets:		
Land and Building	10,701,992	10,402,735
Leasehold Improvements	126,183	99,993
Furniture & Equipment	683,762	461,344
Total Fixed Assets	11,511,937	10,964,072
National Credit Union Share Insurance Fund deposit	5,315,022	5,932,327
Accrued Interest - Loans	1,361,887	1,343,927
Accrued Interest - Investments	401,626	440,079
All Other Assets	6,673,241	7,001,210
Total Other Assets	8,436,754	8,785,216
TOTAL ASSETS	\$ 623,371,735	\$ 694,415,445

Insight Credit Union

STATEMENT OF FINANCIAL CONDITION

LIABILITIES	<u>12/31/2020</u>	<u>12/31/2021</u>
Accounts Payable & Other Liabilities	\$ 10,961,992	\$ 8,987,836
Total Accrued Expenses & Other Liabilities	10,961,992	8,987,836
SHARES/DEPOSITS		
Share Drafts	192,097,627	219,639,327
Regular Shares	209,905,855	257,836,014
Money Market Shares	111,233,097	116,064,190
IRA Shares	13,252,909	13,476,983
IRA/Share CDs	<u>26,536,606</u>	<u>24,711,643</u>
TOTAL SHARES	553,026,093	631,728,156
Non - Member Deposits	<u>100,000</u>	<u>100,000</u>
TOTAL SHARES and DEPOSITS	553,126,093	631,828,156
EQUITY		
Regular Reserves	2,935,208	2,935,208
Undivided Earnings	52,082,586	54,361,059
Accumulated Unrealized Gains (Losses) on AFS	1,975,723	(5,791,275)
Other Comprehensive Income	800	17,625
Equity Acquired in Merger	10,860	10,860
Net Income (YTD)	<u>2,278,472</u>	<u>2,065,977</u>
Total Equity	59,283,649	53,599,453
TOTAL LIABILITIES, SHARES & EQUITY	<u>\$ 623,371,735</u>	<u>\$ 694,415,445</u>

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INSIGHTCREDITUNION.COM

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