



Jacksonville's Hometown Credit Union

2021 ANNUAL
REPORT

121 Financial
CREDIT UNION

TABLE OF CONTENTS

Community Involvement in 2021.....	3
Community Support.....	4
Awards & Recognitions	6
Chairman & President's Joint Report.....	7
Supervisory Committee Report.....	8
Credit Manager's Report.....	10
Treasurer's Report.....	10
Financial Statements	12-13
Contact Information	14
Mission & Vision	15



Island Time Car Wash
121FCU Business Member

COMMUNITY INVOLVEMENT IN 2021



Our members and employees helped to make 2021 a year of community involvement for 121 Financial, despite the ongoing challenges caused by the COVID-19 pandemic. Because of this, 121 Financial was able to invest back into our community by supporting local organizations, charities and events through donations, volunteerism and sponsorships.

2021 IMPACT



**\$90,000 donated to
10 local nonprofit
organizations**



**100 volunteer
hours in our
community**

Sulzbacher

Last year we partnered with Sulzbacher, a local nonprofit that provides housing, healthcare and hope to homeless and at-risk women, children and men in our community for a successful holiday toy & clothing drive. And because of our members and employees, we were able to nearly triple that support this year.



**Holiday toys & gifts
for 500+ homeless
& at-risk children**





We were able to fill a large 15 foot U-Haul full of toys, gifts and essential needs donated to support more than 500 local families.

Our members who donated these items at our branch locations truly stepped up even further to help this year and for that we are so grateful. We also sponsored a holiday party for the families who live at the Sulzbacher Village in Brentwood.



**350 backpacks
of school supplies
donated**

In the fall, we hosted a school supply drive with our members and donated nearly 400 fully stuffed backpacks for the children that Sulzbacher serves as well as kids from the neighborhood surrounding the Sulzbacher Village.



COMMUNITY SUPPORT

JASMYN

We had the honor of sponsoring the Jacksonville Area Sexual Minority Youth Network (JASMYN) annual Coming Out Day Breakfast in October during Pride Month. A 121 Financial representative also served on the Planning Committee, providing input and support to help make the event a success despite challenges from COVID-19. Multiple 121 Financial employees also participated in JASMYN's annual Strides for Pride 5K in April.

Virtual Coloring Contest Winners with Jumbo Shrimp



For our second year in a row, 121 Financial hosted the Virtual Coloring Contest in partnership with the Jacksonville Jumbo Shrimp. 2021 was the “return of baseball to Jacksonville” and the coloring contest’s success reflected the community’s excitement: with more than 250 entries and over 10,000 votes. 121 Financial employees also conducted giveaways and special promotions inside 121 Financial Ballpark during the 2021 baseball season.

Ronald McDonald House Charities of Jacksonville

Every year, the local Ronald McDonald House hosts its “Deck the Doors” fundraiser to support critically ill children staying at the House, and 121 Financial was proud to serve as this year’s presenting sponsor. Our employees helped bring holiday cheer to the families at the House by decorating paper light bulbs with messages of hope and encouragement. The demand for Ronald McDonald House’s services continues to increase as Jacksonville grows as a medical destination for children’s healthcare.



Boys & Girls Club of Northeast Florida

Once again, 121 Financial was the presenting sponsor for the Boys & Girls Clubs of Northeast Florida’s annual Summer Nights fundraising event. The event helped raise over \$100,000 for local children.



AWARDS & RECOGNITIONS

121 Financial and our employees were the recipients of several prestigious awards and recognitions during 2021. Two of these awards went to:



Ms. Gail Lewis, 2021 Women's Advocate of the Year Award

Congratulations to Ms. Gail Lewis, our Financial Education Specialist – a.k.a., “Education Superhero” – for winning the 2021 Women's Advocate of the Year award from the JAX Chamber Professional Women's Council. Ms. Gail has served as a mentor and advocate for women for decades throughout her career and this recognition could not be more deserved.



Tillery Durbin, Northwest Jacksonville Economic Development Fund Advisory Committee

Our Director of Business Services, Tillery Durbin, was selected to join this committee and contribute her expertise to help direct the City of Jacksonville's economic development investments in Northwest Jacksonville, a growing commercial and industrial hub. Tillery is one of seven committee members who oversee this grant and loan program for local businesses seeking to open, expand or redevelop in this part of town. We are proud of Tillery's contributions to this important economic development initiative.



But wait, there's more!

At the end of 2020, 121 Financial also won a Community Impact Award from the Jacksonville Business Journal.

CHAIRMAN & PRESIDENT'S JOINT REPORT

In 2021, the Credit Union continued to navigate through the ups and downs of COVID-19 as did our members. Deposits continued to grow, and consumer loan balances declined. This was primarily due to stimulus payments and changes in spending habits as well as supply issues, especially in the automotive market. On the brighter side, we were able to take advantage of our partnership with the Jacksonville Jumbo Shrimp and a full baseball season. Our team was able to get out into the community and volunteer for several charitable events. Our members were a great help with providing much needed school supplies to the children at Sulzbacher as well as toys and clothing for Christmas. Without a doubt, our members and our team showed the credit union spirit of “people helping people.”

We also rolled out several new programs in 2021, including a new member survey. Members now receive a text message and/or an email after an interaction with 121. At the end of the year, over 4,520 members participated and our Net Promoter Score was 94.2 percent. We rolled out new contactless credit and debit cards with a new design featuring our shared logo as the Official Credit Union of the Jacksonville Jumbo Shrimp. We eliminated several fees associated with the card and increased the reward points to 2 points on every credit card transaction.

Our Business Lending team contributed greatly to the Credit Union and its business members in 2021. They granted 427 SBA Payroll Protection loans from January to May totaling over \$26.8 million. They also granted an additional \$29.2 million in other small business loans. 121 was ranked number 4 out of 25 in SBA lenders in Northeast Florida by dollar amount granted.

121 Financial finished the year with \$664 in assets and \$406 million in loans outstanding. Loan delinquency declined 0.35 percent, which is better than the pre-pandemic number of 0.88 percent. The Credit Union continues to be capitalized at 9.31 percent.

We would like to thank our Credit Union and our members for supporting 121.

Respectfully,

Shelba Williams |
David Marovich | President & CEO



Veterans United Craft Brewery
121FCU Business Member

SUPERVISORY COMMITTEE REPORT

As mandated by the Bylaws of 121 Financial Credit Union and state and federal statutes and regulations, the Credit Union has been audited to ensure its financial soundness as well as our compliance with said regulations.

The Supervisory Committee retained CliftonLarsonAllen LLP, Certified Public Accountants, as 121 Financial Credit Union's independent external auditors. As of this printing, they are in the process of completing the audit of our 2021 financial statements. A preliminary meeting was held with the auditors and we have been assured that the Credit Union is financially sound. As soon as the final report is rendered, all findings will be made available to the membership.

121 Financial was also examined by the National Credit Union Association and the Florida Office of Financial Regulation. Both the management team and the Board of Directors are working diligently to meet all compliance guidelines that are required by these agencies. As the nation and the world continues to feel the impact of the worst pandemic any of us have ever witnessed, the Credit Union continues to maintain its spirit of commitment to excellence. With a few modifications in the way we conducted business, our members received the kind of courteous, professional service they have come to expect from our front-line team. Our management team has kept a watchful eye on the overall operation of the Credit Union, ensuring that all departments continue ensure that the assets of the Credit Union are secure.



The Link / Nocatee
121FCU Business Member



I would like to take this opportunity to personally thank our Supervisory Committee Secretary, Ms. Ellen Page and Committee member, Mr. David Wells for their tireless dedication to this Credit Union. In addition, I would like to introduce to you the newest member of this committee, Mr. Keith Johnson, who brings expertise as a Certified Public Accountant.

On behalf of the Committee, I extend our appreciation to the Board of Directors, chaired by Mrs. Shelba Williams and the management team, led by our CEO, Mr. David Marovich, for their support in the performance of our duties. Hats off to our employees who render friendly, efficient, and accurate service to our membership on a daily basis. They are the foundation of our growth.

Finally, we would also like to express our sincere gratitude to all our members for their loyalty and their trust in us and the leadership of 121 Financial Credit Union as we endeavor to ensure the viability of this great institution.

As we turn another page in the continuing life of 121 Financial Credit Union, we look forward to continuing to serve you, and commit to remain both diligent in our endeavors and transparent in the execution of our duties.

Arzada Haynes | Supervisory Committee Chair

CREDIT MANAGER'S REPORT

121 Financial continues to adapt to the new business environment to ensure that we provide quality service to meet our member's lending needs. The Credit Union worked quickly to provide access to funds through the Paycheck Protection Program (PPP). This program helped 427 small business owners receive nearly \$26.8 million in forgivable loans from the Small Business Administration, so they could stay in business and continue to pay their employees.

The Credit Union offered a wide variety of loan products at competitive interest rates to meet our member's needs. In 2021, we had an increase in loan originations of 6.2 percent. We funded a total of \$191.8 million in new loans, which includes \$26.8 million in PPP loans, \$49.1 million in new and used auto loans, \$39 million in first mortgages, \$29.2 million in other business loans, \$27.5 million in home equity loans, \$12.8 million in personal loans and credit cards and \$5.8 million in boats and other recreational items.

Thank you for your membership. We hope that you will continue to choose 121 Financial Credit Union as the primary financial institution for all your lending needs.

April Bartlett | VP of Lending

TREASURER'S REPORT

The Credit Union had a financially strong year in 2021. As the economy recovered from the pandemic and members returned to work, 121 Financial returned to full-service operations.

Interest rates remained at historically low levels. This helped members refinance cars and homes to reduce monthly payments. Members also purchased a new home or a new vehicle with low monthly payments. The Credit Union also implemented a new suite of credit card products which offered enhanced rewards and cash back options.

The Credit Union's reserves for loan losses were increased significantly in 2020 in response to the pandemic. I am pleased to report that the loan portfolio performed better than anticipated and the Credit Union was able to reverse some of the excess reserves during 2021.

The Asset and Liability Management Committee remained focused on managing the balance sheet to ensure long-term financial stability. Excess cash was invested to increase interest income by \$221,000; a 73 percent increase in 2021. The Board and Management will continue to be diligent in seeking opportunities to maximize the utilization of Credit Union assets to increase internal efficiencies and provide enhanced member services.

Net income for 2021 was \$5.1 million, which was added to Member Equity. Income from the sale of two branches, Kernan and Mandarin, was recognized in 2021.

121 Financial grew by \$65.8 million in 2021. This surpassed the record growth in 2020. Member deposits grew by \$80 million.

The Credit Union remains “well capitalized” as of year-end, with a Net Worth + ALLL ratio of 9.31 percent.

As we look to 2022, many members continue to struggle to recover financially from the recession and current inflationary pressures. 121 Financial is committed to providing affordable credit and services to help our members prosper in these uncertain times.

Cynthia deLassus | Board Treasurer

**YEAR END
FINANCIAL
HIGHLIGHTS**

Total Assets.....	\$664,348,173
Gross Loans	\$405,705,549
Total Shares.....	\$600,903,675
Member Equity.....	\$58,463,222

ALBATRANS



Albatrans Car & Truck Sales
121FCU Business Member

FINANCIAL STATEMENTS - BALANCE SHEET

Assets	2020	2021
Loans	434,803,822	405,705,549
Less: Allowance for Loan Losses	-4,701,942	-3,005,345
Total Loans (Net)	430,101,880	402,700,204
Operating Cash	112,004,330	125,808,534
Investments		
Government & Agencies	10,425,309	81,788,512
Corporate Credit Unions	1,338,155	6,399,126
Total Investments	11,763,464	88,187,638
Property & Equipment (Net)	22,469,161	24,184,487
NCUSIF (Share Insurance Fund)	4,946,383	5,520,145
Corporate Capital	0	0
Other Real Estate Owned	600,000	600,000
Accrued Income	1,409,623	1,342,966
Prepays, Other Assets	14,500,646	15,172,219
CUSO	449,228	831,980
Total Assets	\$598,244,715	\$664,348,173

Liabilities	2020	2021
Borrowed Funds	20,000,000	0
Accrued Dividends	0	0
Accounts Payable & Other Liabilities	3,207,889	4,981,276
Member Deposits	521,138,212	600,903,675

Members' Equity	2020	2021
Regular Reserves	8,660,998	8,660,998
Other Comprehensive Income	204,635	-70,304
Unrealized Gain /(loss)	306,042	-568,337
Undivided Earnings	45,339,023	50,440,865
Total Equity	\$54,510,698	\$58,463,222
Total Liabilities & Equity	\$598,856,799	\$664,348,173

FINANCIAL STATEMENTS - INCOME STATEMENT

Income (Operating)	2020	2021
Interest on Loans	22,526,317	20,313,647
Investment Income	564,445	683,855
Other Operating Income	7,929,317	10,259,843
Total Operating Income	\$31,020,079	\$31,257,345

Expenses (Operating)	2020	2021
Salaries & Employee Benefits	10,508,498	11,638,504
Travel & Conference Expenses	158,033	166,791
Office Occupancy Expense	1,973,282	1,905,930
Office Operating Expense	7,159,689	7,342,394
Education & Promotion	1,917,856	2,501,237
Loan Servicing Expense	2,075,009	2,044,860
Professional & Outside Services	599,840	901,789
Provision for Losses on Member Accounts	3,878,347	-448,656
Operating Fees	114,353	122,890
Interest on Borrowed Money	394,005	141,714
Misc. Operating Expense	229,140	264,095
Total Operating Expense	\$29,008,052	\$26,581,548

Disposition of Income	2020	2021
Net Income from Operations	2,012,027	4,675,797
Non Operating Income	327,367	1,926,234
Gain / (Loss) on Investments	0	0
Loss on Disposition of Assets	3,244	0
Net Income before Dividends	2,342,638	6,602,031
Dividends	2,258,025	1,499,709
Net income	\$84,613	\$5,102,322



121
Financial
CREDIT UNION



THE OFFICIAL CREDIT UNION OF THE
JACKSONVILLE JUMBO SHRIMP

Argyle

6072 Youngerman Cir
Jacksonville, FL 32244

Mandarin

12250 San Jose Blvd
Jacksonville, FL 32223

Touchton

9700 Touchton Rd. Ste 104
Jacksonville, FL 32246

Beaches

1856 3rd St S, Ste 245
Jacksonville, FL 32250

Kendall Town

9730 Hutchinson Pk Dr.
Jacksonville, FL 32225

Middleburg

1714 Blanding Blvd
Middleburg, FL 32068

Westside

8101 Normandy Blvd
Jacksonville, FL 32221

River City

14023 Revell Dr
Jacksonville, FL 32218



121FCU.ORG 904.723.6300



Vision

Serving our community as a trusted financial partner with personalized solutions for every stage of life.

Mission

Empowering our team to deliver innovative solutions through 1 to 1 service by focusing on the unique value of every member.

Ensuring organizational stability and financial wellness in our community since 1935. Our mission is growing together, prospering together.

