

# 2021

ANNUAL REPORT

# A JOINT MESSAGE

From Our Board Chairman and President & CEO

As we look back at 2021 we are proud of the continued growth and trajectory of SkyOne Federal Credit Union. From our simple roots back in 1949 until now, one thing has not changed... our commitment to bettering the lives of our members. Although these last couple years have brought much change to our lives, we have worked hard to ensure that we continue to be there when our members need us most.

In an effort to create more availability and make it easier for our members, in July of 2021 we opened a new branch in El Segundo, CA. Just blocks from LAX, this new branch features cutting edge technology coupled with a

vibrant, modern feel. This new branch also gave us the opportunity to work closer with the communities we serve by sponsoring several educational events as well as local government and non-profit support.

We also introduced more options to communicate with SkyOne in our digital channels with the launch of our new Live Chat capabilities, featuring our Artificial Intelligence bot named Skye. If you have not done so already, we invite you to save time and try our new chat feature. We are sure our team of online professionals will be able to assist just as you have come to expect from SkyOne.

From our simple roots back in 1949 until now, one thing has not changed... our commitment to bettering the lives of our members.

Speaking of community support, through our partnerships with Surfrider Foundation and the Madrona Marsh Wetlands Preserve, we have provided critical financial support to help these crucial organizations continue their important work of helping our environment thrive.

In 2021, our total assets exceeded \$700 million while our total loans grew by \$84 million, a 20% increase over 2020. We ended the year with a \$121 million increase in total deposits, which is a 24% increase from 2020. Our total membership grew by 16% while our assets under management continued to increase through our partnership with broker-dealer CUSO Financial Services, L.P. We have helped deliver on our members' growing consultation needs, resulting in \$124.5 million in assets under management at the end of 2021, a 19% increase over 2020. Our net income for the year was \$4.2 million, which contributed to an increase in return on assets (ROA) to

.65%. Our Net Worth ratio was 8.36%, which is considered well-capitalized by the NCUA.

Looking ahead to 2022 we are excited about the launch of our new online and mobile banking platform. This new site will provide additional security, more convenient ways to transfer funds as well as increased access to your accounts, all while making it easier to manage your finances. Additionally, we will be updating our website to make it easier to locate our current promotions and see the impacts SkyOne is making in the communities we serve.

We remain committed to providing our members with financial solutions tailored to their needs, creating an effortless experience and improving their financial lives. We thank you for choosing SkyOne Federal Credit Union.



A handwritten signature in black ink that reads "Theodore P. Byrne".

**Theodore P. Byrne Ph.D., J.D.**  
Chairman, Board of Directors



A handwritten signature in black ink that reads "Joseph E. Whitaker".

**Joseph E. Whitaker**  
President & CEO

# SUPERVISORY COMMITTEE REPORT

Ensuring that our members' information and assets are secure continues to be our top priority. We continue to go above and beyond federally mandated audits and conduct extensive tests and audits to help strengthen our commitment to responsible and secure financial practices. The audit firm of Moss-Adams, LLP performed an Opinion Audit for the twelve months ending on June 30, 2021. We are pleased to report that the results of the Opinion Audit have determined the Credit Union to be financially sound. In addition to the audits performed by our regulator (NCUA) and Moss-Adams, our Risk Management team conducted numerous internal audits and compliance reviews throughout the year.

Info@Risk, which specializes in information security assessments, continued conducting extensive security analysis of our computer and network systems, including penetration and social engineering testing. CastleGarde, another third-party company that

provides security assessment services, also performed external vulnerability tests on our network. We are pleased to report that our security controls were effective in preventing access to our network and computer systems and have declared our network infrastructure to be secure. Although we feel that we are already adequately protected from the ever-growing cybersecurity threat landscape, SkyOne continues to take proactive steps in enhancing our internal processes and technology to ensure the safety of members' information, including system upgrades and enhanced training for employees.



**Robin Rush**

Chairperson, Supervisory Committee

## SPECIAL THANKS

To the following employees for their dedication in serving our members.

### OVER 5 YEARS

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Brandie Baldwin  
Roberto Ceballos  
Elizabeth Chavez  
Oscar Covarrubias  
Mayra Daigneault  
Luis Felix  
Earl Gales III  
Ohlene-Gia Lacno  
Eric Orantes  
Patricia Perez  
Giselle Pineda  
Marvin Sarmac  
Lori Scantlebury

### OVER 10 YEARS

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Trina Alli  
Andrea Bruers  
Maria Freeman  
Adriana Gonzalez  
Elizabeth McMichael  
Francisco Merino  
Daniel Mostovoy  
Maria Perez  
Paul Rivas

### OVER 15 YEARS

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Melinda Barmore  
Rodney Brown  
Armando Gonzalez  
Cristina Hartmark  
Cesar Ramos  
Crystal Stokes

### OVER 20 YEARS

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Kathy Cunico  
Khristopher Hartmark  
Alma Rodriguez  
Bambi Souratha-Louie

### OVER 25 YEARS

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Kelly Chaves  
Anni Haroutunian  
Ismael Rodriguez

# ACCOMPLISHMENTS OF 2021

## NUMBERS AT A GLANCE

(\$ Millions)



### TOTAL ASSETS

2020 \$603.8

2021 **\$703.4**

16%



### TOTAL MEMBERS

2020 42,192

2021 **48,681**

15%



### TOTAL LOANS

2020 \$428

2021 **\$512**

20%



### TOTAL DEPOSITS

2020 \$495

2021 **\$616**

24%



### NET WORTH

2020 \$50.1

2021 **\$54.4**

9%

## HIGHLIGHTS



Provided financial support for local and nationwide environmental organizations



Opened our new El Segundo, CA Branch



Provided more ways to access SkyOne via Online Chat



New online auto shopping portal makes it easier for members to shop for a new or used car

## Comparative Statement of Financial Condition

	2021	2020	2019
<b>Assets</b>			
Cash	42,679,875	61,163,868	22,239,373
Investments	104,026,883	71,628,230	97,334,028
Loans	511,575,430	428,515,418	352,546,152
Allowance for Loan Losses	(8,280,341)	(8,781,733)	(7,518,276)
Fixed Assets	8,498,374	8,513,214	8,185,496
Other Assets	44,907,897	42,846,652	35,332,326
<b>Total Assets</b>	<b>\$703,408,118</b>	<b>\$603,885,649</b>	<b>\$508,119,098</b>
<b>Liabilities</b>			
Members' Deposit Accounts	616,484,455	495,517,058	445,373,342
Other Liabilities	36,583,275	61,494,263	18,964,931
<b>Total Liabilities</b>	<b>\$653,067,730</b>	<b>\$557,011,321</b>	<b>\$464,338,273</b>
<b>Equity</b>			
Regular Reserve	4,391,442	4,391,442	4,391,442
Undivided Earnings	44,278,381	40,022,312	36,679,537
Equity Acquired from Merger	5,734,532	5,734,532	5,734,532
Unrealized Accumulated Comprehensive Gain/(Loss)	(4,063,967)	(3,273,958)	(3,024,686)
<b>Total Equity</b>	<b>\$50,340,388</b>	<b>\$46,874,328</b>	<b>\$43,780,825</b>
<b>Total Liabilities and Equities</b>	<b>\$703,408,118</b>	<b>\$603,885,649</b>	<b>\$508,119,098</b>

## Comparative Income Statement

	2021	2020	2019
<b>Revenues</b>			
Interest on Loans	23,929,768	19,967,119	17,993,764
Interest on Investments	783,711	1,452,581	2,494,399
Other Income	6,901,792	10,381,150	6,104,028
<b>Total Revenue</b>	<b>\$31,615,271</b>	<b>\$31,800,850</b>	<b>\$26,592,191</b>
<b>Expenses</b>			
Operating Expenses	23,462,141	20,588,640	18,543,752
Provision for Loan Losses	1,591,977	4,064,820	2,389,899
Member Dividends	2,057,443	3,138,963	3,473,030
Interest on Borrowed Funds	247,641	665,652	123,439
<b>Total Expenses</b>	<b>\$27,359,202</b>	<b>\$28,458,075</b>	<b>\$24,530,120</b>
<b>Net Income</b>	<b>\$4,256,069</b>	<b>\$3,342,775</b>	<b>\$2,062,071</b>

For 12 months ending December 31. Totals or subtotals may reflect a \$1 difference due to rounding.

Federally Insured by NCUA

## BOARD OF DIRECTORS

Theodore P. Byrne Ph.D., J.D.	Chairman
Rick R. Thompson	Vice Chairman
Willoughby E. Henshaw	Treasurer
Malachy T. Coghlan	Recording Officer
John G. Clancy	Director
M. Wayne Lynch	Director
Douglas R. Murphy	Director

## SUPERVISORY COMMITTEE

Robin Rush	Chairperson
Grace De La Cruz	Committee Member
Shirley Hingada	Committee Member
Trina Rios	Committee Member
Sunit Kaur	Committee Member

## MANAGEMENT TEAM

Joseph E. Whitaker	President & CEO
Michael Carlos	Chief Technology Officer
Mayra Daigneault	Chief HR Officer
Shannon Doiron	Chief Digital Officer
Scott Ko	Chief Financial Officer
Russ McAtee	Chief Lending Officer
Katia Santos	Chief Administrative Officer



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