

2022 ANNUAL REPORT



FEDERAL CREDIT UNION
Together We're Stronger

PRESIDENT'S REPORT

In his book *Necessary Endings*, Dr. Henry Cloud says this about change:

“Pruning is strategic. It is directional and forward-looking. It is intentional toward a vision, desires, and objectives that have been clearly defined and are measurable. If you have that, you know what a rose is, and pruning will help you get one of true beauty.”

2022 was a year of pruning in many areas for Secured Advantage. After several years of being stuck in survival mode due to being asked to leave the Sealed Air campus followed immediately by the Covid-19 pandemic, Secured Advantage successfully survived, which is a better fate than over 400 other credit unions around the country that no longer exist.

Knowing that we successfully survived the pandemic, the leadership team and board came together earlier in 2022 for a day-long strategic planning session to discuss what the next chapter looks like for Secured Advantage. Throughout the day we navigated many tough conversations, created a unified vision for the future and started planning how we can accomplish that vision.

Some pruning was done. After reviewing the numbers, we realized that the Duncan branch was no longer financially sustainable so the decision was made to consolidate all of our South Carolina operations into the Simpsonville branch. We also celebrated several retirements for long-tenured Secured Advantage team members this year.

Of course, pruning does no good if there is no new growth to follow. Being a financial institution focused on lending, and focused on serving those members who may not have as many choices in financial institutions we welcomed a very experienced Chief Lending Officer, Katia Marini-Nunez. Katia has helped us review our processes and policies to make sure we are set up to serve you well. By working on our strategic initiatives throughout the year, we are also starting to see the pruning we did in 2022 result in a positive bottom line for the credit union. While we are a not-for-profit financial institution, a positive bottom line is necessary to fund the operations of the credit union and continue to invest in the future to provide the products and services that you expect from a modern financial institution.

In closing, the future looks bright for Secured Advantage Federal Credit Union and our member-owners. I have enjoyed serving as your board chair over the last year and appreciate the hard work and support of our staff and fellow board members.

Respectfully,

Bo McDonald

BOARD OF DIRECTORS

Bo McDonald — President

Dave Wamer — Vice President

Jean Gilstrap — Secretary/Treasurer

Jim Teresi

Paul Pyc

Nick Dileo

Ray Hathaway

2022 SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for monitoring the financial safety and soundness of Secured Advantage Federal Credit Union and compliance with various financial and regulatory requirements. It also acts to insure adherence to the requirements of the National Credit Union Administration (NCUA).

Over the past two years financial institutions have faced many challenges. Secured Advantage has faced the same challenges. While doing so, the credit union has been able to maintain a consistent level of service as restrictions allowed. Remaining compliant, the credit union continues to provide the community with a valuable resource at the best level of service possible.

In fulfilling these responsibilities, the Supervisory Committee appointed the independent audit firm of Restine Accounting, which directly reports to the Committee, and has been performing in this capacity for several years. The Committee also met regularly to, among other things, review internal audit services, internal controls and risk management processes, and examinations by regulatory agencies.

For 2022, all financial audits were performed in a timely manner. There were no violations in any audits and minor findings have been corrected. All security audits were performed, and minor findings were corrected immediately. 2022 also saw the closure of the Duncan, SC branch. The closure was performed with a minimum disruption and in a responsible manner.

In the opinion of the Supervisory Committee, Secured Advantage Federal Credit Union continues to operate in a fiscally sound manner and, in all material respects, in accordance with applicable federal and state regulations.

Respectfully,

Jeff Sexton

SUPERVISORY COMMITTEE

Jeff Sexton — Chair

Beth Kyle

Margie Starnes

REPORT FROM YOUR CEO

Every day, we're encouraging our members to embrace change — to think differently about life and money. From paying down debt to putting more toward savings, to preparing members for life's ups and downs, we are helping members become their best financial selves.

But that's not to say that it isn't uncomfortable. I'm reminded of the John Maxwell quote, "Change is inevitable. Growth is optional." And it takes a remarkable team like we have here at Secured Advantage to have those conversations with members. We are so incredibly blessed to have a team that unlocks our members' potential to maximize their growth.

I'm pleased to report that Secured Advantage's total loans rose to \$35.74 million in 2022, a year-to-year increase of 11.23%. It also marks our highest total loan volume in nine years. This is a great accomplishment as we continue to work through the impacts of the pandemic, record inflation, and the changes we've made to our branch network over the past few years.

Here at the Secured Advantage, we experienced a lot of change, too. We celebrated two credit union champions, Charlie Fears and Judy Mullinax, who retired after 22 and 32 years of service, respectively. Melissa Treadway has done a fantastic job as our new branch manager in Iowa Park. We were privileged to also have Katia Marini-Nunez, former CEO of St. Francis Federal Credit Union, join our team as Chief Lending Officer. She is helping us achieve critical milestones and advance our mission as a credit union.

While the Fed has dramatically raised rates, we've never lost focus on you, our members — keeping our rates competitive and affordable. It was a year dedicated to developing solutions that meet the needs of our membership. We learned through simplified processes and enhanced digital delivery channels, we can help more people rebuild and establish credit in low-income areas. And we realized we could effectively consolidate the Duncan branch into our Simpsonville operations. It was a difficult change, but the right change, and we are still serving the Duncan region very well.

We also believe supporting the communities in which we live and work is an important aspect of Secured Advantage. We've participated in several community activities that are near and dear to our hearts in Upstate, SC, as well as Iowa Park, TX. With 7,398 members strong, we've seen back-to-back years of positive membership growth. In 2023, we look forward to becoming even more engaged with our communities with less and less pandemic restrictions.

As we head into 2023, here's my message to you: This could be the year everything can change for you. While uncertainty of the future can be a scary thing, always know that your credit union family is here for you, your loved ones, your friends, and your neighbors. We are here to help you define what matters, prepare for life's storms, and change your financial future for the better.

COULD YOU LIVE YOUR BEST LIFE EVER IN 2023?

Let's find out!

Respectfully,

Michal Parker, CEO

2022 INCOME STATEMENT

Total Income	\$2,991,337
Total Expenses	\$3,394,683
Net Income	(\$403,346)

2022 STATEMENT OF CONDITION

Net Loans	\$35,503,158
Total Cash & Investments	\$36,551,294
NCUSIF	\$735,079
Land & Buildings	\$1,674,534
Other Assets	\$1,127,010
Total Assets	\$75,182,871
Total Shares	\$67,335,357
Regular Reserves	\$2,093,244
Undivided Earnings	\$5,901,956
Other Liabilities	(\$61,690)
Total Liabilities	\$75,182,871

LOAN REPORT



**NEW
LOANS**

1,193
\$16,879,442.98



**EXTENSIONS:
APPROVED**

121

SAFCU STAFF

Michal Parker
Katia Marini-Nunez
Angela Chastain
Barbie Monroe
Jazzmine Nesbit
Natalia Castro

CEO
CLO
COO
Compliance Officer
Bookkeeper
Office Administrator

Simpsonville Office

Catherine Gibson
Sue Reid
Christen Ladson
Brittany Lanier
Chelsea Daniel

**116 NE Main St.
Simpsonville, SC 29681**
Branch Operations Manager
Full Service Rep. / Fin. Counselor
Full Service Rep.
Full Service Rep.
Member Service Rep.

Iowa Park Office

Melissa Treadway
Destiney Smith
Allison Stumbaugh
Julie Petree

**903 W Hwy St.
Iowa Park, TX 76367**
Branch Manager
Full Service Rep. / Fin. Counselor
Full Service Rep.
Member Service Rep.

QUALITY SERVICES

Savings

- Regular Savings
- Share Draft Checking
- Money Market Share Account

Loans

- New & Used Vehicles
- Mortgages (First & Second)
- Adjustable-Rate Mortgages
- Home Equity Lines of Credit
- Unimproved Real Estate
- Personal Loans and Lines of Credit

Additional Services

- Virtual Branch Online Account Access
- Free Bill Pay
- SAFCU Debit Card
- Remote Deposit Capture
- Apple Pay®
- Google Pay™
- Zelle®
- Geezeo (Access all of your accounts in one place!)
- Shared Branching
- CO-OP® Network of Free ATMs
- Audio Response Teller (ART)
- Direct Deposit and Wire Transfers
- Free Notary Service
- Free Budgeting

- Share Certificates
- Individual Retirement Accounts
- Christmas Club Savings
- Share Secured
- Boats & RVs
- Educational
- Computers
- Visa® Credit Card w/Rewards
- Free Financial Counseling
- Free Credit Score Enhancement
- Money Orders
- Gift Cards
- Discounted Movie/Amusement Park Tickets
- Postage Stamp Sales
- Auto Warranties
- GAP Coverage on Most Collateralized Loans — to Include Boats and RVs
- ATMs
- Newsletters
- Consumer Publications
- Youth Programs
- Mobile Banking

TOGETHER WE'RE STRONGER.

[SecuredAdvantageFCU.com](https://www.SecuredAdvantageFCU.com)

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Federally insured by NCUA.