



# 2021 Annual Report

## Chairperson and President's Report

To achieve our mission to improve our members' social and economic position, we use four guiding principles to help shape our strategic and operational decisions: Safety and Soundness, Strategic Positioning, Quality Personal Service, and High Return to Members. Below are just a few of our noteworthy accomplishments for 2021 in each of these areas:

### Safety and Soundness:

SELCO generated solid earnings and produced an ROA (return on assets) that exceeded projections and peer comparisons. However, the extraordinary deposit growth resulted in a decline to the capital ratio, which ended the year at 9.84%. This ratio is considered well capitalized per the industry's standards for a safe and sound credit union as determined by the NCUA, the credit union industry's federal regulatory body. In 2021, state and federal examiners provided SELCO with a fully favorable examination report.

### Strategic Positioning:

SELCO's 2021 Strategic Plan included multiple initiatives intended to better position the organization for the future. There was significant work done to design and build a more robust website; efforts to develop new products and service enhancements; and steps taken to improve the digital experience for members.

### Quality Personal Service:

In 2021, SELCO branches processed more than a million transactions for our 143,500 members. We funded 19,500 loans totaling \$642 million. SELCO Mortgage funded 1,904 mortgages totaling \$535 million, SELCO Insurance Services wrote 2,396 policies, and SELCO Investment & Retirement Services managed \$395 million in member investments.

### High Return to Members:

In 2021, SELCO provided direct benefits to members through lower account fees, higher interest rates on savings and checking accounts, and lower interest rates on loans. We continued to help SELCO members borrow sensibly, save smarter, and invest wisely with our comprehensive product and service offerings coupled with industry-leading rates.

Thank you for choosing SELCO as your financial partner. We exist because of you.

Handwritten signature of Curt Heimuller in black ink.

Curt Heimuller  
*Chair, SELCO Community Credit Union  
Board of Directors*

Handwritten signature of Bob Newcomb in black ink.

Bob Newcomb  
*President/CEO  
The SELCO Companies*

# Treasurer's Report

## SELCO Community Credit Union Consolidated Statement of Financial Condition Unaudited – as of December 31, 2021

### Assets

Cash and cash equivalents	\$594,624,358
Certificates of deposit	2,474,000
Trading securities	18,890,302
Securities available for sale, at fair value	454,151,768
Securities held-to-maturity, at amortized cost	–
Restricted equity securities	2,951,913
Loans receivable, net of allowance for loan losses	1,413,766,024
Accrued interest receivable	4,775,565
National Credit Union Share Insurance Fund (NCUSIF) deposit	20,291,912
Foreclosed and repossessed assets	142,644
Property and equipment, net	41,290,318
Core deposit intangible, net	–
Other assets	3,740,390
<b>Total Assets</b>	<b>\$2,557,099,194</b>

### Liabilities

Members' share and savings accounts	\$2,288,452,947
Other liabilities	22,964,042
<b>Total Liabilities</b>	<b>\$2,311,416,989</b>

### Members' Equity

Undivided earnings	\$229,424,440
Regular reserves	22,145,162
Equity acquired in merger	125,000
Accumulated other comprehensive income (loss)	(6,012,397)
<b>Total members' equity</b>	<b>245,682,205</b>
<b>Total liabilities and members' equity</b>	<b>\$2,557,099,194</b>

**SELCO Community Credit Union Consolidated Statement of Operations**  
**Unaudited – as of December 31, 2021**

**Interest Income**

Interest on loans	\$51,537,624
Interest on investments and interest-bearing deposits	5,006,265
<b>Total interest income</b>	<b>\$56,543,889</b>

**Interest Expense**

Members' share and savings accounts	\$6,986,842
Borrowings	(1,075)
<b>Total interest expense</b>	<b>\$6,985,767</b>

**Net Interest Income**

<b>Net interest income</b>	<b>\$49,558,122</b>
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**Provision for Loan Losses**

Provision for loan losses	\$362,994
<b>Net interest income after provision for loan losses</b>	<b>\$ 49,195,128</b>

**Non-Interest Income**

Service charges and fees	\$19,399,501
Interchange income	9,766,437
Gain on sale of investments, available-for-sale	534
Gain (loss) on sale of property and equipment	5,080
Realized gains (losses) on trading securities	365,417
Unrealized holding gains on trading securities	838,151
Other non-interest income	3,109,049
<b>Total non-interest income</b>	<b>\$33,484,169</b>

**Non-Interest Expense**

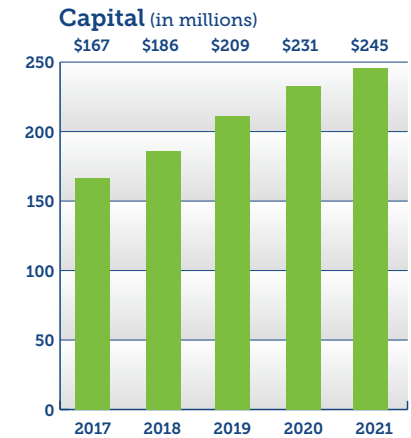
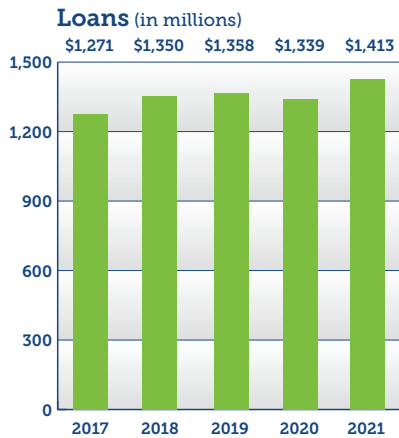
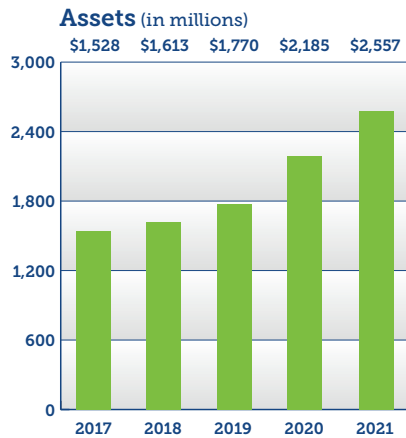
Compensation and benefits	\$40,605,125
Office operations	8,879,501
Loan servicing	2,565,269
Office occupancy	3,496,595
Member education and promotion	1,945,637
Impairment of foreclosed and repossessed assets	–
Other non-interest expense	2,150,508
<b>Total non-interest expense</b>	<b>\$59,642,635</b>

<b>Net income</b>	<b>\$23,036,662</b>
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## SELCO Community Credit Union Consolidated Statement of Changes in Members' Equity Unaudited – as of December 31, 2021

	Undivided Earnings	Regular Reserve	Equity Acquired in Merger	Accumulated Other Comprehensive Income (Loss)	Total Members' Equity
Balance, December 31, 2020	\$206,387,778	\$22,145,162	\$125,000	\$2,750,844	\$231,408,784
Net income	\$23,036,662	–	–	–	\$23,036,662
Cumulative effect of accounting change (CEAC)	–	–	–	–	–
Other comprehensive loss, net of CEAC	–	–	–	\$(8,763,241)	\$(8,763,241)
Balance, December 31, 2021	\$229,424,440	\$22,145,162	\$125,000	\$(6,012,397)	\$245,682,205

### Other 2021 Results



## **SELCO Community Credit Union Official Family**

### **Senior Leadership Team**

President/CEO: Bob Newcomb  
Executive VP of Finance & Operations: Tiffany Washington  
Senior VP of Lending & Business Banking: Craig Carpenter  
Senior VP of Enterprise Risk & General Counsel: Steve McIntire  
Senior VP of Information Services & Technology: Kirk Letourneau  
VP of Member Experience: Babs Manion  
VP - Controller: Jeff Stevens

### **Board of Directors**

Curt Heimuller, Chair  
Jim Lindly, Vice Chair  
Carol Beckley, Past Chair  
Kaye LeFrancq, Director  
Tony Saxman, Director

### **Operations & Marketing Committee**

Tony Saxman, Chair  
Kaye LeFrancq, Committee Member  
Antonio Huerta, Committee Member  
Craig Carpenter, Staff Liaison

### **Supervisory Committee**

Tammi Miller, Chair  
Jane Vered, Committee Member  
Brian Beck, Committee Member  
Todd Nelson, Committee Member  
Steve McIntire, Staff Liaison

### **Executive & Finance Committee**

Curt Heimuller, Chair  
Jim Lindly, Vice Chair  
Carol Beckley, Committee Member  
Bob Newcomb, Staff Liaison  
Tiffany Washington, Staff Liaison  
Steve McIntire, Staff Liaison

### **SELCO Group, Inc.**

Bob Newcomb, Chair  
Jim Antonini, Vice Chair  
Jim Lindly, Director  
Kaye LeFrancq, Director  
Troy Slonecker, Director  
Tiffany Washington, Secretary/Treasurer  
Steve McIntire, COO