



2021

ANNUAL REPORT

Federally Insured by NCUA

CEO/President's Letter

As I write this message, we continue to face a nearly two-year pandemic that has caused much suffering and uncertainty within the world. While the Credit Union certainly felt those challenges in 2021, we were driven by solutions that would bring some normalcy back to our members and our staff, and an increased focus to improve member remote access. Every day, I watched our Credit Union staff live out our Mission **to improve our members' financial well-being through a select offering of quality products and remarkable service**. As I reflect on the past year, despite the ambiguities and the trials we faced, I remain optimistic and hopeful for the future because I know our focus is on YOU, our members.

Throughout 2021, State Farm Federal Credit Union (SFFCU) renewed its commitment to provide the best member experience possible. With a focus on enhancing access to the Credit Union, one of our biggest projects included a complete redesign of the SFFCU website. Our new website is contemporary, image-driven and intuitive. The website serves as a virtual branch where members can easily obtain information about the Credit Union benefit, products and services. Easy access to online banking and applications exist throughout the site. In addition to our website, our loan and new account applications also were updated in 2021 to provide an even better experience for our members.

Assisting our members when they need it most has always been a priority for SFFCU. We introduced the Natural Disaster Relief Loan last year to assist members impacted by weather-related natural disasters. And, due to the ongoing pandemic, we continue to offer COVID-19 Member assistance. In 2021, in addition to making accommodations on existing loan accounts, we funded 110 Natural Disaster Relief Loans for more than \$199,000 and 184 COVID-19 loans for \$301,000.

While keeping members top of mind, we had to adapt our operations to the new ways of working at State Farm. A year of successfully operating virtually in 2020 gave us the experience and momentum to think

differently about how we interact with members while continuing to offer competitive rates, products and services. With 60% of our face-to-face interactions occurring in Bloomington, we decided to reopen the Member Care Station at Corporate Headquarters with a modified schedule to give members the ability to conduct transactions in person.

Amid our ever-changing environment, we delivered strong results:

- The Credit Union ended 2021 with nearly \$5.6 billion in assets and ended the year with a strong capital ratio of 11.67%.
- Members received over \$457 million in loans and lines of credit, resulting in a total loan portfolio in excess of \$874 million.
- More than \$47.8 million in dividends was paid to members.

In addition to strong financial results, positive performance in audits and examinations is a key way to measure a financial institution's stability. Once again, I'm pleased to share that your Credit Union is excelling in this area. We received very positive results and feedback this past year during the examination conducted by our federal regulator, the National Credit Union Administration (NCUA). We also performed extremely well in audits conducted by CliftonLarsonAllen LLP and the State Farm Internal Audit team.

Celebrating our 85th Anniversary in 2021 was another key milestone for the Credit Union. The continued support and trust you, as members, place in the Credit Union allows us to focus on delivering value, both now and into the future.

Respectfully submitted,



Thomas W. DeWitt
CEO/President

Statement of Financial Condition

December 31, 2021 (unaudited)

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Assets

Cash and cash equivalents	\$7,680
Investments – held-to-maturity	\$161,126
Investments – available-for-sale	\$4,489,965
Loans	\$874,045
Less: allowance for loan losses	(\$2,312)
Other assets	\$57,660
Total assets	\$5,588,164

Liabilities

Accounts payable	\$122
Other liabilities	\$20
Total liabilities	\$142

Shares/Deposits

Shares (regular)	\$4,719,458
All other shares and deposits	\$224,996
Total shares and deposits	\$4,944,454

Equity

Regular reserve	\$44,735
Other retained earnings	\$607,461
Acc. unrealized G & L on securities	(\$8,628)
Total equity	\$643,568
Total liabilities, shares and equity	\$5,588,164

Statement of Changes in Members' Equity

Balance – December 31, 2020	\$674,050
Comprehensive income:	
Net income	\$18,280
Other comprehensive gain:	
Change in unrealized gain/loss on securities available for sale	(\$48,762)
Total comprehensive income	(\$30,483)
Balance – December 31, 2021	\$643,568

Statement of Income

For the Period Ending December 31, 2021 (unaudited)

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Interest Income

Interest on loans	\$29,127
Income on investments	\$37,083
Total interest income	\$66,210

Interest Expense

Dividend expense – regular shares	\$45,582
Dividend expense – other shares/deposits	\$2,220
Total interest expense	\$47,802

Provision for loan losses	(\$1,851)
Net interest income after provision for losses	\$20,258

Non-interest Income

SF Mutual Contributed Service Income	\$13,413
Other non-interest income	\$2,770
Total non-interest income	\$16,183

Non-interest Expense

Salaries and benefits – SF Mutual Contributed Service	\$10,891
Occupancy – SF Mutual Contributed Service	\$2,373
Travel and conference expense	\$6
Association dues	\$153
Contributions	\$23
Office operations	\$659
Office operations – SF Mutual Contributed Service	\$149
HR budget costs	\$163
Information Systems & Technology	\$1,999
Marketing and Development	\$16
Loan servicing	\$695
Professional and outside services	\$172
Share Insurance Premium (NCUSIF)	\$0
Federal operating fee	\$573
Misc. operating expense	\$291
Total non-interest expenses	\$18,162
Net income	\$18,280

Supervisory Committee Report

The Supervisory Committee is responsible for ensuring that the Board of Directors and management of the State Farm Federal Credit Union (SFFCU) meet required financial reporting objectives, establish practices and procedures sufficient to safeguard members' assets, and operate in compliance with governing laws and regulations.

In order to meet these responsibilities, the Committee engaged CliftonLarsonAllen LLP, an independent public accounting firm, to perform a financial audit and verification of member accounts for 2021. The final report is expected later this year and will be available upon request by contacting the Credit Union.

The Supervisory Committee also oversees internal audits to ensure SFFCU operations are in compliance with SFFCU's policies and procedures and that internal controls are in place to protect member assets.

In addition, examiners from regulatory agencies such as the National Credit Union Administration (NCUA) conduct separate reviews to evaluate the performance and risk profile of the Credit Union.

We would like to express our appreciation to the Board, management and staff of the Credit Union for their continued support.

The Supervisory Committee works in the best interest of you. We are proud to volunteer our time and services to the members of the Credit Union. If we can be of any assistance, please contact the Committee.

Kelly Dunn

Chair – Supervisory Committee

Board of Directors

Mike Mailloux

Chairperson..... Bloomington, IL

Holly Roberts

Vice Chairperson..... Cincinnati, OH

Neil Jackson

Secretary..... Bloomington, IL

Tamara Jacquot

Treasurer Bloomington, IL

Jeffrey Attwood Richardson, TX

Dean Danklefsen.....Tulsa, OK

Thomas W. DeWitt Bloomington, IL

Rashawnda Harvey Richardson, TX

Teresa Herrera Richardson, TX

Supervisory Committee

Kelly Dunn Chairperson

Patty Kimberlin

Shannon Moreland

Vance Sawyer

Hilary Wahlheim