

A JOINT MESSAGE FROM THE BOARD CHAIR AND CEO

Building New Pathways to the Future

2021 has been a year of change and rejuvenation, with many of our members recreating their pathways to financial success. To that end, we have focused our efforts on bringing the Credit Union's mission to life—to provide economic justice to all and ensure affordable financial access and hope for our community, especially the unbanked and underserved.

Because of our continued outreach efforts, we've experienced record-breaking membership and asset growth as well as new creative opportunities to support affordable housing. Not only do our members continue to trust us with their financial business, but we have expanded our resources through grants and other opportunities to create more inspired lending and access options during the pandemic. In 2021, the Credit Union was awarded more than \$2.3 million in grant funds, which we continue to infuse into Santa Cruz County.

Also, in September 2021, we solidified our Downtown relocation plan for 2022 and the sale of our downtown office. The funds from this sale will move our Member Access Plan forward and allow the Credit Union to invest in reaching every stratum of our community.

We are committed to providing critical products and services to you, such as the new LIFT Loan, our low-cost alternative to payday loans, which are part of our plan to end predatory lending. We also introduced our digital wallet connection to Apple Pay®, Google Pay®, and Samsung Pay®. And we improved the convenience and speed of auto buying by pre-approving over 5,000 members for auto loans (with ITINs or SSNs).

As a certified Community Development Financial Institution (CDFI) and low-income designated credit union, our strategic

plan supports serving those most vulnerable in our community. Your commitment and participation in our RETURN THE FAVOR Giving Campaign helped us leverage over \$250,000 to donate to our local non-profit organizations (including \$75,000 from our



Board of Directors). Additionally, we supported local businesses and non-profits with \$6.8 million in Paycheck Protection Program (PPP) loans, saving approximately 650 jobs; this was in addition to the PPP loans we approved in 2020, which totaled \$12 million in loans and saved approximately 1,400 local jobs.

Our 45th Anniversary Year Celebration

This year we are excited to celebrate 45 years of service to our members. We have planned multiple Member Appreciation Days throughout the year to honor all of you who have made our Credit Union what it is today. In addition to celebration days, we are finding ways to give you extra benefits. So far this year, we've increased our IRA rates to some of the best rates around, and very soon, we will launch our new Platinum Visa® Card—a rewards-based card at a low variable rate. And more benefits are coming your way!

Additionally, we are proud of our commitment to providing free financial learning opportunities to all in our community. We have also rededicated our organization as a Diversity, Equity, and Inclusion (DEI) organization in this community. DEI is in our DNA, and we've created new cultural policies to ensure our staff and members are treated with the utmost respect and dignity, no matter where they come from or what they look like. We want all who bank with us to feel welcome and comfortable.

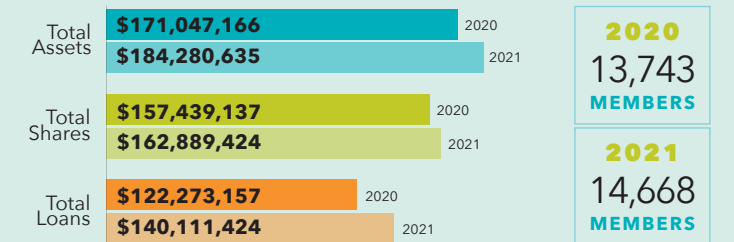
We are hopeful for new beginnings as we all face a slowdown of COVID-19 in our communities. Thank you to our Board of Directors, who volunteer their time to ensure Santa Cruz Community Credit Union's heart is always in the right place. Also, thank you to our management team and staff who care deeply for this community and our members.

And more than anything, we appreciate you, our members. We have been through a lot together these past couple of years. And we are truly thankful that you continue to choose SCCCU with something as personal and significant as your financial well-being.

HOWARD SHERER, BOARD CHAIR | ELIZABETH CARR, PRESIDENT/CEO

FINANCIAL REPORT

INCOME	2021	2020
Loan Income	\$7,398,550	\$6,565,603
Investment Income	192,721	98,205
Non-Interest Income	\$4,032,053	2,607,999
Total Income	\$11,623,324	\$9,271,807
EXPENSES		
Operating Expenses	\$8,567,571	\$7,428,770
Provision for Loan Losses	105,607	(18,271)
Dividends and Interest	226,713	281,696
Total Expenses	\$8,899,891	\$7,692,195
NET INCOME/(LOSS)	\$2,723,433	\$1,579,612
ASSETS		
Total Loans	\$140,111,424	\$122,273,157
Allowance for Loan Losses	(749,650)	(864,635)
Net Loans	\$139,361,774	\$121,408,522
Cash	27,182,019	31,649,534
Investments	10,910,335	8,747,365
Fixed Assets	1,035,820	1,296,679
Other Assets	5,790,687	7,945,066
Total Assets	\$184,280,635	\$171,047,166
LIABILITIES, MEMBER EQUITY & RESERVES		
Total Liabilities	\$6,547,851	\$1,467,402
Borrowed Funds	\$-	\$-
MEMBER EQUITY		
Primary Shares	94,404,560	85,490,984
Checking/Money Market	56,380,174	56,601,980
Certificates	9,669,964	12,808,609
Individual Retirement Accounts	2,434,726	2,537,564
Total Deposits	\$162,889,424	\$157,439,137
RESERVES		
Total Reserves	\$14,843,360	\$12,140,627
Total Liabilities, Member Equity & Reserves	\$184,280,635	\$171,047,166



Santa Cruz Community Credit Union is certified by the federal government as a Community Development and low-income Credit Union. Additionally, it holds a certification called "Juntos Avanzamos," which is awarded to credit unions who have demonstrated they have the commitment and the tools to serve the Latinx community.

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee serves as the oversight committee for the membership and Board of Santa Cruz Community Credit Union. The volunteers on the Supervisory Committee bring professional expertise and experience to their oversight responsibilities, resulting in a comprehensive review of the Credit Union's operational practices, procedures and compliance.

Throughout 2021, we monitored the Credit Union's financial condition through a review of various audit and operating practices and procedures. The Supervisory Committee is responsible for ensuring that the financial statements accurately and fairly represent the financial condition of Santa Cruz Community Credit Union and that management practices and procedures safeguard member assets.

We review and select the CPA firm, which will perform the annual audit and member account verification. This Independent Auditor's Report covers the period of January through December 2021, and the findings of this report were reviewed by the Committee in April 2022.

The Supervisory Committee meets routinely with SCCCU management and spends time reviewing the various reports to determine that your Credit Union remains a safe place for your finances. The Supervisory Committee is pleased to report that Santa Cruz Community Credit Union remains financially safe and sound.

Linda Brown, Chair

Ulf Christensson, Committee Member

Suzanne MacLean, Committee Member

BOARD OF DIRECTORS

Howard Sherer, Chair

Paulina Moreno, Secretary

Phil Lee, Treasurer

Ami Ebright

Matt Farrell

Erendira Guerrero

Tammy Pelstring

Sylvia Reyes, Associate Director



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To the Future**

2021 ANNUAL REPORT