

2020 ANNUAL REPORT



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iTHINK Financial Mission Statement

“ Our mission is to deliver Service Excellence to the Membership and value to the communities we serve while ensuring the safety and soundness of the Credit Union.”



Chairman's Message

Dear Members,

It is an honor and a great privilege to serve as Chairman of the Board of iTHINK Financial Credit Union. I would like to thank you, the Membership of iTHINK Financial, for your continued support and participation in this outstanding financial cooperative. The year 2020 will always be remembered as an unprecedented year with a global pandemic, political uncertainties and a rapidly changing economy. Through all of those challenges, we have been there for our Membership, providing services and sound financial support. The Board of Directors and I would like to thank the Membership for their loyalty and support in these trying times. In addition, I would like to congratulate Mike Miller, our President/CEO, and his entire team for making 2020 one of our best years ever. Our Membership will see continued emphasis on consumer and business lending along with improved lending rates and a Service Excellence mission that will be a leader in our industry.

Yes, 2020 was another outstanding record-breaking year which took our assets to over \$1.7 billion. Our target now is a \$2 billion goal. Our capital ratio was at 8.48%, which translates into having a very sound financial institution. Our loan-to-share ratio was 90.25%—an awesome job that was well done. All of this was accomplished while achieving an excellent rating by our auditors. These ratios are a major measure which accentuate the safety and soundness of iTHINK Financial. In addition, all of our future indicators reflect continued “Controlled Growth” for our institution. We recommit to deliver Service Excellence to the Membership while ensuring the safety and soundness of our Credit Union. We appreciate your support and welcome any suggestions as we strive to maintain the Credit Union philosophy of “People Helping People” and making a difference in our members’ lives!

On behalf of the Board of Directors and the volunteers, I would like to express our sincere appreciation to the Membership and the staff for their continued support in moving forward with this dynamic institution, iTHINK Financial.

Respectfully submitted,

Michael W. Townsend, CCD
Chairman of the Board

President's Message

Dear Members,

We know the events in 2020 will certainly go down in history as unprecedented. A global pandemic, a recession, extraordinary government involvement, and there still remain uncertainties. We are encouraged by the introduction of vaccines and the optimism that this nation is on a slow but steady path to normalcy. Like our members, 2020 introduced many challenges for our Credit Union, and the pandemic caused major disruptions to all forms of business and our daily way of life. Our thoughts and prayers are with the families that lost loved ones to this aggressive virus. Our appreciation goes out to all of our essential workers, especially our Credit Union employees, who work every day to meet members' financial needs when they need them most. Always remember as a member/owner of this Credit Union, we are here for you. Many members have been dramatically impacted by current events. We will never miss an opportunity to stop and listen to you about your needs, and we will strive to help you to the best of our ability.

Despite all of these challenges, from a financial perspective, 2020 was one of our best years ever. We grew our total assets at a record pace, reaching over \$1.7 billion at year-end. We also reached new levels in loan production by increasing our lending by 61% over the previous year. Through our record growth, our income remained strong, and we were able to increase our net worth. Our net worth ratio keeps us in the "well-capitalized" category as determined by our regulators, with over \$145 million in reserves. This means your deposits are safe and sound due to our reserves and the strong quality of our assets. Your Credit Union ended the fiscal year with a strong capital position, record growth, and is financially sound and healthy. Unfortunately, there are still events and conditions that remain out of our control such as the global pandemic, the economy, business disruptions, security breaches, and identity theft.

In 2021, with all that has changed, all that is going on around us, and with an aspirational optimism for the future, one thing remains constant: our commitment to deliver Service Excellence to you. We are working hard to continue earning your trust, preserving and building your wealth, and keeping your personal data safe and secure. Our 2021 pledge is to "Make a Difference" in our members' lives.

As we continue to work through an ever-changing world, we promise to uphold our core values: trust, respect, accountability, compliance and compassion. We have a tremendous staff that demonstrates these core values with every interaction you have with YOUR Credit Union. We know you have many choices for your financial service needs. Thank you for allowing us to be your Credit Union.

It is an honor to serve you and work alongside our outstanding Board of Directors, volunteers and staff. Thank you for your Membership and for being the best part of iTHINK Financial.

Sincerely,
Michael L. Miller
President/CEO



iTHINK Financial Board of Directors

CHAIRMAN

Michael W. Townsend, CCD

VICE CHAIRWOMAN

Juana T. Krause

SECRETARY

Stephanie M. Forster

TREASURER

James M. Dorman, CCD

DIRECTORS

Johnny Bennett, CCD

Peter L. Blacklock

Thomas E. Brawley

Brad J. DeBauche

Donald L. Lee, CCD





Member Privacy Policy

iTHINK Financial is committed to preserving and protecting the privacy and confidentiality of its members' non-public personal information. This commitment is a fundamental operation of the Credit Union. The Credit Union maintains strong security controls to ensure that members' information is protected and uses verification standards that are consistent within the financial services industry to protect against unauthorized access to personal information. For details on identity theft and fraud protection, please visit the Privacy and Security page under the Resources tab of ithinkfi.org. Our Credit Union only shares information in conducting everyday business to administer the products and services we provide, as well as with other businesses approved by the Credit Union who can market a broader array of financial products and services to enhance our members' well-being. The Credit Union requires its business affiliates to maintain the confidentiality of such information. The Credit Union also provides and receives information from credit reporting agencies for safety and soundness purposes related to the qualifying criteria for share and loan accounts. Lastly, the Credit Union shares information in responding to court orders and legal investigations.

For more information, see our privacy policy disclosure available on our website: "What Does iTHINK Financial Do with Your Personal Information?"

Questions? Contact the Credit Union at serviceplus@ithinkfi.org or call 800.873.5100




Independent Auditor's Report

To accomplish this function, the independent certified public accounting firm of BKD, LLP conducted a certified audit of the Credit Union's financial statements for the period ending on December 31, 2020.

THE AUDIT COMMITTEE:

Marie I. Mascaro, Chairwoman
Donald L. Lee, CCD
Hilary W. Hunter
Frank Mays
Randee Abramson



2020 Meeting Minutes

Chairman Michael Townsend called the 51st Annual Meeting of the iTHINK Financial Credit Union to order at 6 p.m. ET.

Stephanie Forster, Secretary, confirmed a Quorum was present.

Chairman Townsend welcomed 15 member guests and introduced the Board of Directors and Volunteers to the Annual Meeting:

Michael Townsend, Chairman

Juana Krause, Director and Vice Chairwoman

Mickey Dorman, Director and Treasurer, celebrating 40 years

Stephanie Forster, Director and Secretary

Johnny Bennett, Director

Peter Blacklock, Director

Tom Brawley, Director

Brad DeBauche, Director

Donald Lee, Director, Past Chairman

Marie Mascaro, Audit Committee Chairwoman

Hilary Hunter, Audit Committee Member

Randee Abramson, Audit Committee Member, celebrating 5 years

Frank Mays, Audit Committee Member

Howard Isaacs, Director Emeritus

Lary McCants, Director Emeritus

Pat Ciresi, Director Emeritus

Michael Miller, President and CEO

Chairman Townsend called for a motion to approve the 51st Annual Meeting agenda. CEO Michael Miller moved to approve and Jeff Kolhagen seconded, and the reading of the minutes and reports were unanimously approved.

Chairman Townsend called for a motion to waive. Brad DeBauche moved to waive the reading of 2019 Annual Meeting minutes, the Financial Report, the Audit Committee report, the Chairman report, and the CEO report. Tom Brawley seconded. The reading of the reports was unanimously waived.

1. Oral Reading of Minutes of 2019 Annual Meeting
2. Financial Report
3. Audit Committee Report
4. Chairman's Report
5. CEO Report

CEO Miller stated that it is an honor to serve as the President and CEO alongside this tremendous group of distinguished volunteers, that being our Board of Directors, our Audit Committee, and our former Board members now in Emeritus status. In addition, it is his pleasure to lead our top-notch Senior Management Team, the Branch and Department Managers, and the dedicated and hard-working staff in Georgia, the Treasure Coast and here in South Florida.

2019 was another record-setting year for YOUR Credit Union: we once again PROGRESSED FINANCIALLY and CONTINUED our COMMITMENT TO SERVICE EXCELLENCE.

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We PROGRESSED FINANCIALLY through record growth. We grew our total assets by 35% up to \$1.5 billion at year end, that made us the second fastest growing Credit Union in the country. Our growth was amplified by the purchase of the Oculina Bank that added eight office locations along the Treasure Coast of Florida. We also set a record by funding \$395 million in loans exceeding 2018 total of \$339 million. We grew our assets, loans and member deposits and had solid net income over \$10 million, bringing our net worth ratio to 8.5%. We are a well-capitalized Credit Union, as defined by our regulators, and your money is safe and sound in YOUR Credit Union.

In 2020, as a dedicated team of volunteers and professionals, our pledge to you is to MAKE A DIFFERENCE in our members' lives. In 2019, your Board of Directors approved a new name for our Credit Union and as of March 2, 2020, we became iTHINK Financial Credit Union. After much research and deliberation, the new name was chosen to give a nod to our IBM roots with the idea of portraying a more inclusive and informative brand. iTHINK Financial goes to the root of what our members tell us we do for them every day and that is to help you with your financial decisions.

As we all know, as of this May's Annual meeting, 2020 is like no other year in history. The COVID-19 disease has taken an unprecedented toll on our world. We are all trying to adapt to our ever-changing environment, from both a physical health and a financial health perspective. As the death totals increase daily, we offer our empathy and grieve with those who have been affected by this disease and lost loved ones. We honor and uplift those in the healthcare profession, who are unselfishly providing care to those afflicted. For many of our members, it has not been a physical health issue, but rather the dramatic impact to their financial health that has completely changed the way they live. Many have lost their jobs or their income has significantly changed. Working from home is the new norm, and phrases like "social distancing" and "safer at home" are the new mandate. This moment in time will certainly be looked back on as a defining and life altering moment. During these times, and more than ever before, YOUR Credit Union is here for you. We will cry alongside you, encourage you, and counsel you. Know that we are here to help you plan your next steps. We have altered our operations and implemented many programs to help our members in their greatest time of need. YOUR Credit Union has been here for you for 51 years, and we will help you through this crisis and will still be here for you when this all becomes a distant memory. We know that brighter days are ahead of us and we will get through this crisis together.

Thank you for being a member of YOUR Credit Union, iTHINK Financial!

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Chairman Townsend called on Marie Mascaro, the Nominating Committee Chairperson, to present the results of the Annual Board of Directors Election. There were three candidates up for the election. These three slated candidates were re-elected to the Board: Thomas Brawley for a three-year term, Brad DeBauche for a three-year term and Michael Townsend for a three-year term. Chairman Townsend requested a motion to approve Nominating Committee results. CEO Miller moved to accept elected candidates. David Lyons seconded. The motion was approved unanimously. Congratulations to Mr. Brawley, Mr. DeBauche and Mr. Townsend.

Chairman Townsend sought any unfinished business. Hearing none, Chairman Townsend sought any new business. Hearing none, Chairman Townsend closed with a motion to adjourn. Brad DeBauche moved to adjourn and Stephanie Forster seconded. The motion was passed unanimously. "Thank you for the participation at the 2020 Annual Meeting of the iTHINK Financial Credit Union. We are adjourned."

The Annual Meeting adjourned at 6:14 p.m.

Respectfully submitted by Stephanie M. Forster, Secretary, and Michael W. Townsend, Chairman

Financials

FINANCIAL CONDITION

ASSETS	AS OF 12.31.20	AS OF 12.31.19
CASH AND INVESTMENTS	\$259,905,358	\$176,582,010
LOANS TO MEMBERS, NET OF ALLOWANCE FOR LOAN LOSS	1,344,164,856	1,253,572,579
PROPERTY AND EQUIPMENT	22,386,703	23,234,276
OTHER ASSETS	85,704,716	78,806,572
TOTAL ASSETS	\$1,712,161,633	\$1,532,195,437
LIABILITIES AND EQUITY		
MEMBERS' SHARES AND SHARE EQUIVALENTS	\$1,502,799,396	\$1,333,620,396
DIVIDENDS, NOTES AND ACCOUNTS PAYABLE, AND OTHER ACCRUED LIABILITIES	77,920,232	80,330,954
TOTAL LIABILITIES	\$1,580,719,628	\$1,413,951,350
STATUTORY RESERVE	12,529,849	12,529,849
UNDIVIDED EARNINGS AND OTHER COMPREHENSIVE INCOME	118,912,156	105,714,238
TOTAL LIABILITIES AND EQUITY	\$1,712,161,633	\$1,532,195,437

INCOME AND EXPENSES

INCOME	AS OF 12.31.20	AS OF 12.31.19
INTEREST INCOME		
INTEREST ON LOANS	\$61,088,464	\$56,960,271
INVESTMENT INCOME	2,061,737	4,118,519
TOTAL INTEREST INCOME	\$63,150,201	\$61,078,790
INTEREST EXPENSE		
MEMBERS' SHARE AND SAVINGS ACCOUNT	\$10,216,293	\$12,145,860
BORROWED FUNDS	1,319,505	1,256,944
TOTAL INTEREST EXPENSE	11,535,798	13,402,804
NET INTEREST INCOME	\$51,614,403	\$47,675,986
NON-INTEREST INCOME	19,910,831	17,852,009
NON-INTEREST EXPENSE	59,819,263	55,509,296
NET INCOME	\$11,705,971	\$10,018,699



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