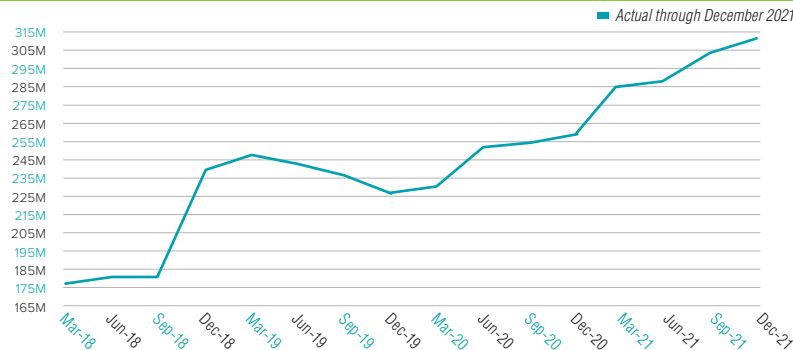


STATEMENT OF FINANCIAL CONDITION

Description	2020	2021
ASSETS:		
INVESTMENTS:		
AVAILABLE-FOR-SALE	\$ 2,499,907	\$ 1,811,419
OTHER	63,000,861	76,039,914
LOANS RECEIVABLE	200,023,491	241,465,943
LESS ALLOWANCE FOR LOAN LOSSES	(799,517)	(786,349)
PROPERTY AND EQUIPMENT, NET	12,800,852	12,950,084
NCUSIF DEPOSIT	2,401,437	2,759,974
REPOSSESSED ASSETS	189,121	99,763
OTHER ASSETS	11,029,089	11,994,388
TOTAL ASSETS	\$ 291,145,241	\$ 346,335,136
LIABILITIES:		
MEMBERS' SHARE AND		
SAVINGS ACCOUNTS	\$ 260,385,292	\$ 311,282,121
ACCOUNTS PAYABLE AND		
OTHER ACCRUED LIABILITIES	4,810,342	6,105,843
TOTAL LIABILITIES	\$ 265,195,634	\$ 317,387,964
MEMBERS' EQUITY		
MEMBERS' EQUITY	\$ 23,488,380	\$ 25,912,956
NET INCOME	2,461,227	3,034,216
TOTAL MEMBERS' EQUITY	\$ 25,949,607	\$ 28,947,172
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 291,145,241	\$ 346,335,136

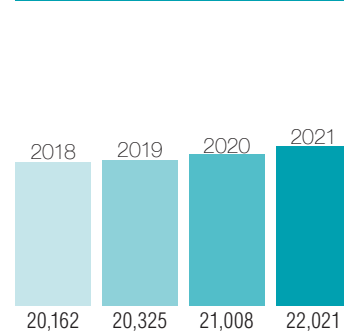
TOTAL SHARES



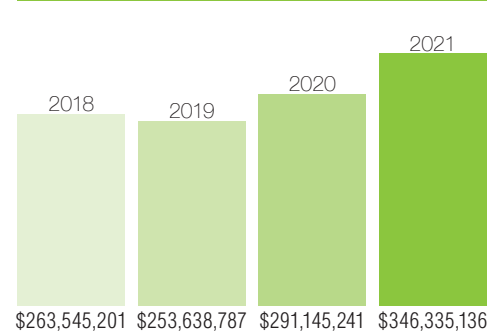
STATEMENT OF INCOME

Description	2020	2021
INCOME:		
INTEREST INCOME ON LOANS	\$ 10,044,777	\$ 11,162,489
INTEREST INCOME ON INVESTMENTS	551,178	251,891
TOTAL INTEREST INCOME	\$ 10,595,955	\$ 11,414,380
INTEREST EXPENSE	761,644	871,956
NET INTEREST INCOME	\$ 9,834,311	\$ 10,542,424
PROVISION FOR LOAN LOSS	292,000	95,000
INTEREST INCOME AFTER PROVISION	\$ 9,542,311	\$ 10,447,424
NON-INTEREST INCOME	\$ 5,239,807	\$ 6,169,329
GAIN/(LOSS) ON ASSETS	122,340	342,575
INCOME BEFORE OPERATING EXPENSES	\$ 14,904,458	\$ 16,959,328
EXPENSES:		
SALARIES & EMPLOYEE BENEFITS	\$ 6,603,177	\$ 7,060,226
VOLUNTEER & EMPLOYEE RELATIONS	122,872	111,488
OFFICE OCCUPANCY	663,401	843,319
OFFICE OPERATIONS	2,361,638	2,734,513
MARKETING & MEMBER RELATIONS	532,178	533,347
LOAN SERVICING	691,777	838,197
PROFESSIONAL & OUTSIDE SERVICES	1,468,187	1,804,021
TOTAL EXPENSES	\$ 12,443,230	\$ 13,925,111
NET INCOME	\$ 2,461,228	\$ 3,034,217

MEMBER GROWTH



TOTAL ASSETS



2021 ANNUAL REPORT





New Challenges, Priorities and Protocols

Despite the ongoing challenges of the COVID-19 pandemic that began in 2020, Innovations has managed to not only prevail but to succeed. 2021 was another successful year of managed growth and stability, as Innovations continues its evolution into a larger credit union.

Financials Continue to Strengthen

Over the years we have maintained a steady and controlled strategy of growth. Year over year, our financials continue to strengthen, which provides the foundation for future growth. Member deposits grew 20%, loans grew 21% and Innovations' overall financial size grew by 19%. While these are impressive growth figures in a normal year, they are even more impressive given the uncertain economic year of 2021.

We are lending and investing for long-term success and the growing complexity it brings versus short-term gain. In 2021 (and continuing into 2022), we began an intense focus on creating efficiencies by utilizing technology and available software to streamline and improve our internal communication and processes, as well as increase our productivity in delivering products and services to our members. We also began the search for key personnel to help us continue to successfully navigate the increasingly more complex landscape in all areas due to this growth.

Branch Highlights

Highlights from 2021 include opening our new branch on 23rd Street and selling the property that was the prior 23rd Street branch. We also gave our Lynn Haven branch a much-needed facelift. At our Thomas Drive branch, we updated our 'drive-thru' by relocating our tube system to our lobby, which eliminated the need to have a remote employee inside our drive-thru room. This increased our efficiency at this branch significantly. We are currently in the process of securing property for a corporate office that will become the new home to our growing Member Business Lending and Mortgage Departments, as well as Administration.

New Programs, Security and the Phone System

Several new programs were introduced in 2021. Feefo and Zogo are both unusual names for two long-term initiatives launched in 2021. Feefo is a member survey program that incorporates a Net Promoter Score (NPS) rating and solicits feedback from members anonymously through random selection based upon completed transactions. The objective is to use the feedback provided as another tool to improve our member service delivery. Since implementation, Innovations has received an outstanding score of 4.85 out of 5! This proves that our Innovations Team is dedicated to providing service that exceeds expectations. Zogo is a financial literacy app targeting the elusive Gen Z demographic by using gaming and rewards as a learning tool. We also implemented a more formalized approach to coaching our managers

and will introduce more formalized member service training once again in 2022. Our IGNITE Rewards Checking Account remains a very popular program for our members. In 2021, we paid our IGNITE Account holders over \$300,000 in cash rewards! If you haven't signed up for IGNITE Rewards Checking, do so and start earning cash rewards.

All physical locations were equipped with new electronic and key access systems. In an effort to create more efficiency, a new Information Technology Help Desk solution was implemented, and an electronic accounts payable solution was developed. A new phone system was also launched in our continuing effort to improve member convenience in this area. This phone upgrade will provide new solutions and technology to better serve our growing membership.

Competitive Employee Benefits

Another ongoing objective is to offer our employees a robust and extremely competitive benefits package. In 2022 we will implement Health Savings Accounts, along with Innovations continuing to pay for 80% of employees' medical, dental and vision premiums. We will also be analyzing our other benefits to ensure they remain competitive. In response to the COVID-19 pandemic, Innovations continues to follow the CDC Guidelines.

In 2022 we will fully transition our Human Resources function from in-house to a hybrid third party system. As Innovations continues to grow, this will allow us to better serve our employees with all of the experience and support both ADP and One Digital Solutions will provide.

Continued Growth

Both our Member Business Lending and Mortgage Departments continue to manage and control successful growth. We continue managing the funding from the Community Development Financial Institution (CDFI) grants we have received. Grants that Innovations have received range from Small Business/Micro Enterprise lending to hurricane assistance and pandemic relief programs. Innovations will continue the grant application process in 2022.

It has been another year of unexpected and unprecedented challenges. Innovations continues to navigate the financial, economic and social landscape successfully and strategically as it evolves. Regulatory compliance is always a priority, along with a focus on expense management, controlled growth and member service. As we continue to grow, we will leverage the economies of scale, as well as continue to invest in our future. Financially, Innovations has continued the path of fiscally conservative and managed growth. As we enter another year of economic uncertainty, we will continue to anticipate and address new challenges as they arise.



David A. Southall
David A. Southall
President/CEO



Rob Fernandez
Rob Fernandez
Chairman/Board of Directors

BOARD OF DIRECTORS

- | | |
|--|---|
| Craig Ellis
<i>Vice Chairman</i> | Anita Broughton
<i>Director</i> |
| Kristopher McLane
<i>Treasurer</i> | Nancy Luther
<i>Director</i> |
| Kenneth White
<i>Secretary</i> | Trevor Walls
<i>Director</i> |

SUPERVISORY COMMITTEE

- | | |
|--|--|
| Blaine Cook
<i>Chairman</i> | Patrick Hermes
<i>Member</i> |
| Josh Scribner
<i>Secretary</i> | Gerald Steinbaum
<i>Member</i> |
| Don Gedeon
<i>Member</i> | |



LOCATIONS AND HOURS

Thomas Drive

910 Thomas Drive
Panama City Beach, Florida 32408
Hours: (Monday - Friday)
Lobby: Open 9 a.m. – 5 p.m.
Drive-up: Open 8 a.m. – 5 p.m.

Callaway

123 North Tyndall Parkway
Panama City, Florida 32404
Hours: (Monday - Friday)
Lobby: Open 9 a.m. – 5 p.m.
Drive-up: Open 8 a.m. – 5 p.m.

Lynn Haven

2250 South Highway 77
Lynn Haven, Florida 32444
Hours: (Monday - Friday)
Lobby: Open 9 a.m. – 5 p.m.
Drive-up: Open 8 a.m. – 5 p.m.

Harrison Avenue

1038 Harrison Avenue
Panama City, Florida 32401
Hours: (Monday - Friday)
Lobby: Open 9 a.m. – 5 p.m.
Drive-up: Open 8 a.m. – 5 p.m.

23rd Street

512 West 23rd Street
Panama City, Florida 32405
Hours: (Monday - Friday)
Lobby: Open 9 a.m. – 5 p.m.
Drive-up: Open 8 a.m. – 5 p.m.

Back Beach

17900 Panama City Beach Parkway
Panama City Beach, Florida 32413
Hours: (Monday - Friday)
Lobby: Open 8 a.m. – 5 p.m.



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Federally insured by NCUA | Equal Opportunity Lender
We Do Business In Accordance With The Federal Fair Housing Law and The Equal Credit Opportunity Act