

Looking to the future as we  
plan in the present.



## 2017 Annual Report



EQUAL HOUSING  
OPPORTUNITY

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# CHAIRMAN & PRESIDENT'S REPORT

## YEAR IN REVIEW

2017 was a good year for the growth, modernization and diversification of Corporate America Family Credit Union (CAFCU). Thanks to our members, who trust us to empower them with the best financial products and services, we were able to cultivate and embrace a great number of opportunities throughout the year.

## GROWTH

Everyone benefits when CAFCU teams with a sponsor company to make a meaningful difference in the financial lives of its employees. Not only does each addition make us stronger as an organization, it also opens the door to financial empowerment for all those new members. So it is indeed good news that we welcomed fourteen new Sponsor Companies to our ranks in 2017.

This encouraging result no doubt contributed to our addition of over 5,000 members. And to round out the positive numbers from 2017, we are happy to report loan growth of over \$57 million. It's truly gratifying to see how much our members trust us to support them with the financial resources they seek.

## MODERNIZATION

As far into the digital age as we are, it's critical that we as a financial institution stay current with technology in order to best serve our members. It is always top of mind at CAFCU to deliver technology that is secure and can provide the best member experience.

## Card Processing

With our new card processing partner we are now able to offer members the convenience of selecting their own debit and credit card PINs. This platform is also more efficient, as it greatly reduces the amount of data entry needed from CAFCU staff. To top it all off, members now have many more options when it comes to redeeming rewards points they have earned through use of their CAFCU Visa® Credit and/or Debit Card. Now members can not only redeem gift cards and travel, they can also choose from a variety of catalog items, or even request cash back.

## [www.cafcu.org](http://www.cafcu.org)

On December 5, we implemented a new website. Freshly designed and streamlined for optimal member experience, [www.cafcu.org](http://www.cafcu.org) showcases our best website to date. It offers a new site search feature, improved mobile compatibility and functionality, prominently featured member testimonials, additional navigation and improved accessibility.

## Online Bill Payment

In May of 2017, we partnered with the nation's top bill payment vendor. Their platform allows CAFCU members to pay virtually anyone in the U.S. and do so in an expedited fashion, and even in some cases, the same day.

## Other Improvements

Though the preceding improvements have been impactful to our institution and beneficial for

our members, they're not the only ways we've modernized. Applying for a home loan through our website is now easier due to full mobile compatibility. In addition, 2017 marked the start of an even more rigorous commitment to using data analytics to assist with meeting strategic initiatives. And finally, we have made great strides in modernizing internal systems, which has facilitated greater efficiency among CAFCU staff.

## DIVERSIFICATION

2017 brought with it opportunities to diversify CAFCU's loan portfolio. We have partnered with other credit union organizations to facilitate loan growth. In May, we began participating in a pilot program that allows credit unions to purchase a monthly portion of a large loan pool of credit union member loans. Then in October we began participation in a credit union indirect lending program that enables us to acquire both a new member and an auto loan at the same time. These programs are good for CAFCU and the credit union movement as a whole.

## GOVERNANCE

On October 25, 2017, CAFCU's bylaws were amended to reduce the number of board members from nine to eight.

## 2018 AND BEYOND

As always, we will be looking to the future as we plan in the present. To complement our recent website redesign we will be switching to a new online and mobile banking platform. In 2018

we also plan to make even more improvements to our mobile banking app. In addition, we'll be looking to further improve CAFCU's online enrollment process, making it as easy as we can for prospective members. And we'll be enhancing the online loan application process with the same goal in mind. Finally, we will be launching a whole new look for our printed statements: full color and optimized for readability.

Though our staff has been working hard all year to make our credit union better than ever, we know it wouldn't be possible without members like you. Please help us continue to thrive by telling your friends, family and co-workers about the benefits of being a member of CAFCU. The more we act together, the more we will grow!



**Peter Paulson**  
*President & CEO*

**Costanzo Maestranzi**  
*Chairman of the Board*

# 2017 HIGHLIGHTS

## Notable Growth

- › Enrolled **over 5,000** new members.
- › Loans grew by **over \$57 million**.
- › Booked **over \$116 million** in new loan business.

## Making A Meaningful Difference

- › **Nearly 1,200** members took advantage of BALANCE – a financial fitness program.

## Protecting Our Members

Easing financial burden for our members during difficult times.

- › **Over \$250,300** in disability benefits were disbursed to members.
- › Members collected **more than \$171,620** in involuntary unemployment benefits.
- › Our members' families received **over \$181,695** in life benefits.
- › **Over \$10,570** in hospitalization benefits were disbursed to our members.

**30,646**  
ONLINE  
ACCOUNT  
USERS

**5,133**  
LIVE  
CHATS  
INITIATED

**793**  
ONLINE  
ACCOUNT  
ENROLLMENTS

**12,589**  
REGISTERED  
REMOTE  
DEPOSIT USERS

**12,010**  
MOBILE  
BANKING  
USERS

**3,547**  
ONLINE  
BILL PAY  
USERS

**30,147**  
REGISTERED  
ESTATEMENT  
USERS

**1,656**  
ONLINE & PHONE  
MEMBERSHIP  
ENROLLMENTS

**The Supervisory Committee's** responsibility is to serve Corporate America Family Credit Union members by ensuring that all credit union records are accurately and properly reported.

This committee fulfills its obligation to members by monitoring and auditing the activity of each credit union branch office and department for adherence to internal control procedures and Board Policy. This committee receives and reviews member inquiries and resolves any problems that may exist.

The committee also recommends policy changes to the Board of Directors for their approval. In addition, the financial statements of all merging credit unions are reviewed and special audits performed, as required, prior to merge dates.

The Supervisory Committee contracted Nearman, Maynard, Vallez, CPAs to perform an annual audit of the credit union. Their latest report, dated June 29, 2017, states that their audit was conducted according to auditing standards generally accepted in the United States of America. Nearman, Maynard, Vallez,

CPAs concluded that the financial statements present fairly, in all material respects, the financial position of Corporate America Family Credit Union as of March 31, 2017 and 2016, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Corporate America Family Credit Union contracted CliftonLarsonAllen for quarterly compliance assessments, and CastleGarde, Inc. for information technology assessments. These voluntary, proactive assessments demonstrate our dedication to address emerging compliance expectations and protect our members. The Supervisory Committee continues its devotion to addressing compliance and internal controls.



**Thomas Rieck**  
*Chairman*  
*Supervisory Committee*

# COMPARATIVE FINANCIAL STATEMENTS

## Statements of Financial Condition

<b>Assets</b>	<b>2017</b>		<b>2016</b>	
Cash in Banks	\$	2,777	\$	2,767
Loans to Members (Note 1)		431,637		374,921
Allowance for Loan Loss		(5,700)		(4,390)
Investments (Note 1)		155,726		227,255
Other Assets		18,109		14,572
<b>Total Assets</b>	<b>\$</b>	<b>602,549</b>	<b>\$</b>	<b>615,125</b>
<b>Liabilities &amp; Equity</b>				
Members' Shares (Note 2)	\$	401,501	\$	403,381
Share Certificates (Note 1 & 2)		96,525		108,825
Other Liabilities		5,849		5,382
Reserves		98,674		97,537
<b>Total Liabilities &amp; Equity</b>	<b>\$</b>	<b>602,549</b>	<b>\$</b>	<b>615,125</b>

## Statements of Income

<b>Revenues</b>	<b>2017</b>		<b>2016</b>	
Interest on Loans	\$	20,550	\$	19,955
Investment Income		3,965		3,994
Fee Income		7,985		7,702
<b>Total Revenues</b>	<b>\$</b>	<b>32,500</b>	<b>\$</b>	<b>31,651</b>
<b>Expenses</b>				
Dividends on Share Accounts & Certificates	\$	1,395	\$	1,387
Loan Loss Provision Expense		4,740		1,971
Operating Expenses		25,170		24,940
<b>Total Expenses</b>	<b>\$</b>	<b>31,305</b>	<b>\$</b>	<b>28,298</b>
<b>Net Income</b>	<b>\$</b>	<b>1,195</b>	<b>\$</b>	<b>3,353</b>

As of December 31, 2017 and 2016 in thousands of dollars

### NOTES: FAIR VALUE OF FINANCIAL INSTRUMENTS

(1) Fair market value has been estimated using the discounted cash flow method for any class of financial instruments with a maturity or repricing term of greater than 12 months. The book value and fair market value of loans, investments, and share certificates with a maturity or repricing terms greater than 12 months were as follows:

	<b>Book Value</b>	<b>Fair Market Value</b>
<b>Dec. 31, 2017</b> - Loans	362.2	366.3
Investments	118.0	117.2
2 Year Share Certificates	35.6	34.8
<b>Dec. 31, 2016</b> - Loans	348.5	353.7
Investments	165.3	164.4
2 Year Share Certificates	30.5	29.9

(2) For member shares and one-year share certificates, book value represents fair market value. Member shares reprice monthly and constitute member ownership equity in the credit union.

**Corporate America Family Credit Union (CAFCU)** ended 2017 in a very strong financial position. The credit union finished the year with a Net Worth to Total Asset Ratio of 16.5%. Loan growth was 15.2%. When compared to other financial institutions, CAFCU maintains a strong financial position.

During 2017, CAFCU earned \$1.2 million. Loan revenue increased \$0.6 million. Interest and non-interest expenses were managed. Dividend expense was consistent with the prior year expense. The dividend expense reflects the overall lower rates in the marketplace. As a result of increased loan balances, provision expense increased \$2.8 million. Operating expenses increased \$0.2 million.

Total equity increased by \$1.1 million, or 1.2%. The increase in total equity resulted from a positive net income

for the year netted by the market value adjustment on investments. The strong equity position underscores the credit union's position as an exceptionally safe depository for members' savings.

Total assets of \$602.5 million decreased by \$12.6 million or 2.0%, in 2017. This is primarily attributed to member share balances decreasing \$13.7 million. This outflow of deposits is typical as the economy improves and members use funds for other purposes. Reserves grew to a strong \$98.7 million.

Overall, CAFCU had strong financial results in 2017. The respectable net income and growth in reserves helps position the credit union for opportunities and challenges in 2018. We look forward to serving our membership in the upcoming year.



**John Blozis**  
*Treasurer*

# ABOUT US

## our Values

At Corporate America Family Credit Union, we're dedicated to providing the tools, resources and expertise that will **empower** you to succeed. We're here for you, our member-owners. We provide the advanced products and efficient services you need to help further your financial goals and dreams. Plus, we collaborate with you to find the solution that's just right for you. The best technology. Great rates. Employees that truly want to make a difference. That's how we **empower** financial success. Join today and know we're here to **empower** your success — no matter where life takes you.



### Your vote counts.

A volunteer board of directors is elected by members to manage the credit union.



**Credit Unions** operate to promote the financial well-being of their members.



**Profits made by credit unions** are returned to members in the form of reduced fees, higher savings rates and lower loan rates.



**Credit Unions** are owned and controlled by the people, or members, who use their services.



**Costanzo Maestranzi**  
**Chairman of the Board**  
 Investment Committee  
 Nominating Committee



**John Blozis**  
**Vice Chairman & Treasurer**  
 Investment Committee  
 Loan Committee  
 Nominating Committee



**Kenneth Naatz**  
**Secretary**  
 Investment Committee



**Glenn Brown**  
**Director**  
 Loan Committee  
 Nominating Committee



**Thomas Rieck**  
**Director**  
 Political Action Committee  
 Supervisory Committee



**Paula Blonski**  
**Director**  
 Membership Committee  
 Supervisory Committee



**Thomas Sheppard**  
**Director**  
 Supervisory Committee



**Peter Paulson**  
**President**  
 Investment Committee  
 Political Action Committee  
 Membership Committee

*Corporate America Family Credit Union's Board of Directors are elected by members and serve voluntarily on behalf of the membership to oversee the operations of the credit union.*

At Corporate America Family Credit Union, we always strive to **make a meaningful difference in the financial lives of our members**. We're a not-for-profit, member-owned and directed financial cooperative dedicated to being your primary financial institution. **Our purpose is to serve people**, and we're nearly 70,000 strong and growing. We embrace steady growth... we have paid dividends every year since our beginning in 1939.

**1939** An ambitious group of 15 **Automatic Electric Company employees** each deposited \$5 into Automatic Credit Union.

**1986** We began serving various sponsor companies and appropriately changed our name to **Corporate America Federal Credit Union**.

**2008** **Mobile Banking** became available to members. Members have access to their accounts anytime, anywhere using their mobile device.

**2010** **Remote check deposits** were introduced. Members have the ability to deposit checks using their home computer and scanner or mobile device.

## HIGHLIGHTS IN OUR HISTORY

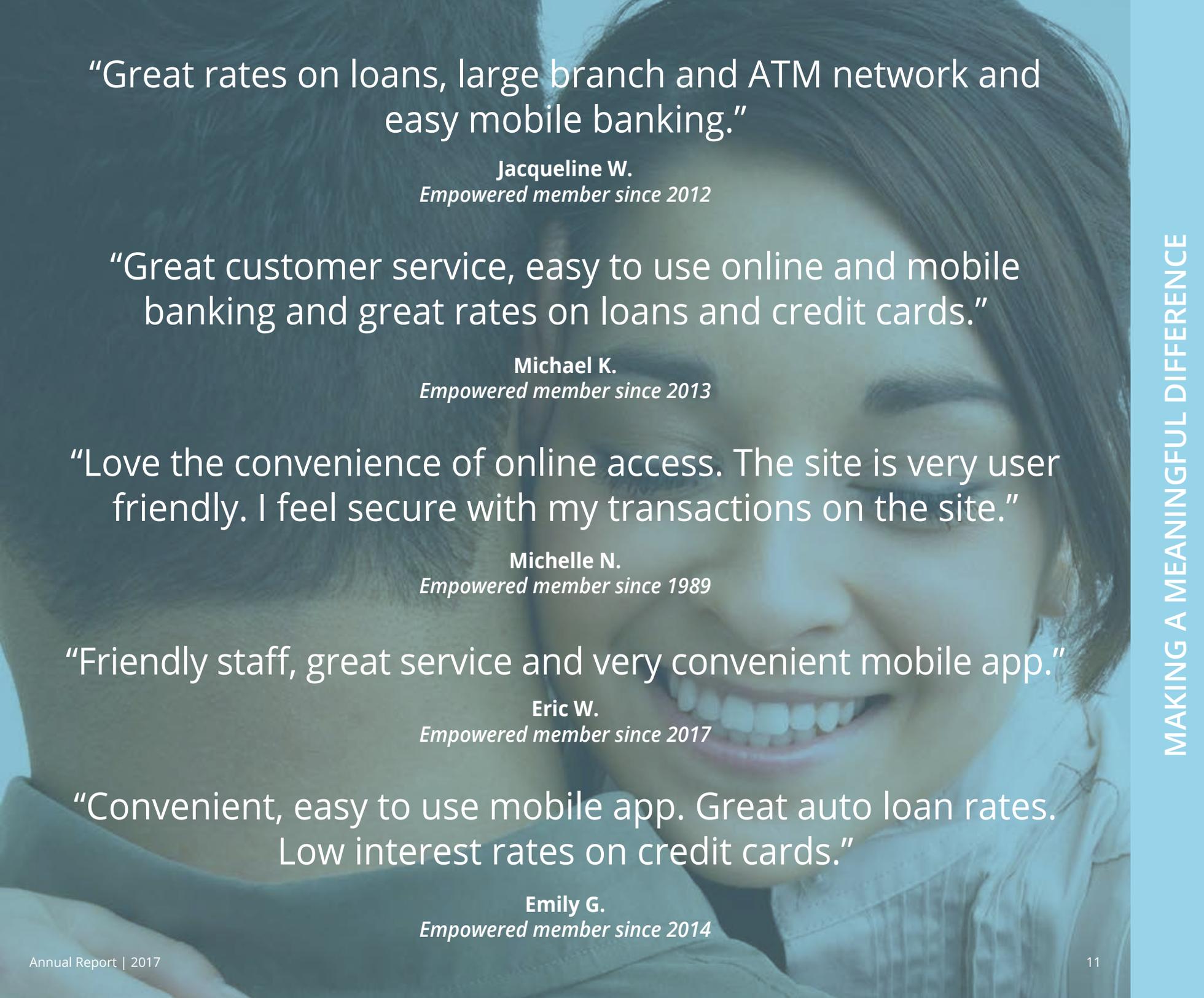
**1956** Automatic Electric was purchased by GTE Corporation — we changed our name to **GTE Employees Federal Credit Union**.

**1997** **Online Account Access** became available to members.

We changed from a federal charter to a state charter — we changed our name to **Corporate America Family Credit Union**.

**2014** Corporate America Family Credit Union **celebrates 75 years**.

Our **Personal Teller Machines (PTMs)** were installed at our Elgin, Illinois and Chicago, Illinois branches.



“Great rates on loans, large branch and ATM network and easy mobile banking.”

**Jacqueline W.**  
*Empowered member since 2012*

“Great customer service, easy to use online and mobile banking and great rates on loans and credit cards.”

**Michael K.**  
*Empowered member since 2013*

“Love the convenience of online access. The site is very user friendly. I feel secure with my transactions on the site.”

**Michelle N.**  
*Empowered member since 1989*

“Friendly staff, great service and very convenient mobile app.”

**Eric W.**  
*Empowered member since 2017*

“Convenient, easy to use mobile app. Great auto loan rates. Low interest rates on credit cards.”

**Emily G.**  
*Empowered member since 2014*

# TAKING STRIDES

This year we implemented several new or enhanced services:

## BILL PAY

Our newly enhanced **Bill Pay service** has an intuitive user interface that makes it easier for members to pay bills, send money to any individual, receive and view bills electronically, and keep a close eye on their money.

## CAFCU.ORG

Our **website** recently received a makeover that showcases a comprehensive and intuitive redesign. The new look also boasts greater functionality, including a new site search feature, additional navigation, enhanced mobile compatibility and improved accessibility for all users.

## POPMONEY

Designed to simplify members' lives, **Popmoney® payment service** is a simple and secure way to send, request and receive money with just about anyone, through Online Account Access or our Mobile Banking App. Whether paying the sitter, collecting money from groups or reimbursing a friend for those concert tickets, Popmoney payment service makes it easy!

Popmoney is a registered trademark of Fiserv, Inc., or its affiliates.

## UCHOOSE REWARDS

**uChoose Rewards®** features several improvements over the previous rewards program. When redeeming points, members can now choose cash-back rewards, merchandise, or pick from an expanded selection of travel and gift card options. Also, members can link CAFCU rewards Visa® debit and credit cards to one account in order to earn points faster.

uChoose Rewards is a registered trademark of Fiserv,

# 20 BRANCHES

across 11 states

## Arizona

Peoria

## Kansas

Kansas City

## California

Santa Clara

## North Carolina

High Point

## Connecticut

Bristol

## Ohio

Marion

## Georgia

Atlanta

## Pennsylvania

Towanda

## Illinois

Burbank

Chicago

Crystal Lake

Elgin

Mt. Carmel

Oak Brook

Rosemont

Streamwood

Tinley Park

Warrenville

## Texas

Dallas

## Virginia

Herndon

60,000+  
SURCHARGE-FREE  
ATMs nationwide

PERSONAL  
5 TELLER  
MACHINES

6,700+ SHARED  
BRANCHING  
locations across the country



Download the **CAFCU Mobile Banking App** from your app store or visit [www.cafcu.org/locations](http://www.cafcu.org/locations) to find branch locations and surcharge-free ATMs everywhere you go.



**Online**  
[www.cafcu.org](http://www.cafcu.org)



**Mobile**  
Banking App



**Phone**  
1-800-359-1939