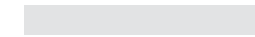




# 2019 Annual Report



Making a meaningful difference  
in the financial lives of our  
members



Federally insured by NCUA.

**“***Your associates are so friendly and helpful and your rates are the best! Thank you for helping me!”*

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- Joyce G.  
Empowered CAFCU Member



EQUAL HOUSING  
OPPORTUNITY

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# CHAIRMAN AND PRESIDENT'S Report



## Progress and Strength

CAFCU partnered with **30 new sponsor companies** as their financial wellness benefit provider welcoming new members to the credit union. Business development built these new relationships by expanding the team with a new business development director and two additional business development officers. These new positions allowed for **more focus on growth** and the ability to better serve and deepen relationships with our sponsor companies.

Our business development team continues to make strides both in new and existing relationships by **emphasizing financial wellness** in the workplace with financial education workshops, town halls, new hire orientations, onsite enrollment events and benefits fairs. We were able to welcome our new sponsor companies by providing **749 presentations to almost 3,400 employees** with valuable financial education.

Likewise, our whole team's work promoting the benefits of credit union membership and financial wellness allowed us to enroll over 4,800 new members. The entire

## ▶ YEAR IN REVIEW

In 2019 Corporate America Family Credit Union (CAFCU) **celebrated our 80th anniversary** marking another year of progress and strength for our credit union. With the support of our dedicated members and staff, we worked hard to empower our members' financial lives by providing tools, resources and expertise that make a meaningful difference. CAFCU ensures members receive the **highest standard of personal service** to meet every financial need by providing professional, caring, and knowledgeable staff. With the backing of our faithful members and staff we have evolved and developed into an **even stronger financial institution**. It was another year of continued opportunity and transformation for CAFCU.

membership benefits from this progress and our credit union gains strength with every new relationship. 2019 loan growth was steadfast with an increase in first mortgages, home equity, auto loans and indirect loans. Competitive rates paired with hard working staff promoting our various loan products, contributed to this progress. A new loan application system was put into place to help enhance and simplify our members' experience when applying for a loan.

CAFCU takes pride in providing members with the best possible member experience, and in 2019 a new phone system was put into place to enhance not only member experience but also that of our staff. The new phone system allows for an efficient method to contact staff internally allowing for quicker response time to member inquiries.

We enhanced our brand in 2019 by updating our logo to fully utilize our acronym CAFCU. We're dedicated to empowering our members' financial success and providing rewarding products, services and features. Our logo is one of those features which helps us to convey our vision, mission and dedication to our members.

CAFCU's purpose is to serve people,

and we provide the tools, resources and expertise that will empower members to succeed. Social media, was officially launched in 2019 as a part of that commitment and dedication to serving our members. With social media we can reach a wider audience with an empowering and meaningful financial difference.

To strengthen and progress our credit union, CAFCU committed to acquire Ben Franklin Bank of Illinois in 2019. The acquisition will be completed in early 2020, and CAFCU will be able to provide even more individuals with our products and services furthering financial goals, hopes and dreams. This acquisition and relationship will continue to grow and strengthen as we move forward in achieving success.

## The Road Ahead

There is no doubt that as we look ahead, the financial services industry will continue to evolve. We are committed to staying current as we work to make a meaningful difference in the financial lives of our members at every stage in life. We are pleased to provide you with a preview of some of the exciting steps forward we will be taking in 2020. Our website

will be enhanced to increase the member experience, data analytics will provide insight into targeting various marketing materials, and we will introduce new products and services such as contactless cards and a new person to person transaction product.



As always, we will continue to be an industry leader and make meaningful differences in the years to come. The commitment and dedication of every staff and member are what make us a great credit union. We thank you for your continued membership and dedication to sharing the benefits of CAFCU with your friends, family and co-workers. We look forward to continuing to serve you in 2020 and beyond!

**Peter Paulson**  
*President & CEO*

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

# 2019 HIGHLIGHTS

## PROTECTING OUR MEMBERS



### NOTABLE GROWTH

Enrolled over **4,880** new members.  
Grew **loans** by over **\$18** million.  
Booked over **\$107.3** million in new loan business.



### A MEANINGFUL DIFFERENCE

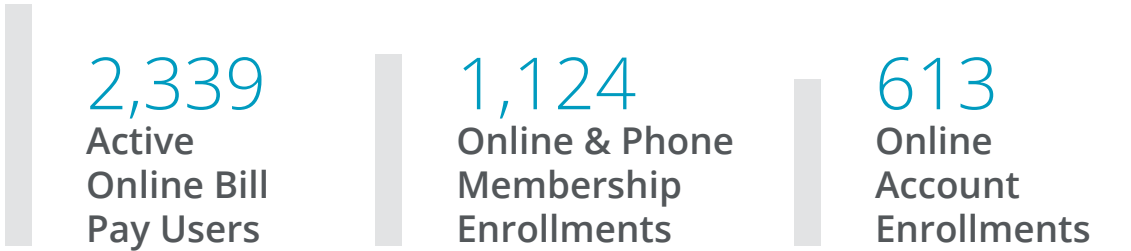
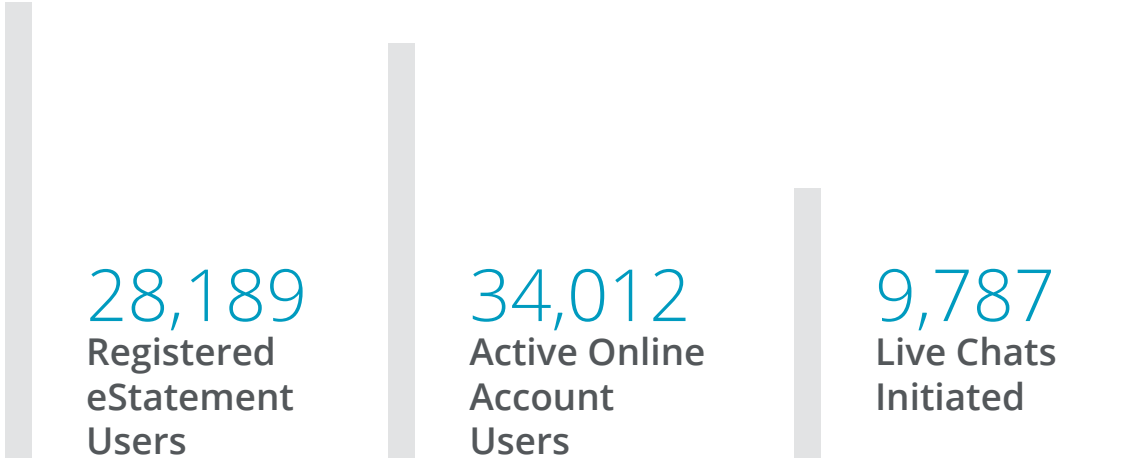
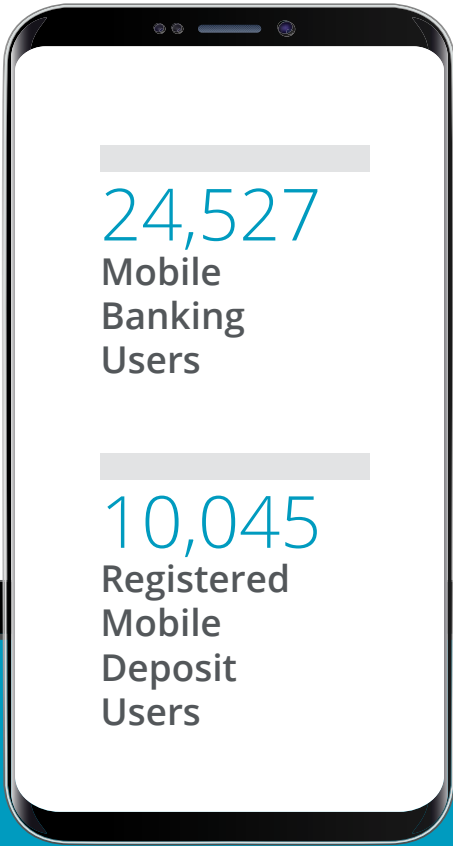
Nearly **1,200** members took advantage of BALANCE, our financial fitness partner, for services such as debt management, credit report review, budget counseling and student loan coaching.

Over **\$177,420** in disability benefits were disbursed.

More than **\$120,190** in involuntary unemployment benefits were paid.

Over **\$43,580** in hospitalization benefits were disbursed.

Over **\$157,650** in life benefits were paid.



# We Serve People

“CAFCU has been **exceptional since day one**, the service is always great and have never had a issue. Keep up the good work.”

- Tyrone C.  
Empowered CAFCU Member

“**I love my CAFCU!!!** Every financial thing I do, CAFCU is involved! I love my local branch of ladies as well! **I will ALWAYS be a member** and keep referring family & friends.”

- Jenny G.  
Empowered CAFCU Member

“**Excellent** member service, **rates** and **locations.**”

- Paul W.  
Empowered CAFCU Member

## EMPOWERING OUR MEMBERS

“I recommend CAFCU because the customer service is excellent. They are **caring with a professional touch.** They speak to you as a person and not a number, compared to other companies that try to get you off the phone quickly. CAFCU helped me refinance my vehicle and that **lowered my monthly payments to almost half** of what I was paying”

- Angela A.  
Empowered CAFCU Member





# Supervisory Committee's Report



The Supervisory Committee contracted Nearman, Maynard, Vallez, CPAs to perform an annual audit of the credit union. Their latest report dated July 8, 2019, 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 CAFCU as of March 31, 2019 and 2018, and the results of its operations and its cash flows for the years then ended **are in accordance with accounting principles** generally accepted in the United States of America.



**The Supervisory Committee's** responsibility is to serve Corporate America Family Credit Union (CAFCU) 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.

CAFCU 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

As of December 31, 2019 and 2018 in thousands of dollars

## Statements of Financial Condition

Assets	2019	2018
Cash in Banks	\$2,277	\$2,733
Loans to Members (Note 1)	\$509,977	\$491,910
Allowance for Loan Loss	\$(5,329)	\$(5,606)
Investments (Note 1)	\$90,274	\$116,447
Other Assets	\$16,468	\$16,465
<b>Total Assets</b>	<b>\$613,668</b>	<b>\$621,949</b>
Liabilities & Equity		
Members' Shares (Note 2)	\$391,879	\$397,110
Share Certificates (Note 1 & 2)	\$86,838	\$83,526
Non-Member Deposits	\$10,018	\$0
Other Liabilities	\$19,323	\$40,950
Reserves	\$105,611	\$100,364
<b>Total Liabilities &amp; Equity</b>	<b>\$613,668</b>	<b>\$621,949</b>

## Statements of Income

Revenues	2019	2018
Interest on Loans	\$24,427	\$22,720
Investment Income	\$3,958	\$3,133
Fee Income	\$7,951	\$8,201
<b>Total Revenues</b>	<b>\$36,336</b>	<b>\$34,053</b>
Expenses		
Dividends on Share Accounts & Certificates	\$2,776	\$1,700
Loan Loss Provision Expense	\$2,912	\$3,167
Operating Expenses	\$27,365	\$25,848
<b>Total Expenses</b>	<b>\$33,053</b>	<b>\$30,715</b>
<b>Net Income</b>	<b>\$3,284</b>	<b>\$3,338</b>

### 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:

	Book Value	Fair Market Value		Book Value	Fair Market Value
Dec. 31, 2019 - Loans	405.4	426.3	Dec. 31, 2018 - Loans	379.8	384.4
Investments	78.5	79.3	Investments	91.0	88.5
2-Year Share Certificates	31.4	30.7	2-Year Share Certificates	31.0	30.3

(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.

# Treasurer's Report



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 **\$613.7** million decreased by **\$8.3** million or **1.3%**, in 2019. This decrease was due to a lower balance in our investment portfolio. Total shares decreased **\$1.9** million or **0.4%**. This outflow of deposits is typical during periods of prolonged economic recovery, low unemployment and high consumer confidence.

**Corporate America Family Credit Union (CAFCU)** ended 2019 in a very strong financial position. The credit union finished the year with a **Net Worth to Total Asset Ratio** of **17.1%**. In addition, CAFCU earned a respectable **0.54%** Return on Average Assets. Loan growth was **3.70%**. When compared to other financial institutions, CAFCU maintains a strong financial position.

During 2019, **CAFCU earned \$3.3** million. Loan revenue increased **\$1.7** million. Interest and non-interest expenses were managed. Dividend expense increased from the prior year due to higher interest rates. Provision expense decreased **\$256,000** while growing the loan portfolio. Operating expenses increased **\$1.5** million.

**Total equity increased by \$5.2** million, or **5.2%**.

When the economy is strong, members use funds for other purposes. **Reserves grew to a strong \$105.6** million.

Overall, **CAFCU had strong financial results in 2019**. The respectable net income and growth in reserves helps position the credit union for opportunities and challenges in 2020. We look forward to serving our membership in the upcoming year.

**John Blozis**  
*Treasurer*

# ABOUT CAFCU

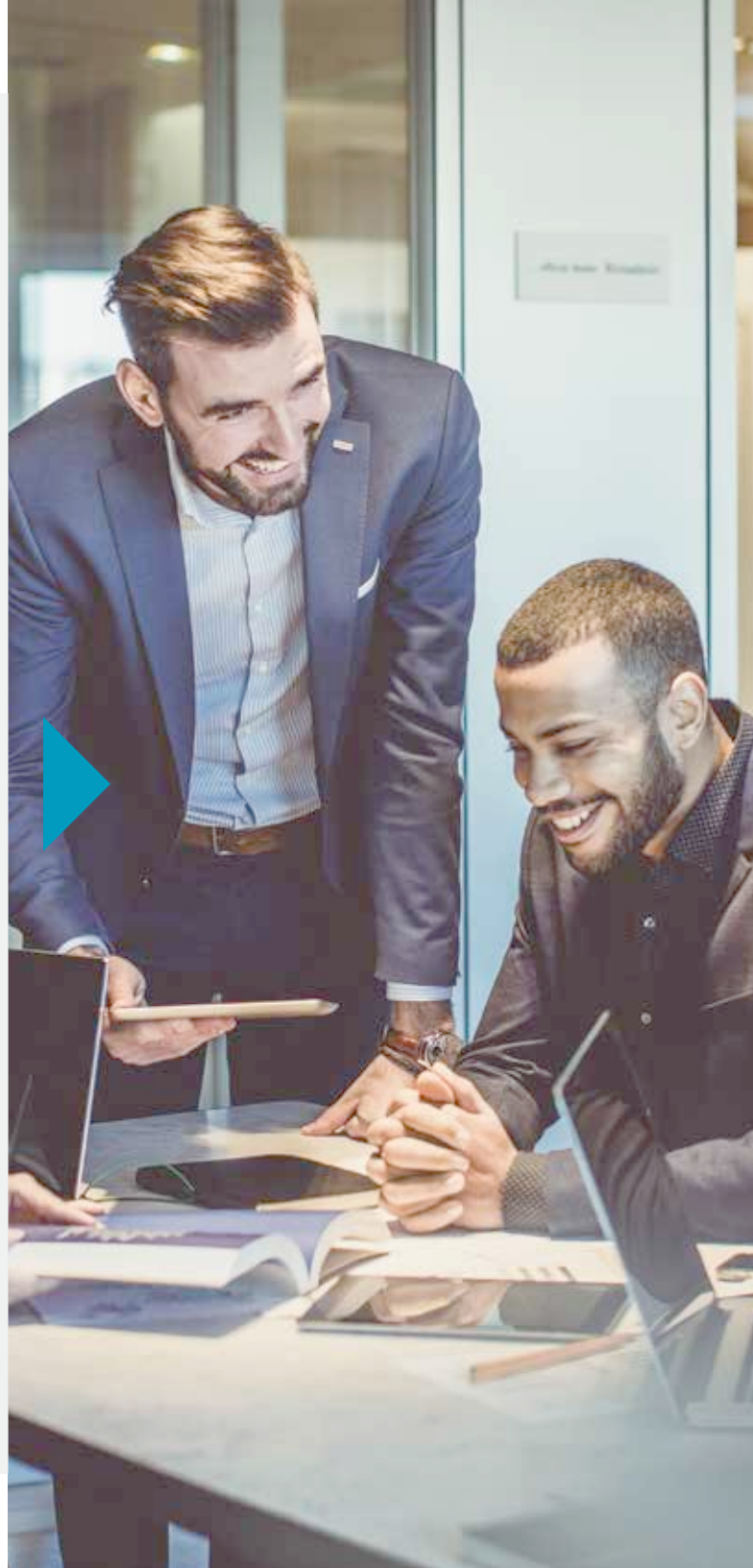
## Our Values

At CAFCU, 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 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.

As a member, know we're here to empower your success — no matter where life takes you.



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



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



**Your vote counts.** A volunteer board of directors is elected by members to manage the credit union.

## OUR PURPOSE

is to serve people, and we're nearly **70,000** members strong and growing. We embrace steady growth and we have **paid dividends every year** since our beginning in 1939.

# BOARD OF DIRECTORS



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



**Thomas Sheppard**  
Vice Chairman  
Loan Committee



**John Blozis**  
Treasurer  
Investment Committee  
Nominating Committee



**Kenneth Naatz**  
Secretary

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



**Paula Blonski**  
Director  
Membership Committee  
Supervisory Committee



**Glenn Brown**  
Director  
Investment Committee  
Loan Committee



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

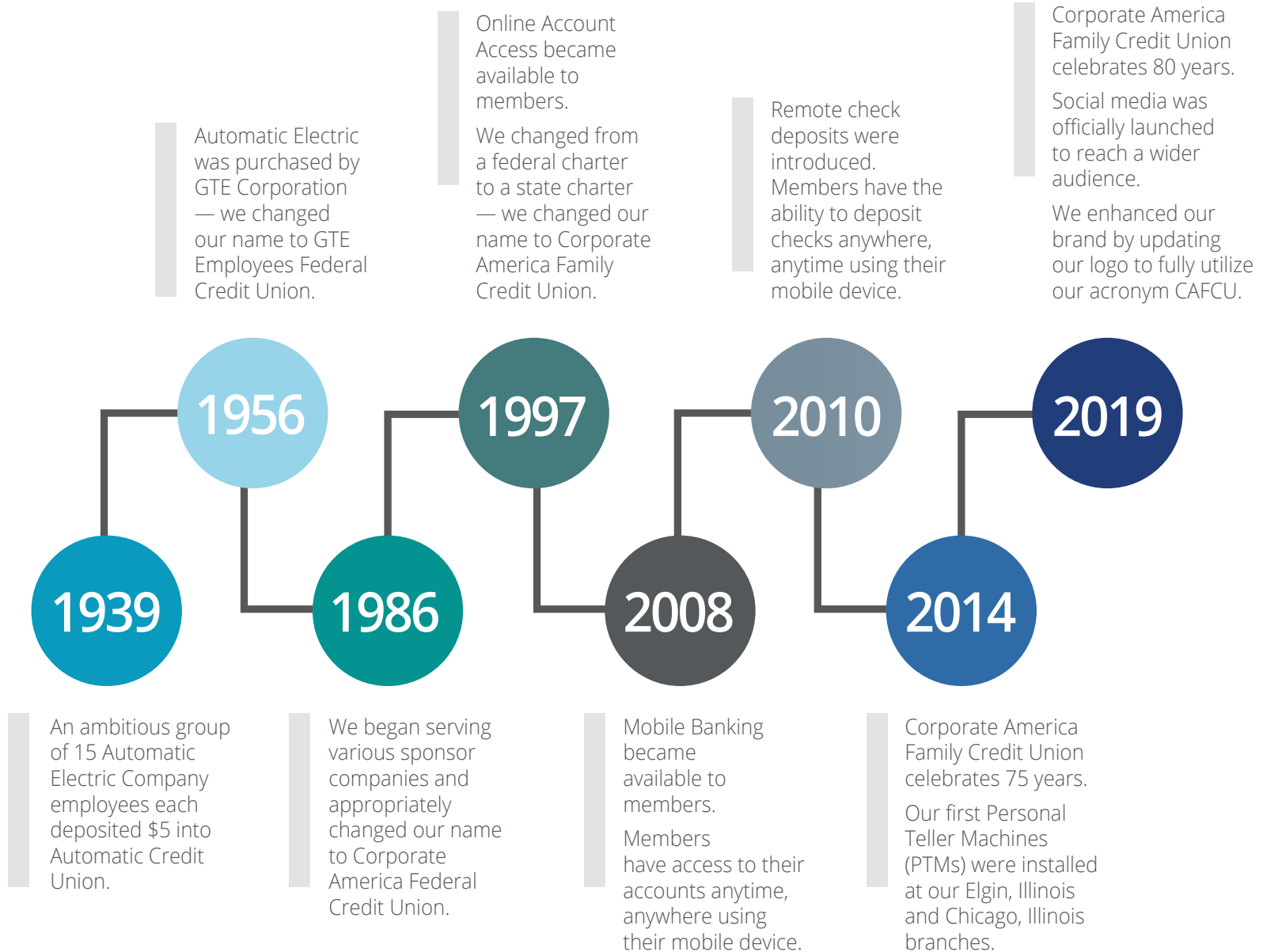


**Thomas Rieck**  
Director  
Political Action Committee  
Supervisory Committee  
Nominating Committee



**W. Jeff Gott**  
Associate Director  
Membership Committee  
Supervisory Committee

# OUR HISTORY



20 Branches Across 11 States

# BRANCH LOCATIONS

7 Personal Teller Machines

## Arizona

Peoria

## California

Santa Clara

## Connecticut

Bristol

## Georgia

Atlanta

## Illinois

Burbank

Chicago

Crystal Lake

Elgin

Mt. Carmel

Oak Brook

Rosemont

Streamwood

Tinley Park

Warrenville

## Kansas

Kansas City

## North Carolina

High Point

## Ohio

Marion

## Pennsylvania

Towanda

## Texas

Dallas

## Virginia

Herndon

**6,700+**  
**SHARED BRANCHING**  
locations across the country



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

**60,000+**  
**SURCHARGE-FREE**  
ATMs nationwide

