

2021

ANNUAL REPORT

EMPOWERING YOUR
FINANCIAL JOURNEY

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Empowering You!

CHAIRMAN AND PRESIDENT'S MESSAGE TO OUR MEMBERS

2021 was an extraordinary year defined in many ways by the deepening of the pandemic, which impacted our lives and livelihoods in many different ways. During these times, we relied heavily on our talented teammates, our “can do” attitude, and the dedication of our members as the foundation for our long-term success.

At CAFCU, we provide more than just financial services — our credit union holds firm to our philosophy of people helping people. Living up to the trust you continue to place in us will always be at the heart of everything we do.

EMPOWERING OUR COMMUNITIES

Although we've seen the worst of times, we've seen the best of people. Our people are our greatest asset. Our staff responded admirably to the challenges of this year, not only by serving our members but our communities with initiatives such as our Random Acts of Kindness campaign, Project Backpack, and our Children's Miracle Network donations.

We also supported St. Jude's Ranch for Children for the 11th year in a row by donating used greeting cards that are repurposed and sold to raise funds for this nonprofit organization. Over the years, CAFCU has sent St. Jude's more than 9,000 greeting cards.

Philanthropy will continue to play an important role in our organization as we strive to be a credit union of choice admired for our impact on the people we serve.

AN INTEGRATED GROWTH STRATEGY

From our humble beginnings in 1939 with just five members to serving the financial needs of more than 67,000 member-owners today, our priority has remained the same: to serve everyone who needs us in good times, in bad, and in all the days in-between.

As the pandemic continues to affect our lives, we stayed the course by providing the best resources and services to our valued members. Despite challenging economic conditions that included rising inflation, low vehicle inventory, increasing housing prices, and decreasing credit card usage, we closed the year strong, enrolling more than 3,500 new members, adding approximately \$45 million in new member loans, and bringing our total assets to more than \$808.9 million. We also saw a 24% increase in deposits and a 30% growth in debit card usage, a significantly higher rate compared to our industry peers.

We've deepened the use of our digital tools by launching our first ad campaigns on Google, which helped us gain many new members and loans. We created our first in-house videos and organically grew our social media following, using our digital channels to increase awareness of our financial education resources. This helped us set a record number of attendees for our financial webinars.

As we navigated the uncharted waters of 2021, our sponsor company partnerships continued to strengthen. We started new financial wellness campaigns, created new educational materials, and reimagined our webinars. Despite the various challenges of the pandemic, our Business Development team managed to partner with 20 new sponsor

companies with more than 14,000 potential members.

All of these achievements were accomplished through the collective efforts of extraordinary individuals showing their heart, passion, expertise, and perseverance.

SERVING OUR MEMBERS

We work on your behalf to optimize value to prepare you for whatever life brings. Through ongoing investments in our organization, we further strengthened our ability to serve you. Last year, we had the opportunity to improve our branch outreach by remodeling our Towanda, Pennsylvania branch and relocating our Atlanta, Georgia branch.





Supporting each other!

We're focused on making good on our promise to put purpose and people before profits. We remain dedicated to promoting financial wellness by helping more households and businesses access expert financial advice, education, and services.

THE JOURNEY AHEAD

Looking forward with purpose, we are excited to give our members a better digital experience. This includes new digital marketing initiatives, website enhancements, and social media initiatives, as well as advanced features in security. We also continue to improve our internal software and processes to respond as quickly as possible to our members.

Your credit union is strategically navigating the current economic climate, facing all challenges with our combined knowledge, experience, and insight. Despite the obstacles

we faced this year, we finished the year financially secure — in a position to persevere and grow. The metrics you'll see throughout this report demonstrate the power of working collaboratively to serve our members and communities.

We are immensely appreciative of our team, who worked unselfishly, professionally, and tirelessly throughout the year. Their efforts, along with the support of our engaged Board of Directors, reinforced our people-first philosophy. We look forward to a brighter future together as we emerge from yet another challenging year. Thank you for believing in us. Thank you for being the best part of CAFCU.

Peter Paulson
President & CEO

Costanzo Maestranzi
Chairman of the Board



Thank you!

CREDIT UNION 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
Investment Committee



Paula Blonski
Director
Membership Committee
Supervisory Committee



Glenn Brown
Director
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

CAFCU's Board of Directors is elected by members and serves voluntarily on behalf of the membership to oversee the operations of the credit union.

2021 HIGHLIGHTS

A MEANINGFUL DIFFERENCE

Over 700 members took advantage of BALANCE, our financial fitness partner, for services such as debt management, credit report review, budget counseling, and student loan coaching.

NOTABLE GROWTH

- > Enrolled over 3,500 new members.
- > Increased deposits by 24%.
- > Grew debit card usage by 30%.

PROTECTING OUR MEMBERS

Over \$96,125 in disability benefits were disbursed.

More than \$85,800 in involuntary unemployment benefits were paid.

Over \$48,563 in hospitalization benefits were disbursed.

Over \$374,785 in life benefits were paid.

36,243

Active Online Account Users

30,069

Registered eStatement Users

7,253

Live Chats Initiated

1,174

Online & Phone Membership Enrollments

927

Online Checking Account Enrollments

ZELLE USERS >>>>>>>>

87%

CARD CONTROL USERS >>>>>

49%

ACTIVE ONLINE BILL PAY USERS >>

19%

REGISTERED MOBILE DEPOSIT USERS >

6%

MOBILE BANKING USERS >

5%



**USE OF OUR
DIGITAL BANKING
TOOLS CONTINUES
TO INCREASE.**

DISCOVERING NEW CHAPTERS

Life happens in chapters. **At CAFCU, our purpose is to serve people in every stage of their lives.** We genuinely believe that the things that matter most in life are not things at all. They are people. People matter most to us, and nothing will ever be more important than the people we serve.

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



“ This is the best credit union ever!!! You have helped me and my daughter. Your service is impeccable!!! Such wonderful people and the rates have been good to me! **You have helped me get thru very rough times...** I am well taken care of at your credit union. Thank you so much!
- Julie L. ”

“ *I will recommend CAFCU to my friends and family. Your company has the best rates and best member products. The associates are so very friendly and very helpful. **You have helped me to be stress-free from my debt.** Thank You!*
- Joyce G. ”

SUPERVISORY COMMITTEE'S REPORT



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.

The Supervisory Committee contracted Nearman, Maynard, Vallez CPAs to perform an annual audit of the credit union. Their latest report dated October 29, 2021, 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, 2021 and 2020, 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.

CAFCU contracted CliftonLarsonAllen for quarterly compliance assessments, and CastleGarde, Inc for information technology and cyber security assessments. These voluntary, proactive assessments demonstrate our dedication to address emerging compliance expectations and protect our members.

The Supervisory Committee continues its devotion to compliance and internal controls.

Thomas Rieck
Chairman
Supervisory Committee

COMPARATIVE FINANCIAL STATEMENTS

AS OF DECEMBER 31, 2021 AND 2020 IN THOUSANDS OF DOLLARS

STATEMENTS OF FINANCIAL CONDITION

Assets	2021	2020
Cash in Banks	\$3,737	\$2,796
Loans to Members	\$526,339	\$555,506
Allowance for Loan Loss	\$(3,800)	\$(4,258)
Investments	\$254,346	\$184,162
Other Assets	\$28,283	\$27,491
Total Assets	\$808,906	\$765,697
Liabilities & Equity		
Members' Shares	\$553,642	\$503,067
Share Certificates	\$139,335	\$135,268
Non-Member Deposits	\$0	\$5,260
Other Liabilities	\$10,068	\$13,979
Members' Equity	\$105,861	\$108,123
Total Liabilities & Equity	\$808,906	\$765,697

STATEMENTS OF INCOME

Revenues	2021	2020
Interest on Loans	\$23,277	\$25,991
Investment Income	\$2,945	\$1,941
Fee Income	\$7,008	\$6,587
Total Revenues	\$33,230	\$34,519
Expenses		
Dividends on Share Accounts & Certificates	\$2,013	\$2,565
Loan Loss Provision Expense	\$204	\$827
Operating Expenses	\$29,594	\$29,673
Total Expenses	\$31,811	\$33,064
Net Income	\$1,419	\$1,454

TREASURER'S REPORT



Corporate America Family Credit Union (CAFCU) navigated through the ongoing COVID challenges during 2021. We were able to maintain our strong financial position during these turbulent times. The credit union finished the year with a Net Worth to Total Asset Ratio of 13.3%, lower than the prior year primarily due to the \$43.2 million increase in assets. CAFCU's Return on Average Assets was 0.10%. When compared to other financial institutions, CAFCU maintains a strong financial position.

During 2021, CAFCU's net income was \$1.4 million. Total revenue decreased \$1.3 million due to the \$2.7 million decrease in loan interest offset by the \$1.0 million increase in income from investments and the \$422,000 increase in fee revenue. Provision expense decreased \$622,000 due to lower net charge-offs. Operating expenses decreased \$1.3 million.

Total members' equity decreased by \$2.3 million, or 2.1% to \$105.9 million. The decrease in members' equity resulted from the \$1.4 million of net income for the year offset by the \$2.9 million decrease in the market value adjustment on investments, and a prior year adjustment. The strong equity position underscores the credit union's position as an exceptionally safe depository for members' savings.

Total assets of \$808.9 million at the end of 2021 increased by \$43.2 million or 5.6% from the prior year. The increase was primarily due to the increase in our investments due to an increase in our liquidity. The loan portfolio decreased 5.3% primarily due to lower loan demand. Total shares increased \$54.6 million or 8.6% primarily due to the impact of the pandemic on member savings habits.

Given the events of 2021, we were able to remain financially strong and position ourselves for opportunities and challenges in the coming years. We look forward to providing excellent products and services to our membership in the upcoming year.

John Blozis
Treasurer

HOMEGROWN ROOTS

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

19
39

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

19
56

Online Account Access became available to members.

We transitioned from a federal charter to a state charter, changing our name to Corporate America Family Credit Union.

19
86

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

19
97

Remote check deposits were introduced. Members have the ability to deposit checks anywhere, anytime with a mobile device.

20
08

Mobile Banking became available to members so they can access to their accounts 24/7 with a mobile device.

20
10

Remote check deposits were introduced. Members have the ability to deposit checks anywhere, anytime with a mobile device.

20
14

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

20
19

Corporate America Family Credit Union celebrated 80 years.

Social media was officially launched to reach a wider audience.

We enhanced our brand by updating our logo to fully utilize our acronym CAFCU.

BRANCH LOCATIONS

Arizona

Peoria

California

Santa Clara

Connecticut

Bristol

Georgia

Atlanta

Illinois

Arlington Heights

Burbank

Chicago

Crystal Lake

Elgin

Mt. Carmel

Oak Brook

Rolling Meadows

Rosemont

Streamwood

Tinley Park

Warrenville

Kansas

Kansas City

North Carolina

High Point

Ohio

Marion

Pennsylvania

Towanda

Texas

Dallas

Virginia

Herndon



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