



# Community Matters

2018 Annual Report

## A Message from CEO Bill Lawton and Board Chair Don Bain

We thank you for your continued support and membership at Community Financial Credit Union. We are pleased to share our 2018 Annual Report in which you'll find information highlighting the credit union's commitment to our members and our communities.

In 2018, we continued to focus on our members' needs and making our communities stronger, through financial contributions and team members donating their time to volunteer. We are committed to having these contributions grow at the same rate as we grow. We are excited to serve the Westland community with our branch that opened in early 2018 and we will start serving the Wixom community with our newest branch in early 2019.

For the 13th straight year, Community Financial was selected as one of Metro Detroit's "101 Best & Brightest Companies to Work For." We were also selected as one of the "Best and Brightest Companies to Work For in the Nation." Community Financial values its team members and all of the work they do to provide outstanding service to our members.

Our Student-Run Credit Union program, with the help of our 51 school partners, continues to teach students smart money habits that they can use throughout their lifetime. Our passion for service to our members sets us apart from other financial institutions in Michigan and we constantly work to build and maintain strong member relationships so we can serve you better.

Finally, we would like to thank all of the directors and the board's supervisory committee for their dedication and willingness to serve the credit union on a volunteer basis over the past year. They continue to represent you and govern a financially strong credit union that is able to make a positive difference for our members and our communities. We can't do this without your membership and we hope you are proud to be a part of a very special cooperative that is changing lives and building stronger communities. Thank you for your membership and we look forward to serving you in 2019.

*Bill Lawton*      *Donald B. Bain, Jr.*



**Bill Lawton**  
Chief Executive Officer



**Don Bain**  
Board Chair

### Board

Don Bain (*Board Chair*)

Paul Bedich

Al Berrie

Dan Herriman (*Secretary / Treasurer*)

Ron Meteyer

Mark Riegal

Deborah Ronayne (*2nd Vice Chair*)

Adiya Sathi

### Supervisory Committee

Terry Jolly

Carol Leroue

Mary Lowing

Kathy Neiryneck

Steve Rowley

## Signature Giving Programs

At Community Financial Credit Union we believe that giving back is among the most important and valuable things we can do for our members. We pride ourselves on enhancing the wellbeing of our communities. Through our Signature Giving Programs we are able to partner with our neighbors to lend a hand to help organizations that share the same appreciation and dedication to our local communities as we do. These likeminded organizations embody Community Financial's "People Helping People" philosophy.

In 2018, our Summer of Sharing, Warming Hearts & Homes, Community Shares and Thumbs Up For Charity programs helped us identify local groups doing incredible work in our communities allowing us to donate over \$500,000 to over 400 organizations making a difference in the lives of our neighbors.

For more information on our Signature Giving Programs or to see how your voice can make a difference visit [cfcu.org/community](http://cfcu.org/community)

## Member Outreach

In 2018, we continued to provide our members with financial tools they need to make sound financial decisions. Our Money Matter\$ eLearning Center provides free financial modules that focus on topics such as credit scores, budgeting, identify theft, mortgages and more. Calculators to assist with debt payoff, saving for retirement and setting a budget are also available to help in decision making. For members looking for a more personalized approach, free financial counseling is available through GreenPath Financial Wellness.

High School students in the communities participated in Reality Fairs through Mad City Money which helps them to understand the cost of items such as food, clothing, shelter and transportation. Over 300 students participated in 2018. Our team members also spent time teaching financial education to students through Junior Achievement. Over 3,400 students received information to help prepare them to succeed.

## Community Outreach

Our members are the core of our business and serving them extends beyond our branches. This past year our team members devoted over 4,600 volunteer hours to local non-profits and community groups throughout Michigan. Working together, we can help build stronger communities.



## Partnering with Schools

We are proud to support every level of education throughout Michigan. From scholarships to financial education presentations and Student-Run Credit Unions, we work to teach students the importance of good money habits and provide them with information that will last a lifetime.

In 2018, we had 51 student run credit unions; 8 coordinators and reached 28,748 students. Our team spent over 2,910 hours in the schools. We awarded \$1,200 scholarships to nineteen student members to help them achieve their educational goals.

We also provided schools in the community with funds to help to help fill gaps in their educational programs. Through our Community Shares Program, eleven school districts received, in total, \$36,500. The grant awarded to the Northville Educational Foundation was used to support high school students with a STEAM (Science, Technology, Engineering, Art, Math) project. The students created a capstone project using the software and tools available at the Village Workshop. Students held an open house to exhibit the projects and share with the community.

## 2018: A Year in Review

Community Financial Credit Union continued to see a strong increase in membership and steady increase in member satisfaction ratings

These factors helped lead to very solid financial results, with all areas of credit union operations performing well in 2018. Net income for the year was \$8.62 million or a 0.96% return on assets.

Total assets grew to \$932 million in 2018. Member deposits at year-end were \$721 million. Total loans increased 9.3% to \$868 million. Auto loans grew by more than 10% while commercial loans grew by over 35%. Our members continued to take advantage of lower mortgage rates and we originated over \$94 million in first mortgage loans.

Community Financial's equity increased to \$113 million from \$104 million, resulting in a net worth ratio of 12.11% at year-end. This increase in equity is the result of positive net income for the year. With this net worth ratio, Community Financial is considered well capitalized by our regulator, National Credit Union Administration.

We thank all of our member/owners for trusting us to help you reach your financial goals.



**cfcu.org**  
(877) 937-2328

	December-2018	December-2017
<b>Assets</b>		
Net Loans to Members	864,560,277	790,727,361
Cash	4,365,736	4,136,450
Investments	38,769,408	39,967,556
Other Assets	24,322,254	21,992,637
<b>Total Assets</b>	<b>932,017,676</b>	<b>856,824,004</b>
<b>Liabilities &amp; Equity</b>		
Shares	525,169,928	513,213,225
Certificates	196,177,277	141,980,601
Other Liabilities	97,800,009	97,395,869
Reserves	6,846,126	6,846,126
Undivided	106,024,335	97,388,183
<b>Total Liabilities &amp; Equity</b>	<b>932,017,676</b>	<b>856,824,004</b>
<b>Statement of Income and Expenses</b>		
<b>Income</b>		
Income from Loans	36,825,813	32,193,788
Income from Investments	641,923	379,683
Other Income	10,930,879	10,742,639
<b>Total Income</b>	<b>48,398,615</b>	<b>43,316,110</b>
<b>Expenses</b>		
Salaries/Benefits	20,857,187	18,608,483
Office Occupancy	1,581,245	1,392,481
Office Operations	3,730,310	3,165,703
Educational/Advertising	1,524,659	1,560,612
Outside Services	1,097,233	881,638
Dividends	3,693,774	2,287,585
Interest on Borrowed Funds	1,415,919	679,074
Provision for Loan Losses	2,231,401	2,574,449
Other Expenses	3,650,191	3,231,775
<b>Total Expenses</b>	<b>39,781,919</b>	<b>34,396,324</b>
<b>Net Income</b>	<b>8,616,696</b>	<b>8,919,785</b>