



COMMUNITY MATTERS ANNUAL REPORT



COMMUNITY
FINANCIAL



Bill Lawton
Chief Executive Officer



Don Bain
Board Chairperson

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A MESSAGE FROM BOARD CHAIR DON BAIN & CEO BILL LAWTON

Thank you for your continued support and membership at Community Financial Credit Union. We are pleased to share the 2020 edition of our Annual Report in which you'll find information highlighting the credit union's commitment to our members and our communities.

2020 was a challenging year for us all. For some, that meant a loss of a job or income, while others dealt with health issues surrounding the COVID-19 pandemic. Through the uncertainty, Community Financial was able to shift our focus to keeping our community and team members safe, while providing the same support and service that have always been a priority.

In 2020, our Student-Run Credit Union program was able to shift focus online to provide safe financial education to our community's youth. With the help of our 52 school partners, we continued to teach students smart money habits that they can use throughout their lifetimes. Also, we are proud to announce that for the 15th straight year, Community Financial was selected as one of Metro Detroit's "101 Best & Brightest Companies to Work For."

Our passion for service 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. Together, we make our communities stronger through financial contributions and team member volunteer work. We are committed to growing these contributions at the same rate as we grow. Our growth in 2020 will allow us to add almost \$100,000 to our community contributions in 2021.

We would like to thank our Board members and Supervisory Committee members for their dedication to serving the credit union members on a volunteer basis. Finally, we thank you, our members. We can't change lives and build stronger communities without your membership and we hope you are proud to be an owner of Community Financial Credit Union. Thank you for your membership and we look forward to serving you in 2021.

Donald B. Bain, Jr.

Bill Lawton

2020: A YEAR IN REVIEW

Community Financial Credit Union continued to see a strong increase in membership and steady increase in member satisfaction ratings. The credit union had very solid financial results in 2020. Net income for the year was \$9.4 million which represents a 0.87% return on assets.

Total assets surpassed \$1.16 billion in 2020. Member deposits at year-end were \$975 million. Total loans increased 8.92% to over \$1.03 billion. Auto loans grew by just under 9% and commercial loans grew by 25%. Our First Mortgage portfolio increased by 12% as our members continued to take advantage of lower mortgage rates and we originated over \$250 million in first mortgage loans.

Community Financials' equity increased to \$130 million from \$121 million last year, resulting in a net worth ratio of 11.20% 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.

	DECEMBER 2020	DECEMBER 2019
ASSETS		
Net Loans to Members	1,027,650,858	943,514,807
Cash	6,086,431	5,575,363
Investments	100,610,234	38,339,831
Other Assets	25,992,112	25,805,545
TOTAL ASSETS	1,160,339,636	1,013,235,547
Liabilities & Equity		
Shares	751,272,198	548,514,685
Tot Certificate	224,007,575	260,534,852
Other Liabilities	55,036,166	83,575,599
Reserves	6,846,126	6,846,126
Undivided	123,177,570	113,764,285
TOTAL LIABILITIES & EQUITY	1,160,339,636	1,013,235,547
STATEMENT OF INCOME AND EXPENSES		
INCOME		
Income from Loans	44,264,731	43,083,368
Income from Investments	487,040	818,717
Other Income	14,819,025	12,840,050
TOTAL INCOME	59,570,796	56,742,135
EXPENSES		
Salaries/Benefits	26,515,552	23,245,126
Office Occupancy	1,879,852	1,730,428
Office Operations	7,106,506	6,312,714
Educational/Advertising	2,512,403	2,077,024
Outside Services	1,326,732	1,310,637
Dividends	5,700,330	6,264,980
Interest on Borrowed Funds	1,013,952	1,827,780
Provision for Loan Losses	2,354,185	4,471,739
Other Expenses	1,744,230	1,838,407
TOTAL EXPENSES	50,153,742	49,078,835
NET INCOME	9,417,054	7,663,300

SIGNATURE GIVING PROGRAMS

Community Financial Credit Union prides itself on enhancing our communities. Through several annual signature giving programs, we are able to partner with our members and our neighbors to lend a hand and help build stronger communities. Our team works together to provide both time and dollars to help local service organizations make a difference in their neighborhoods.



DOLLARS DONATED

Warming Hearts and Homes

\$44,000

Summer of Sharing

\$60,000

Thankful Thursdays

\$63,500

PARTNERING WITH SCHOOLS

At Community Financial we believe that it's never too early for kids to learn about saving and managing money. From scholarships to financial education presentations and Student-Run Credit Unions, we are proud to support every level of learning throughout Michigan. Our initiatives help students gain positive money habits that will last a lifetime.



COMMITMENT TO EDUCATION

52 Student-Run Credit Unions

7 Education Partnership Coordinators

286 Junior Achievement presentations reaching **2,195** students

MEMBER OUTREACH

Community Financial team members are the heart of our credit union. They not only strive to provide our members with outstanding service but also dedicate themselves to enhancing the communities in which they serve. We are committed to providing our members with tools they need to make sound financial decisions and help improve their financial well-being.



FINANCIAL WELLNESS

2,950 EverFi modules completed by members

1,621 Member calls between Greenpath and members

COMMUNITY OUTREACH DURING UNPRECEDENTED TIMES

Since opening our doors in 1951, Community Financial Credit Union has been committed to enhancing the financial well-being of our members and our communities. We know we wouldn't exist without our members and the vibrant neighborhoods in which they live. That is why we are proud to provide time, dollars and financial resources to help organizations during these unprecedented times. In total Community Financial provided more than \$111,758 in relief to nonprofit organizations in 2020, including food distribution, gas gift cards, and housing support for those in need.

As the world continues to adjust to the new normal, it's more important than ever to make sure that you and your finances are both healthy. If you are experiencing financial hardship, we are here to help. **For information please visit cfcu.org/covid.**



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