

## Report to the Membership

2020 will no doubt be remembered as one of the most challenging years of our lifetime for our Membership, Community, Country, and the World. What came of those challenges is something we are very proud of as our mission of “**People helping People**” really stood out and was demonstrated in our efforts to “work together” as one community to support each other. **Together, the Power of Community is Stronger.**

In 2020, the Credit Union provided Loan Payment Relief to about 800 members, funded 44 loans for over \$2 million to our business owners through the Government’s Paycheck Protection Program (PPP loans), supported a Senior Center Complex in need of everyday living essentials, and adopted a Livonia Family with two children for the holidays. These efforts were just some of the ways we supported our membership and community through the challenges they faced daily as the pandemic raged on. **Together, we accomplished a lot in 2020. Together, we will prosper in 2021.**

Community Alliance Credit Union (CACU) finished the year with **\$105.2 million in Assets, \$95.4 million in Shares, and \$58.7 million in Loans.** Despite the economic uncertainty and higher unemployment rates brought on by the pandemic, the credit union had positive results and our net worth ratio of **8.39%** is above the regulatory requirement of 7% and is considered **well-capitalized.** Due to the fact the Credit Union is financially sound, and we are well-capitalized, we can continue to support the future success of our members and their families. **Together, we will succeed in 2021.**

Our commitment to providing members and our communities with exceptional service, financial products, and education is what makes Community Alliance Credit Union so special and is what we continued to do throughout 2020. We improved our member service experience with the renovations made to the Livonia Branch office, including new and improved technology for in-person and drive-through transactions. We also launched our **Member Service Contact Center**, which provides members with telephone access to their accounts **24-hours a day, 7-days a week.** **Together, we will prevail in 2021.**

We continue to invest in technology to improve our service experience and in 2020, access to member accounts through **On-Line Chat 24-hours a day, 7-days a week was made available to our membership.** We are confident our members will love this additional service channel! In 2021, we will be launching our new On-Line Account Opening service for better and improved access to CACU. **Together, we will grow in 2021.**

On behalf of the Board of Directors and dedicated team of CACU, we want to personally thank each one of our loyal members for contributing to our success and wish you and your family **financial success**, now and in the future. As a member/owner, we want you to let us know if we can do anything to improve your experience with us, your “**Guide to Financial Success**”. **Together, we are CACU.**

Michele Wollard, CEO

Richard Hrivnak, Chairman

### Mission Statement:

“We guide people to financial success by helping them get comfortable with money”

## Treasurer's Report

We are pleased to report that your Credit Union continued to be financially sound in 2020, after providing financial services to all its members. The net worth of the Credit Union finished at 8.39%, which is significantly higher than the regulatory requirement of 7%.

During 2020, we experienced a substantial increase in our balance sheet as assets went up by \$11.6 million because of increased deposits related to the pandemic. We experienced a net loss for the year of \$59 thousand. Many of our members experienced challenges during the year, also related to the pandemic, which caused changes in consumer spending behavior. The Credit Union funded our Allowance for Loan Loss Account \$231 thousand due to bankruptcy filings and loan losses, though this was a significant improvement over 2019.

Our dedication to exceeding our members' expectations continued in 2020. We paid back \$575 thousand in dividends to our members and continued to provide competitive rates on savings and loans.

The National Credit Union Administration (NCUA) federally insures our members' accounts up to \$250,000 and has taken steps to ensure the financial viability of the entire credit union system. We remain strong financially and are well-capitalized.

Our commitment to offering the best possible products and outstanding service at Community Alliance Credit Union allows members to enjoy an experience that is convenient and rewarding.

Kathy Raymor  
Treasurer

Andrea Badics  
CFO

### Board of Directors

Richard Hrivnak, Chairman  
Mark LaBerge, Vice-Chairman  
Ed Buison, Secretary  
Kathy Raymor, Treasurer  
Kathy Birchfield  
William Fielder  
Karen Sanborn  
Richard Zalewski

### Credit Committee

Jeanette Blasius, Chairperson  
Jennifer Hardesty  
Stephanie Wilson  
Stephen Schmitt, Alternate  
Michele Wollard, Alternate

### Audit Committee

Dave Shears, Chairman  
Kathy Birchfield  
Rusty Steffen

### Committee on Board Membership

Kathy Birchfield  
Rusty Steffen  
Michele Wollard

### A.L.M. Committee

Kathy Raymor, Chairperson  
Richard Hrivnak  
Andrea Badics  
Stephen Schmitt  
Michele Wollard  
Jane Muszynski  
Rusty Steffen

### Technology Committee

Richard Zalewski, Chairman  
Andrea Badics  
Jamie Franz  
Mark LaBerge  
David Shears  
Michele Wollard

### Associate Directors

David Shears  
Jane Muszynski

## Credit Committee Report

The Credit Committee's role is to provide members with access to fairly priced loans. We continually review our lending policies, procedures, and scope of products offered to make sure our members receive timely credit decisions and the best possible value.

In 2020, we saw interest rates fall to a low we have not experienced since 2008. Demand for mortgages was very high in 2020, while demand for credit cards and auto loans was lower than normal. Our business relationship with Mortgage Center provides complete solutions for home-buying and home-refinancing needs, along with top-notch service, low closing costs and competitive rates.

Many members experienced financial hardship during 2020 due to the pandemic and the Credit Union was able to provide extended payment relief on \$10,000,000 in loans outstanding for 800 members. We also waived loan late fees and lowered interest rates to help members through these difficult times.

Our Member Business Lending Program also continued to grow in 2020. The Credit Union participated in the SBA's Paycheck Protection Program (PPP), designed to help small businesses affected by COVID-19 related shut-downs.

The most important responsibility of the Credit Committee is to carefully review loan requests while balancing the safety and soundness of the Credit Union. We regularly review this process to approve the greatest number of loans without compromising the assets of the Credit Union. A summary of our 2020 lending activity is listed below. The Credit Committee looks forward to meeting your borrowing needs now and in the future.

<u>Type of Loan</u>	<u>Originations</u>
Consumer Loans	\$ 4,698,367
Mortgages & Equity Loans	\$ 6,052,352
Equity Lines of Credit	\$ 1,016,025
Unsecured Lines & Credit Cards	\$ 27,280
Member Business Loans	\$ 3,401,202
<hr/> TOTAL	<hr/> \$15,195,226

Jeanette Blasius, Chairperson

## Audit Committee Report

The Audit Committee is responsible for ensuring that a comprehensive audit of the books and records of Community Alliance Credit Union is performed. Such an audit entails an independent evaluation of the adequacy of and compliance with the internal policies, procedures, and controls of the Credit Union. In order to discharge these responsibilities, we've engaged the services of the independent accounting firm of Doeren Mayhew, P.C.

The results of the audit conducted in accordance with generally accepted accounting standards were presented to the Board of Directors and the Audit Committee. They indicated that the statements of financial condition and the related statements of income, undivided earnings, cash flow and reserves present fairly the financial position of the Credit Union as of June 30, 2020. Further, their review disclosed that the policies, procedures, and controls are adequate and are being complied with.

Dave Shears, Chairman

## Committee on Board Membership

In December 2019, the Committee on Board Membership solicited the membership for nominations to the Board of Directors. Three nominations were received from the incumbents listed below to fill three positions for three-year terms, no other nominations were received. Therefore, the following incumbents were re-elected by acclamation:

- Richard Hrivnak
- Kathy Raymor
- Karen Sanborn

Michele Wollard, Chairperson

**COMMUNITY ALLIANCE CREDIT UNION**  
**BALANCE SHEET**  
December 31, 2020

**COMMUNITY ALLIANCE CREDIT UNION**  
**INCOME STATEMENT**  
December 31, 2020

<u>ASSETS</u>	Year Ended <u>December-20</u>	Year Ended <u>December-19</u>
<b>LOANS</b>		
MEMBER LOANS	\$ 51,853,943	\$ 67,289,866
BUSINESS LOANS	6,049,129	3,421,497
OFFICIAL LOANS	<u>766,421</u>	<u>323,183</u>
<b>TOTAL LOANS</b>	<u>58,669,493</u>	<u>69,972,033</u>
<b>ALLOWANCE FOR LOAN LOSS</b>	<u>699,503</u>	<u>(1,062,513)</u>
<b>NET LOANS</b>	57,969,990	69,972,033
<b>CASH &amp; CASH EQUIVALENTS</b>	13,246,459	6,867,694
<b>INVESTMENT SECURITIES</b>	28,553,086	12,065,882
<b>TOTAL FIXED ASSETS</b>	3,590,702	3,079,947
<b>OTHER ASSETS</b>	<u>1,837,407</u>	<u>1,632,605</u>
<b>TOTAL ASSETS</b>	<u><u>105,197,644</u></u>	<u><u>93,618,161</u></u>
<b><u>LIABILITIES &amp; EQUITY</u></b>		
<b>DIVIDENDS PAYABLE</b>	29,554	56,386
<b>OTHER LIABILITIES</b>	706,760	507,422
<b>BORROWED FUNDS</b>	-	-
<b>SHARES</b>	32,134,694	23,614,836
<b>CHECKING</b>	18,799,623	14,502,746
<b>CERTIFICATES</b>	19,579,101	23,663,856
<b>IRA CERTIFICATES</b>	3,396,496	3,603,079
<b>MONEY MARKET</b>	20,039,529	17,167,953
<b>IRA SHARES</b>	<u>1,492,402</u>	<u>1,610,600</u>
<b>MEMBER SHARES</b>	95,441,845	84,163,070
<b>EQUITY</b>	<u>9,019,485</u>	<u>8,891,283</u>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<u><u>\$105,197,644</u></u>	<u><u>\$ 93,618,161</u></u>

	<u>2020</u>	<u>2019</u>
<b>INTEREST INCOME</b>		
LOANS	4,101,322	5,155,796
INVESTMENTS	<u>347,154</u>	<u>351,709</u>
<b>TOTAL INTEREST INCOME</b>	<b>4,448,476</b>	<b>5,507,505</b>
<b>INTEREST EXPENSE</b>	<u>575,466</u>	<u>666,493</u>
<b>NET INTEREST INCOME</b>	<b>3,873,010</b>	<b>4,841,012</b>
<b>PROVISION EXPENSE</b>	230,889	794,376
<b>NON-INTEREST INCOME</b>	<u>1,458,331</u>	<u>1,692,899</u>
<b>NET INCOME BEFORE OPERATING EXPENSES</b>	<b>5,100,452</b>	<b>5,739,535</b>
<b>OPERATING EXPENSES</b>		
EMPLOYEE COMPENSATION & BENEFITS	2,455,815	2,704,554
OFFICE OPERATIONS	915,173	994,863
OPERATING EXPENSE	1,788,176	1,864,340
<b>TOTAL NON-INTEREST EXPENSES</b>	<b>5,159,164</b>	<b>5,563,757</b>
<b>NON-OPERATING (GAIN)LOSS</b>	-	-
<b>NET INCOME</b>	<u><u>(58,712)</u></u>	<u><u>175,778</u></u>

Submitted by: Andrea Badics, Chief Financial Officer