



Community
america[®]
CREDIT UNION

2020
Annual Report



Lisa R. Ginter, CEO

In a year that no one could have predicted, CommunityAmerica's members and the citizens of all the great communities we serve were tested like never before. Yet thanks to our board of directors, strong leadership and staff, combined with our mission and purpose to deliver financial peace of mind, CommunityAmerica came through in 2020 as safe, secure and healthy. As a result, we are in a position of strength to continue to help the region thrive, and to deliver for our members in a way that they have come to expect from us – with heart.

Who knew that just two months into 2020 that small businesses would close, employees would be forced to work remote, if they were lucky enough to keep their jobs, and children and parents would need to adjust to home-school? While we may not have planned for it, CommunityAmerica was built on the principle of people helping people, so we stood up to adversity and acted as Kansas City's Financial First-Responders to quickly and responsively be there for our employees, our members and the community.

As an organization, we quickly adjusted our operations. The goal was to keep our members and our employees safe, and we were prepared and ready to serve without any interruption to service. We took all measures seriously so we could be there to serve people – our members, our employees and our community. Today, as we reflect over this past year, one word comes to mind – gratitude. Thank you for your trust in us and your confidence in our ability to serve you.

We are still helping members and small businesses today with the impacts that COVID-19 has had, and to date we provided nearly \$525 million in loan extensions and over \$246 million in mortgage extensions. Furthermore, we supported small businesses with nearly \$54 million in Paycheck Protection

Program loans, preserving approximately 10,000 jobs in the Kansas City metropolitan area. I cannot express my gratitude enough to our staff that spent countless hours and sleepless nights so that families and businesses impacted by the devastating effects of the pandemic could hold onto hope for a positive outcome.

I encourage you to read about our performance in 2020 and the highlights of the year. While in so many ways 2020 is viewed as a year to forget, I am encouraged by the way our organization stepped up to be there for people, and how we came together with our members and the community to make Kansas City the best place in the world. From giving back \$8.4 million to our members through Profit Payout and our continued philanthropic focus, to being named Kansas City Business Journal's BEST Place to Work, there were things worth remembering.

CommunityAmerica is strong, safe and secure, and we continue to be here for our members. As a member-owner, thank you for belonging to something filled with hope and focused on a brighter future for all.

Sincerely,

Lisa R. Ginter
Chief Executive Officer



Branch Locations Reopen, May 2020



Employees Volunteering at Heart to Heart, August 2020

2020 Highlights

COVID-19 Financial First Responders

2020 was such a surprising year on so many levels, and there were new challenges facing our members that arose on a daily basis. At CommunityAmerica, we are invested in this community and the peace of mind of all those who live and work here. Therefore, when businesses started closing, employees were sent to work remotely and children went home to become remote learners with parents-as-teachers, we took it as our responsibility to remain diligent and available for our members when we knew they needed us most.

With our Readiness Task Force formed, we were able to keep our drive-thru locations open to serve our members, yet always with the safety and security of our employees and members at the forefront. We created a virtual call center so our employees could remain safe and field record numbers of calls from our members through these trying times. While other financial institutions kept their lobbies closed, as soon as we felt safe to do so, we opened ours by appointment only, and soon after, opened them to the public by adhering to strict guidelines. We felt it was important to be available, and as a result, we were rewarded by a continually growing number of members to the credit union.

Not only did we provide nearly \$525 million in loan extensions, over \$246 million in mortgage extensions and \$54 million in Paycheck Protection Program loans, we also led with our heart and offered a virtual internship to more than 350 high school and college students in the Kansas City area. We partnered with Kansas City Public Schools to offer a free

“Life Skills Series,” intended to establish a practical foundation for college and workforce planning, to the more than 4,000 students in the district. We never wavered on our focus to support and serve our members and the greater community. It is in challenging times that our value proposition as a not-for-profit, member-owned credit union shines, and we are seen even more than usual as a unique beacon of hope for the region.

Community Impact

Each year, CommunityAmerica strives to make a difference in Kansas City and beyond, and one of the biggest ways we accomplish this is through the various ways we give back to the community. Due to the pandemic, our employees could not use their 16 paid volunteer hours as much as they have in prior years, and yet the impact we had may have reached new heights.

We contributed \$1.4 million to 501(c)(3) organizations, almost \$400,000 more than in 2019. We still had 1,817 employee volunteer hours at various organizations in the metro, and since we were limited in our ability to be physically present to help out, we donated 150 meals to staff and families of these important organizations as they dedicated their time to helping those in need.

We continued the honor of being named the ‘Business Philanthropist of the Year’ in 2019 by Nonprofit Connect by serving as the presenting sponsor for Rose Brooks Center’s annual event, committed to helping break the cycle of domestic violence. We helped raise scholarship funds as presenting sponsor of Metropolitan Community College’s



CommunityAmerica Wins Best Place to Work, November 2020



Chiefs Season Kick-off Celebration, September 2020



CommunityAmerica Wins Best of Northland, April 2020

annual MLK Luncheon. And we were a large supporter of The Kansas City Regional COVID-19 Response and Recovery Fund created by United Way of Greater Kansas City, Mid-America Regional Council and Greater Kansas City Community Foundation to help address pandemic-related impacts to housing, food access, health care and other critical human services. Lastly, our CEO, Lisa Ginter, helped set an all-time fundraising record of more than \$2 million for Boys & Girls Clubs of Greater Kansas City as the co-chair of their annual event, Kids Night Out. We remain in awe of the amazing work they do to continue to serve children in the community, especially during the pandemic.

Celebrating New Milestones

The year 2020 started off with an amazing finish to the Chiefs season, securing their first Super Bowl championship in 50 years. Then the pandemic took hold, and we were all-hands-on-deck to ensure the safety, security and health of our employees and members. In the shuffle, it was a lesser-known fact that CommunityAmerica quietly celebrated its 80th anniversary. As an organization, we ended the year by almost reaching \$4 billion in assets, which is almost \$1 billion higher than the year prior. This exemplifies the success and growth that has come under great leadership, but more importantly, a promise to the communities we serve and promises we always strive to deliver.

Despite the pandemic, we still returned \$8.4 million to our members in Profit Payout to demonstrate our commitment to all of you. More Kansas Citians are realizing the benefits of being a member of CommunityAmerica, whether through

our amazing Profit Payout, access to low interest rates and competitive products and services, or our newer services like college planning, wealth management and offering property and casualty insurance. Our financial position reflects the realization of more and more people in the community switching to CommunityAmerica, and we will continue to put our members at the heart of everything we do for at least another 80 years to come.

THE Best Place to Work in Kansas City

While it was an honor to be named a top 3 “Best Place to Work” by the *Kansas City Business Journal* in 2019, we earned the distinction in 2020 of being named The #1 “Best Place to Work,” and we are so proud. This distinction was earned through an in-depth and anonymous employee survey, where employees had the opportunity to share their feedback about employment with us.

With employee perks like paid volunteer hours, an annual health stipend, health insurance options and an incredible 401(k) plan, our employees expressed their gratitude in the best way possible by voting us in for this achievement. It is our sincere hope that our employees enjoy the culture, which is fueled by celebrations around our key sponsorship with the Chiefs, other community engagement initiatives and the Five Weeks of Giving from our CEO, Lisa Ginter.

By putting our members first in all that we do, treating employees with respect and rewarding them in a variety of ways, we hope they come to the office or branch every day feeling the fulfillment of helping people on a path to achieve financial peace of mind.

Consolidated Statements of Financial Condition

December 31, 2020 and 2019 (Dollars in Thousands)

	2020	2019
ASSETS		
Cash on hand	69,813	49,624
Cash equivalents	328,904	132,767
Cash and cash equivalents	\$ 398,717	\$ 182,391
Trading securities	78,834	68,732
Securities available for sale	674,225	404,613
Investments in CUSOs	2,005	2,041
Mortgage loans held for sale	39,139	49,941
Loans, net	2,391,940	2,042,153
Accrued interest receivable	8,817	7,297
Mortgage servicing rights (MSRs)	31,359	38,624
Premises and equipment, net	62,807	60,244
Federal Home Loan Bank stock	24,490	32,527
NCUSIF insurance deposit	27,766	22,643
Delinquent GNMA loans	87,620	8,749
Other assets	59,947	43,866
Total Assets	\$ 3,887,666	\$ 2,963,821
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Members' share and savings accounts	3,223,749	2,429,284
Borrowings	91,691	90,879
Secured borrowings	87,620	8,749
Repurchase agreements	3,828	11,335
Accrued interest payable	8,564	8,798
Other liabilities	63,896	49,365
Total Liabilities	\$ 3,479,348	\$ 2,598,410
MEMBERS' EQUITY		
Regular reserve	79,130	79,130
Undivided earnings	312,099	279,405
Accumulated other comprehensive income/(loss)	4,780	(1,068)
Total CommunityAmerica Members' Equity	\$ 396,009	\$ 357,467
Non-controlling interest	12,309	7,944
Total Members' Equity	\$ 408,318	\$ 365,411
Total Liabilities & Members' Equity	\$ 3,887,666	\$ 2,963,821

Consolidated Statements of Income

Years ended December 31, 2020 and 2019 (Dollars in Thousands)

2020

2019

INTEREST

INTEREST INCOME

Loans	103,223	99,713
Securities available for sale	5,463	7,760
Trading securities	1,916	1,886
Cash equivalents	2,661	4,626
Total Interest Income	\$ 113,263	\$ 113,985

INTEREST EXPENSE

Members' share and savings accounts	19,938	21,250
Borrowed funds	2,932	3,217
Total Interest Expense	\$ 22,870	\$ 24,467
Net Interest Income	\$ 90,393	\$ 89,518
Provision for loan losses	17,800	12,550
Net Interest Income After Provision for Loan Losses	\$ 72,593	\$ 76,968

NON-INTEREST

NON-INTEREST INCOME

Service fees	17,871	20,723
Gain on the sale of loans	35,571	13,606
Credit and debit card transaction fees	32,061	28,576
Origination income	28,045	15,363
Mortgage loan servicing	13,051	11,486
Brokerage commissions	4,370	2,375
Advisory fees	3,870	4,187
Ancillary product fees	1,515	1,299
Net gains on trading securities	7,206	7,117
Net gains on sale of securities available for sale	468	329
Realized gains/(losses) on repossessed and foreclosed assets	70	(159)
Other	1,286	5,721
Total Non-Interest Income	\$ 145,384	\$ 110,623

NON-INTEREST EXPENSE

Compensation and benefits	95,370	81,596
Operations	35,654	28,939
Professional fees and outside services	14,766	12,432
Advertising	12,082	10,042
Occupancy	8,280	8,394
Loan processing	7,503	5,120
Travel and conference	1,608	1,929
Other operating expenses	8,524	7,459
Total Non-Interest Expense	\$ 183,787	\$ 155,911
Net Income	\$ 34,190	\$ 31,680
Net income attributable to non-controlling interest	4,365	564
Net Income Attributable to CommunityAmerica	\$ 29,825	\$ 31,116

Consolidated Statements of Members' Equity

Dollars in Thousands	Retained Earnings			Accumulated Other Comprehensive Income/(Loss)	Non-Controlling Interest	Total Members' Equity
	Regular Reserve	Undivided Earnings	Total			
Balance, January 1, 2019	\$ 79,130	\$ 248,573	\$ 327,703	\$ (9,021)	\$ 7,380	\$ 326,062
Net income	—	31,116	31,116	—	564	31,680
Other changes to undivided earnings	—	(284)	(284)	—	—	(284)
Other comprehensive income	—	—	—	7,953	—	7,953
Balance, December 31, 2019	\$ 79,130	\$ 279,405	\$ 358,535	\$ (1,068)	\$ 7,944	\$ 365,411
Net income	—	29,825	29,825	—	4,365	34,190
Election of fair value option for mortgage servicing rights	—	2,869	2,869	—	—	2,869
Other comprehensive income	—	—	—	5,848	—	5,848
Balance, December 31, 2020	\$ 79,130	\$ 312,099	\$ 391,229	\$ 4,780	\$ 12,309	\$ 408,318

Treasurer's Report

In 2020, CommunityAmerica Credit Union grew total assets by \$923.8 million, to \$3.89 billion. Consumer deposits increased by \$605.7 million over the year, while commercial deposits grew \$188.8 million, totaling \$3.22 billion in deposit balances at year-end. During the same year, CommunityAmerica originated \$1.7 billion in consumer loans and \$159.1 million in commercial loans, equating to a total loan growth rate of 16.3%. Total loan balances reached \$2.4 billion at year-end 2020. The credit union's lending policies and collection practices resulted in an overall delinquency rate of 0.48% and a charge-off ratio of 0.35% for 2020. CommunityAmerica generated \$29.8 million in net income in 2020, resulting in a 10.5% capital-to-asset ratio. These results include the end of year Profit Payout to members, which totaled \$8.4 million.

Supervisory Report

The Supervisory Committee of the Credit Union has a responsibility to serve members of CommunityAmerica. The committee meets at least quarterly to ensure the credit union operates properly and in accordance with the rules and regulations established by the National Credit Union Administration and the Missouri Division of Credit Unions.

Furthermore, we retained an independent audit firm to form an opinion on the accuracy of our consolidated financial statements. We are pleased to report that our audit yielded an unqualified opinion from our auditors, noting our financial statements to be presented fairly and in accordance with accounting principles generally accepted in the United States of America.

Board of Directors

CommunityAmerica's Board of Directors is elected by members. This volunteer group functions on our behalf to oversee the operations of the credit union. The Board meets every other month to ensure the credit union runs smoothly and in accordance with regulations.

Dean Newton, *Chairman*
 Kerry Domke, *Vice Chairman*
 David Shepard, *Secretary/Treasurer*
 Melanie Coleman
 Alan Lowden
 Amy McAnarney
 Trent Skaggs
 Alok Srivastava
 Richard Wetzel

Supervisory Committee

The members of our Supervisory Committee volunteer their time to provide an additional level of checks and balances. This group meets at least quarterly, as well as with the Board of Directors.

Joe Williams, *Chairman*
 Hal Bentley
 Joshua Johnson
 Tracy Christian



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