



# Setting the Stage

## Chairman's Report

As the country and the U.S. Economy emerged from COVID-19 in 2022, Commonwealth One – your credit union -- remained a safe and sound financial institution. While the country faced challenging economic conditions, we focused on building the foundation for a better future for our members. Our dedicated team, under the leadership of our President/CEO, Frank Wasson, explored and adopted new technologies to provide more robust member services while continuing to provide the best financial education to our members and contributing to the communities we serve.

During 2022, which was Mr. Wasson's first full year of Commonwealth One leadership, we laid the groundwork necessary to provide our members with a more streamlined, user-friendly digital and in-person experience, while

continuing our long-standing commitment to making a positive impact in the financial lives of our members and communities.

In February, we launched a new digital banking platform enabling our members to seamlessly access their accounts through online and mobile channels. We also launched contactless credit cards and platforms to enhance services while improving member interactions and experience – when joining, applying for a loan, or requesting assistance online. We are steadfast in our commitment to invest in technology to keep pace with member needs and preferences, and we began the process of implementing a comprehensive core system improvement in 2025.

Commonwealth One remains committed to helping members achieve their long-term financial goals that enable them to enjoy a better life. Our financial literacy programs were developed with this in mind. Commonwealth One is proud to have been recognized by the Credit Union National Association for our commitment to educating members and our community in an effort to promote financial wellness. In addition, our credit union received a first-place National Desjardins Award (\$250 million-\$1 billion asset category) for partnering with the City of Alexandria Public School District, Harrisonburg City Public Schools, and several other community groups to provide a host of financial education resources to educate area youth.

In September 2022, we reached \$500 million in assets, a goal we set six years ago to better serve our members by offering superior products and services through technology, providing improved training while onboarding new staff, and expanding our technology investments. Achieving our goal of \$500 million in assets confirms that our credit union continues to thrive, and that we are well-positioned for long-term growth and stability. In fact, the credit union ended 2022 with \$533 million in assets.

In summary, we continue to be a strong credit union that achieves our goals, and we remain committed to bringing the best products and services to our membership. We also recognize that we were successful in reaching our goal because of you, our members, the very reason for our existence, as well as the stars of the show. We know that, in today's world, you have many choices for financial services, so we are grateful for and thank you for your continued trust and support. Our purpose is: To be there For You – For Life.

*Rupert J. Jennings, III*

Rupert J. Jennings, III

## President/CEO's Report

The past year was a year of positive change and growth at Commonwealth One. Our focus in 2022 was to provide a broader array of products, enhance services to our members, grow our assets, and remain a robust financial institution. We accomplished our goals and had a successful year.

Although the impact of the global pandemic on the economy changed borrowing behavior, we experienced record loan growth in 2022. We funded over \$120 million in loans, helping 3600 members realize their dreams. Aiding in achieving this goal was the introduction of our Made to Match Mortgage Program, which expanded our mortgage loan product offerings. Made to Match incorporated an underwriting approach with a personal touch that allowed more flexibility and alternative qualification methods which enabled more opportunities for Commonwealth One to say "yes."

We continued to support our members and communities through our commitment to financial education. "The ONE University" was launched in March as financial literacy program to help adult members get on the path to financial wellness. In addition, our "Adulting 101" program offered a series of webinars to prepare young adults for the transition to adulthood and the responsibilities required at that stage in life. We also added financial counselors through our partnership with GreenPath, a non-profit organization with more than 60 years of helping people build financial health and resiliency. In addition to free financial counseling, GreenPath offers debt management and housing counseling services.



We celebrated 30 years of dedicated service to the James Madison University students, faculty, and staff. We commemorated this milestone by establishing The Charlotte Cash Award, a scholarship in honor of our previous President/CEO. This need-based financial award will benefit incoming first-year students at James Madison University. This scholarship is now one of

the seven scholarships that we offer annually. Finally, to bring awareness and a bit of entertainment to the JMU community, our 2<sup>nd</sup> Punt, Pass & Kick contest was held at the homecoming game on October 22. The contest allowed several members to have some fun and a chance to win \$25,000.

In May 2022, we unveiled our new logo with our why statement and brand promise to those we serve. We pledged to focus on the big picture – the member experience to better serve you. With this new resolve and purpose, we spread the word throughout the communities we serve, welcoming more than 2,300 new members to our Commonwealth One family. In 2023, we will continue our efforts to exceed your expectations. The scene has been set for your financial growth and performance through the introduction of new products and the enhancement of service delivery both online and in person. We thank you for your continued support and appreciate your membership. We're here For You – For Life, and we look forward to partnering with you throughout your financial journey.

*Frank Wasson*

Frank Wasson  
President/CEO



## Treasurer's Report

In 2022, Commonwealth One maintained its status as a stable and secure financial institution for our members. Our assets remained steady, thus providing our membership with a dependable and secure financial cooperative upon which our members can rely.

Total assets increased compared to last year, ending 2022 at \$533 million compared with \$489 million in 2021. This \$44 million increase reflects your confidence in Commonwealth One's ability to grow and remain strong during times of ongoing global and economic uncertainty.

Total member deposits decreased, ending the year at \$427 million in 2022 versus \$441 million in 2021. Commonwealth One continued to offer value to our members through competitive share rate and term deposit offerings.



Our total loans at 2022 year-end totaled \$357 million. Our loans grew a record \$78 million, or 28%, in year-over-year results compared to December of last year.

Net income for the year was \$115,044. Over the past five years, we have successfully attained a level

of profitability that has kept our capital position very strong. As a result, our Net Worth-to-Asset Ratio sits comfortably at 8.77%. Keeping our equity stable and strong enables us to invest in new and innovative technologies to deliver exceptional value and service to our members consistently. In 2022, we made several investments in updating our technology and enhanced the digital services that we offer our members.

The Board of Directors, management, and staff will continue to assist members while deploying resources to strengthen our credit union. This will ensure we meet both the needs of our members and the communities we serve now and in the future. Whether loans, deposits, or financial services, Commonwealth One is "For You - For Life."

*John F. Knight*  
Treasurer,  
Board of Directors



- BOARD OF DIRECTORS**
- Rupert J. Jennings, III  
*Chairman*
  - Daniel R. Murray  
*Vice Chairman*
  - Archie B. Ford,  
*Secretary*
  - John F. Knight,  
*Treasurer*
  - Dr. William P. Jackameit
  - George McAndrews
  - Mary L. Summers



## Supervisory Committee's Report

The Board of Directors appoints the Supervisory Committee to safeguard the assets of Commonwealth One. To meet this objective, the Committee:

- Arranges for and oversees audits.
- Ensures that federal and state regulations, as well as credit union bylaws, are followed.
- Reviews annual internal audit reports and other documentation.
- Confirms that financial reporting obligations are met.
- Checks internal control policies and procedures.

Our internal auditors, PBMares LLP, perform internal audits to ensure operations are in accordance with policies and guidelines. In addition, CPA Firm Doeren Mayhew conducted the annual audit of our Financial Statements for the year ending December 31, 2022. Based on their examination and our review of management and the Board of Directors' actions, the Supervisory Committee has determined that Commonwealth One is financially sound and that internal controls are operating effectively.

In 2022, The National Credit Union Administration (NCUA) completed an examination of the financial condition of your credit union, and our compliance with applicable rules and regulations with an effective date of September 30, 2022. The Supervisory Committee thanks management, staff, and our members for their assistance and cooperation throughout 2022.

*Frank Q. Tedeschi*  
Chairman,  
Supervisory Committee



- EXECUTIVE TEAM**
- Frank Wasson,  
*President/CEO*
  - Larry Flory,  
*Chief Information Officer*
  - Isabel Gomez,  
*Chief Financial Officer*
  - Jeff Klein,  
*Chief Lending Officer*
  - David Lane,  
*Chief Human Resources Officer*
  - Chris Olinick,  
*Chief Experience Officer*
  - Karyle Thornton,  
*Chief Marketing Officer*

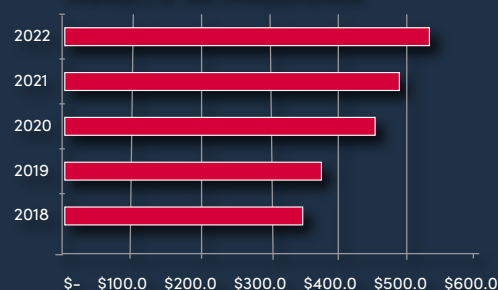
- SUPERVISORY COMMITTEE**
- Frank Q. Tedeschi,  
*Chairman*
  - Jessie L. Horneber,  
*Secretary*
  - Marvin T. Isom
  - Ronald F. McCray



## STATEMENT OF FINANCIAL CONDITION

ASSETS	2022	2021
Loans to members (net)	\$ 356,867,275	\$ 278,713,311
Cash & cash equivalents	8,771,668	7,529,672
Investments	134,561,040	173,969,614
Accrued interest receivable	1,497,627	1,119,523
Property & equipment, net	5,967,755	6,174,296
Other assets & prepaid expenses	25,418,881	21,672,047
Total Assets	<u>\$533,084,246</u>	<u>\$489,178,463</u>
<b>LIABILITY, SHARE ACCOUNTS AND EQUITY</b>		
Accounts payable & accrued expenses	\$ 1,955,754	\$ 1,303,592
Dividend payable	394,863	415,594
Borrowed Funds	62,500,000	—
Shares to Members		
Share certificates	83,436,013	89,222,533
Share draft accounts	95,440,398	100,730,026
Other share accounts	248,284,275	250,999,787
Total Shares of Members	<u>\$ 427,160,686</u>	<u>\$440,952,346</u>
Members' Equity, partially restricted		
Regular reserves	\$ 6,298,552	\$ 6,298,552
Undivided earnings	40,478,323	40,779,631
Accumulated other comprehensive income	(5,703,932)	(571,252)
Total member's equity	<u>\$ 41,072,943</u>	<u>\$ 46,506,931</u>
Total Liabilities, Share Accounts & Equity	<u>\$533,084,246</u>	<u>\$489,178,463</u>

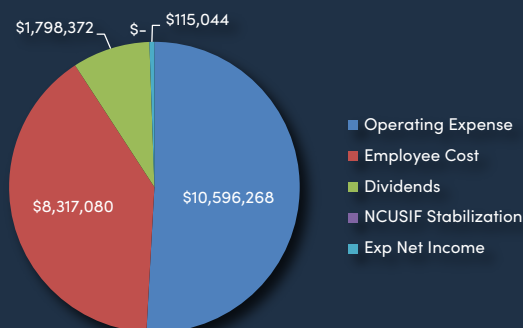
### ASSETS IN MILLIONS



## STATEMENT OF OPERATIONS

INCOME	2022	2021
Interest on loans	\$ 14,021,836	\$ 12,282,948
Interest on investments	1,570,893	1,191,673
All other income	5,070,818	6,003,352
Total Operating Income	<u>\$ 20,663,546</u>	<u>\$ 19,477,973</u>
<b>OPERATING EXPENSE</b>		
Compensation & employee benefits	\$ 8,317,080	\$ 6,827,210
Office operations	8,369,062	7,437,398
Office occupancy	905,109	883,820
Provision for loan losses	799,651	808,825
Interest on borrowed money	522,446	—
Total Operating Expense	<u>\$ 18,913,348</u>	<u>\$ 15,957,253</u>
Income before dividends on members' shares	\$ 1,750,198	\$ 3,520,720
Dividends on members' shares	1,798,372	2,135,054
Income after payment of dividends	<u>\$ (48,174)</u>	<u>\$ 1,385,666</u>
Other Non-Operating Income	163,217	322,154
Net Income before NCUSIF Stabilization	<u>\$ 115,044</u>	<u>\$ 1,707,820</u>
NCUSIF Stabilization Expense	\$ —	\$ —
Net Income after NCUSIF Stabilization	<u>\$ 115,044</u>	<u>\$ 1,707,820</u>

### DISTRIBUTION OF GROSS INCOME



### NET LOANS TO MEMBERS IN MILLIONS

