

for you. for life.



2021 presented a year of rapid change and challenges for our nation and CommonWealthONE. We focused our priorities on keeping both our members and employees safe while continuing to efficiently and exceptionally serve our members during the pandemic. We celebrated the retirement of Charlotte Cash as CEO in August and welcomed Frank Wasson as the fourth ever President/CEO of CommonWealthONE since its founding in 1944.

Most notably, as we continued our mission to impact the lives of our members and the communities we serve, we were honored to be a recipient of two Credit Union National Association (CUNA) awards in the \$200 million to \$1 Billion Asset categories: The Dora Maxwell Award for Social Responsibility in supporting the Capital Area Food Bank in Northern Virginia and Mercy House in Harrisonburg through our MLK Day of Service Winter Food Drive and the Desjardins Financial Literacy Award for our adult financial education programs.

I especially want to commend the entire staff, management, and executive leadership team for their dedication to serving our members during a second year that has been like no other in modern times.

CommonWealthONE has successfully attained a level of achievement that has kept our capital position very strong, ending the year with \$489 million in assets and earnings of \$1.7 million.

And once again, I would like to thank our members for their continued support and trust. You are the reason for our existence. We know you have many choices for financial services, and we will continue to work hard **for you — for life.**



Chairman,
Board of Directors

Chairman's Report



With an experienced, passionate, and progressive new CEO in Mr. Wasson and a refreshed vision and strategic focus, we continued to provide thousands of members with financial assistance, competitive products, and resources while capitalizing on opportunities to innovate and adapt by leveraging the latest technologies to enhance our services.

CommonWealthONE designed and built a more robust website, implemented a contactless debit card program for secure transactions, installed a new phone system, and made improvements to several other service areas to create a more seamless member experience throughout all member access channels.

IN CHALLENGING TIMES

CommonWealthONE is even more committed to helping our members navigate uncharted financial waters.



I am pleased to join CommonWealthONE and serve as your President/CEO. I am excited for the opportunity to continue to build upon a legacy of over 77 years of dedicated service, which has resulted in one of the strongest credit unions in the Washington Metropolitan area.

Without question, these are challenging times for many families in our community. In these moments, CommonWealthONE is even more committed to helping our members navigate uncharted financial waters.

We continued our support in the community through our volunteer programs and partnerships, which included fundraising for the Alexandria Children's Fund, Feed America, RMH Sentara Hospital's Hope Cancer Fund, Children's Miracle Network Hospitals®, the collecting of school supplies for Alexandria City Public Schools and Mercy House, and much more.

At CommonWealthONE, we recognize our responsibility to create and deliver value to you and future members. We are resolute in our efforts to exceed your expectations to maintain your continued loyalty. In the year to come, you can expect to see an even broader array of products and enhancement of services at our branches, on the phone, and through our online and mobile banking.

On behalf of the CommonWealthONE Team (Team ONE), I would like to thank you, our members, because you are the most important part of the credit union and the reason that we are here. We look forward to bringing you the best in member service, the finest in financial services, and rewards culminating in a premier banking experience for you – for life.

President/CEO

President/ CEO's Report

Although the impact of the global pandemic on the economy resulted in dramatic shifts in borrowing behavior, we assisted thousands of members by funding over \$78 million in loans. We awarded over \$30,000 in scholarships, provided free financial counseling, developed new online webinars and workshops, and held question-and-answer panels to help improve member's lives with topics covering "adulting," home buying, budgeting, debt management, credit monitoring, and car buying, to name just a few.



In 2021, CommonWealthONE maintained its status as a stable and secure financial institution for our members. Its assets remained steady, thus providing our membership with a strong financial cooperative upon which our members can rely.

Members wisely sought the safety and soundness of CommonWealthONE's financial services, as evidenced by the following:

Total assets increased compared to last year, ending 2021 at \$489.2 million compared with \$453.8 million in 2020. This increase of \$35.4 million, or 7.78%, reflects your confidence in CommonWealthONE's ability to grow and remain strong in ongoing global and economic uncertainty.

Treasurer's Report

Total member deposits increased as well, ending the year at \$440.9 million in 2021 versus \$405.5 million in 2020. Member deposit accounts continue to grow, but the high rate of share growth present throughout the pandemic has begun to slow down a bit. CommonWealthONE continued to offer value to our members through competitive share rate offerings resulting in year-over-year growth in deposits of 8.73%, or \$35 million.

The national decline in loan growth began to stabilize, and signs of growth emerged during the latter part of the second year of the pandemic. Our total loans at 2021 year-end totaled \$278.7 million, a 2.53% increase from the previous year. The year-end loans-to-share deposits ratio declined from 66.96% to 63.15%, which remained in line with our peers, indicating that

OVER THE PAST FIVE YEARS,
we have successfully
attained a level of
profitability that
has kept our capital
position very strong.



CommonWealthONE continues to meet the financing needs of its members.

Net income for the year was a healthy \$1,707,820, which is 1.51% less than our 2020 net income of \$1,734,067. Most of the decline in the 2021 income can be attributed to the continued effects of the pandemic, which brought in loan payment deferrals, lower loan demand, and lower market interest rates on loans and investments, which impacted our net interest margin.

Over the past five years, we have successfully attained a level of profitability that has kept our capital position very strong. Our Net Worth-to-

Asset Ratio sits comfortably at 9.62%. Keeping our equity stable and strong enables us to invest in new and innovative technologies to consistently deliver exceptional value and service to 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 both now and in the future. Whether it's loans, deposits, or financial services, "We're Here For You – For Life."

Dr. William P. Jackameit

Treasurer,
Board of Directors



The Supervisory Committee is appointed by the Board of Directors to safeguard the assets of CommonwealthONE Federal Credit Union. To meet this objective, the Committee:

Doeren Mayhew, CPAs conducted the annual audit of our Financial Statements for the year ending December 31, 2021. Based on their examination, as well as our own review of management and Board of Directors actions, the Supervisory Committee has determined that CommonwealthONE is financially sound and internal controls are operating effectively.

Supervisory Committee's Report

- » 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 2020, 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 June 30, 2020. The Supervisory Committee thanks management, staff, and our members for their assistance and cooperation throughout 2021.

Chairman,
Supervisory Committee

BOARD OF DIRECTORS

- Rupert J. Jennings, III,
Chairman
- John F. Knight,
Vice Chairman
- John D. Hulvey,
Secretary
- Dr. William P. Jackameit,
Treasurer
- Archie B. Ford
- Daniel R. Murray
- Mary L. Summers

SUPERVISORY COMMITTEE

- Kevin J. Cochran,
Chairman
- Frank Q. Tedeschi,
Secretary
- Jessie L. Horneber
- Marvin T. Isom
- Ronald F. McCray

EXECUTIVE TEAM

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

STATEMENT OF Financial Condition

ASSETS

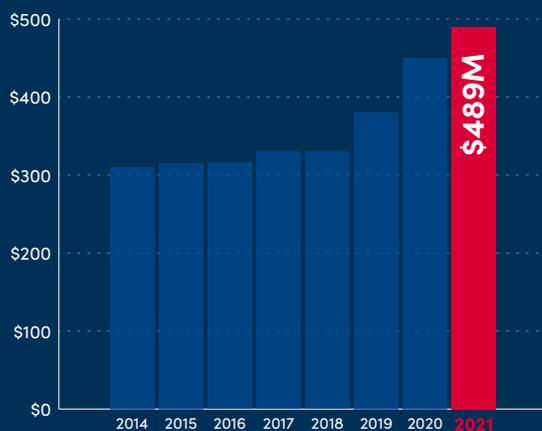
	2021	2020
Loans to members (net)	\$ 278,713,311	\$ 270,738,977
Cash & cash equivalents	7,529,672	5,623,723
Investments	173,969,614	145,648,324
Accrued interest receivable	1,119,523	1,030,623
Property & equipment, net	6,174,296	6,531,131
Other assets & prepaid expenses	<u>21,672,047</u>	<u>24,311,775</u>
Total Assets	<u>\$ 489,178,463</u>	<u>\$ 453,884,553</u>

LIABILITY, SHARE ACCOUNTS AND EQUITY

Accounts payable & accrued expenses	\$ 1,303,592	\$ 1,635,865
Dividend payable	415,594	600,412
Borrowed Funds	-	-
Shares to Members		
Share certificates	89,222,533	101,252,883
Share draft accounts	100,730,026	87,379,640
Other share accounts	<u>250,999,787</u>	<u>216,909,630</u>
Total Shares of Members	\$ 440,952,346	\$ 405,542,153
Members' Equity, partially restricted		
Regular reserves	\$ 6,298,552	\$ 6,298,552
Undivided earnings	40,779,631	39,071,811
Accumulated other comprehensive income	<u>(571,252)</u>	<u>735,760</u>
Total member's equity	\$ 46,506,931	\$ 46,106,122
Total Liabilities, Share Accounts & Equity	<u>\$ 489,178,463</u>	<u>\$ 453,884,552</u>

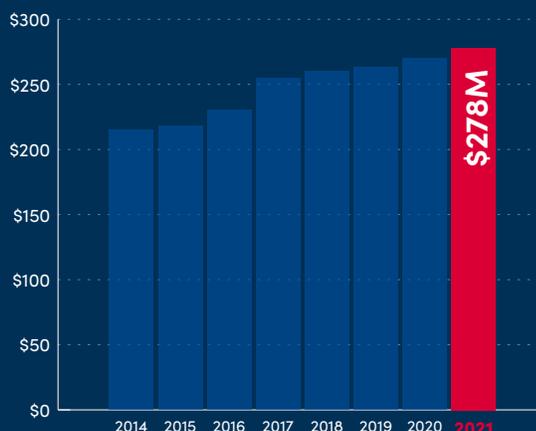
Assets

DOLLARS IN MILLIONS



Net Loans to Members

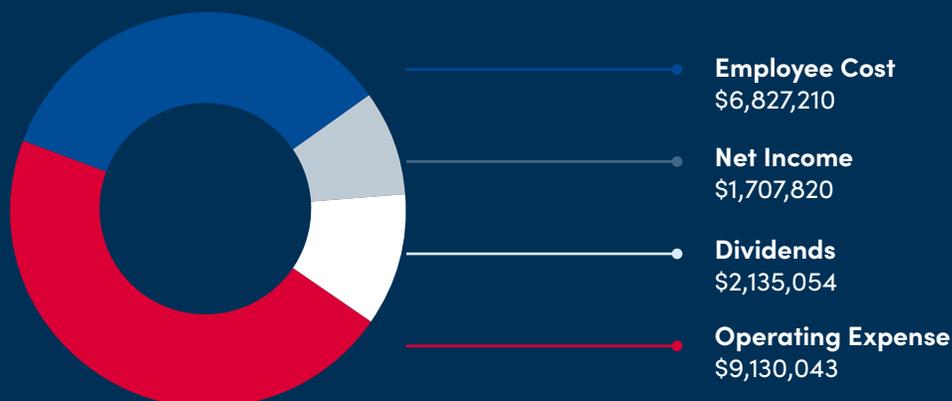
DOLLARS IN MILLIONS



STATEMENT OF Operations

	2021	2020
INCOME		
Interest on loans	\$ 12,282,948	\$ 13,660,364
Interest on investments	1,191,673	1,274,538
All other income	<u>6,003,352</u>	<u>5,579,371</u>
Total Operating Income	\$ 19,477,973	\$ 20,514,274
OPERATING EXPENSE		
Compensation & employee benefits	\$ 6,827,210	\$ 7,151,111
Office operations	7,437,398	6,876,807
Office occupancy	883,820	838,024
Provision for loan losses	808,825	1,256,466
Interest on borrowed money	<u>—</u>	<u>—</u>
Total Operating Expense	\$ 15,957,253	\$ 16,122,408
Income before dividends on members' shares	\$ 3,520,720	\$ 4,391,866
Dividends on members' shares	<u>2,135,054</u>	<u>2,855,714</u>
Income after payment of dividends	\$ 1,385,666	\$ 1,536,152
Other Non-Operating Income	322,154	197,915
Net Income before NCUSIF Stabilization	<u>\$ 1,707,820</u>	<u>\$ 1,734,067</u>
NCUSIF Stabilization Expense	\$ —	\$ —
Net Income after NCUSIF Stabilization	<u>\$ 1,707,820</u>	<u>\$ 1,734,067</u>

Distribution of Gross Income





CommonwealthONE

FOR YOU • FOR LIFE

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