

A photograph of a family of three standing in front of a white house with a red roof. The woman on the left is smiling and holding a baby. The man on the right is also smiling and holding the baby. The house has a white door with a wreath and a window with blue shutters. The number '520' is visible on the house's exterior.

# Annual Report 2020

# A Message from the CEO and Board Chair

**What a year this has been!** From floods to wildfires, social unrest, and the COVID-19 pandemic, in 2020 our community faced extraordinary challenges. Aligned in our purpose and values, Unitus supported our members with proactive, consistent, creative solutions. These included COVID and wildfire emergency loan programs, penalty-free skip-payments, and increased contributions to local nonprofit organizations. To protect our members, we increased our capital, allowance, and liquidity, ensuring that we would remain safe and sound. We reduced expenses, increased efficiency, and helped members make the most of unexpected opportunities.

As an essential service provider, we remained open to the community throughout COVID-19. To ensure the safety of our employees, our members, and our community, we closely monitored every development, maintained regular and open communication, and increased our investments in personal protection.

We were diligent in our response to the economic challenges caused by the pandemic. More than 5,700 members skipped payments on their loans, without penalty. Over 350 local businesses received Paycheck Protection Assistance to help keep their doors open. Dozens of members took advantage of our emergency 0%-interest loan while numerous homeowners received mortgage forbearance to help them cover essential payments.

Natural disasters such as the Pendleton floods and West Coast wildfires also required an immediate response. We called members impacted by these catastrophic events to extend assistance and offered emergency loans to help community members recover. We made significant contributions to support organizations such as the Red Cross Cascades and the United Way of Mid-Willamette Valley.

Amidst all these challenges, Unitus continued to make significant product and member service improvements. Among them, we opened our Virtual Branch to provide members uplifting personal service without being inside a physical branch. This allows us to meet our members wherever they are, by video or live chat, through any internet-connected device. In another member convenience improvement, we introduced Appointment Scheduling. Rather than wait at a branch, members can now reserve time at any open Unitus branch that works with their schedule.

“ **About our Virtual Branch:**  
Fast, easy & so helpful. Nice to talk to a real person (not a Bot like other sites). ”

**The past year also saw great progress** for our Hispanic community members. Our new Citizenship Loan program supports individuals becoming U.S. citizens. Home loans are now available to any member with a valid Income Tax Identification Number, whether or not they have a Social Security Number. We hired 17 Spanish-speaking employees and began tracking Spanish-language preferences for members. And we sent our first email completely in Spanish, with many more to come.

In 2020, we focused on the needs of our community. In the face of tragic events, we increased support for our Black community, joining the Credit Union DEI Collective, a nationwide credit union movement, in the pledge to fight against racism and racial inequality. We contributed to organizations including the Black Resilience Fund, the Black Parent Initiative, and Self Enhancement, Inc. Internally, we developed a long-term roadmap for continued progress.

We also helped provide food and clothing for local families in need. Our partnership with local nonprofit Sunshine Division aided in this important cause, as did our contributions to food programs including Brown Hope, the Clark County Food Bank, and the Good Neighbor Center.

In 2021, we aim to expand our business services, serve more members through our Virtual Branch, assist more members with GreenPath's financial wellness program, personalize our products and services, progress toward social justice reforms, improve service offerings for our Spanish-speaking community, and continue realizing our purpose to inspire hope by navigating through life's defining moments together with our members.



Steven Stapp, President/CEO



Somnath Banerjee, Chair

## Unitus in 2020

- Expanded our GreenPath partnership, giving members exclusive access to empathetic financial wellness experts who help members get out of debt, build credit, and manage their money
- Chartered a Diversity, Equity & Inclusion (DEI) Committee to enhance our DEI practices, provide a platform for minority voices, and engage employees in our roadmap to continued progress
- Launched the HomeAdvantage program, helping members connect with trusted real estate agents and receive extra money back at closing when buying or selling their home
- Earned the Corporate Philanthropy Award once again from Portland Business Journal in honor of outstanding contributions to charitable causes
- Continued our partnership with Children's Cancer Association, raising awareness and funds to bring joy to kids and teens undergoing lengthy, challenging medical procedures
- Helped a record number of members buy a home or refinance their current home
- Sponsored the Portland Rose Festival, a century-old Portland institution, for the 6th straight year

# The Report of the Audit Committee

The Audit Committee is appointed by the Board of Directors to provide oversight of the financial reporting process, system of internal controls, monitoring of compliance with laws and regulations, and code of conduct activities. To fulfill its duties, the Committee utilized services of an independent audit firm and the Credit Union's internal audit function.

The independent accounting firm Moss Adams LLP was engaged by the Committee to conduct a financial audit as of and for the year ended December 31, 2020 and perform a verification of member accounts in accordance with federal and state laws. The Committee utilized internal audit to review, measure, and report on activities that ensure compliance with laws and regulations as well as continued integrity of the internal control environment.

Based on reports and information received, it is the opinion of the Audit Committee that Unitus Community Credit Union's financial operations and system of internal controls are sound. Summarized financial statements have been included in this annual report. I would like to thank the Audit Committee members for their commitment, energy, and enduring effort throughout 2020.



Luke Watson, Chair

# The Report of Independent Auditors

## To the Board of Directors and Audit Committee

Unitus Community Credit Union  
Portland, Oregon

The accompanying summary financial statements, which comprise the summary statements of financial condition and the related summary statements of income, comprehensive income, and changes in members' equity, are derived from the audited financial statements of Unitus Community Credit Union (the Credit Union) as of and for the years ended December 31, 2020 and 2019. We expressed an unmodified audit opinion on those financial statements in our report dated March 2, 2021.

The summary financial statements do not contain all the disclosures required by accounting principles generally accepted in the United States of America. Reading the summary financial statements, therefore, is not a substitute for reading the audited financial statements of the Credit Union.

## Management's Responsibility for the Summary Financial Statements

Management is responsible for the preparation of the summary financial statements.

## Auditor's Responsibility

Our responsibility is to express an opinion about whether the summary financial statements are consistent, in all material respects, with the audited financial statements based on our procedures, which were conducted in accordance with auditing standards generally accepted in the United States of America. The procedures consisted principally of comparing the summary financial statements with the related information in the audited financial statements from which the summary financial statements have been derived.

## Opinion

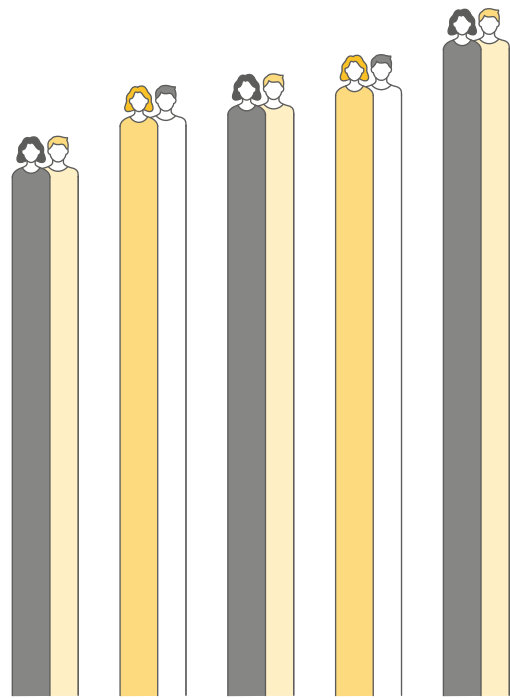
In our opinion, the summary financial statements of the Credit Union as of and for the years ended December 31, 2020 and 2019 referred to above are consistent, in all material respects, with the audited financial statements from which they have been derived.

## Moss Adams LLP

Portland, Oregon  
March 4, 2021

## Members

86,882 89,993 93,305 98,452 101,019

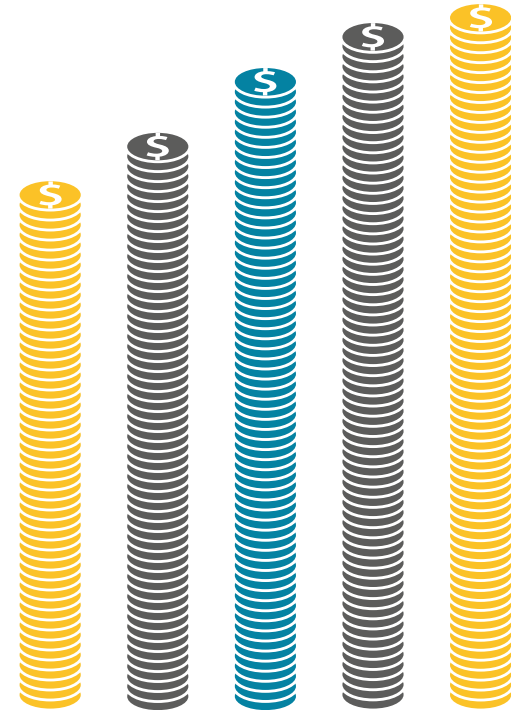


2016 2017 2018 2019 2020

Our total number of members. The more members we have, the more money remains in our community helping individuals, families, and businesses grow.

## Loans

\$748M \$816M \$908M \$973M \$998M

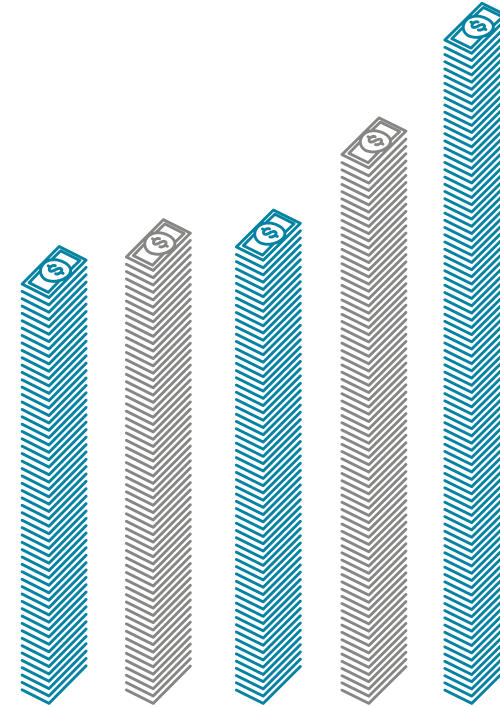


2016 2017 2018 2019 2020

The total monies members are borrowing at each year-end. These loans fund houses, college tuition, automobiles, and more to help community members improve quality of life.

## Shares

\$924M \$980M \$1,000M \$1,185M \$1,415M

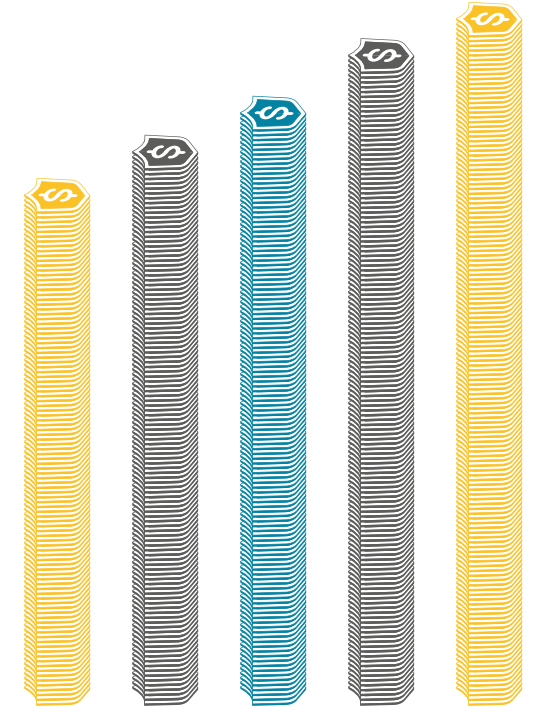


2016 2017 2018 2019 2020

The total monies members have on deposit at each year-end. These are the funds members trust Unitus to hold for future savings and to use for the things members need.

## Members' Equity

\$111M \$120M \$128M \$141M \$149M



2016 2017 2018 2019 2020

The investment we all make as shared owners of our credit union cooperative. This protects the membership and community during economic downturns.

## Cash & Investments

2016  \$275M

2017  \$280M

2018  \$251M

2019  \$336M

2020  \$550M

The store of investments and liquid funds we manage carefully to ensure our members are well-served today, and even better-served tomorrow

**unitus**  
YOU US UNITUS

# The Year in Numbers

Through disaster assistance, food programs, community contributions, and even a brand new Virtual Branch, our credit union supported our members and community in 2020.



## Total Members

101,019



## Home Loans

1,454 loans funded  
totaling \$421.41M



## Community Donations

\$320K contributed directly  
to our community



## Virtual Branch

11,678 chats  
19,045 response emails



## Consumer Loans

11,522 loans funded  
totaling \$430.97M



## Business Loans

116 loans funded  
totaling \$43.29M



## Paycheck Protection Loans

\$12.96M loans funded



## COVID-19 Emergency Loans

49 zero percent loans given  
totaling \$165.47K



## Disaster Relief

\$69K contributed directly  
to disaster victims



## Mobile Deposits

211,648 deposits made  
totaling \$141.86M



## Mobile App

4.8 average app rating across  
Google Play and Apple stores



## Unitus Reviews

290 new 5-star Unitus reviews  
across Google and Yelp



# Statements of Income

## Statements of Income

Years Ended December 31,  
2020 2019

### Interest income

Interest on loans receivable  
Interest on investments and cash equivalents  
Total interest income

\$	40,120,198	\$	39,992,198
	3,878,593		6,237,419
	43,998,791		46,229,617

### Interest Expense

Dividends on members' shares  
Interest on borrowed funds  
Total interest expense

8,487,915	10,003,977
1,080	930
8,488,995	10,004,907

### Net interest income

35,509,796	36,224,710
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### Provision for loan losses

8,773,931	2,368,996
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### Net interest income after provision for loan losses

26,735,865	33,855,714
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### Non-interest income

Mortgage banking and loan servicing  
Service charges and fees  
Interchange income  
Gain on sale of equity securities  
National Credit Union Share Insurance Fund distribution  
Gain on sale of investment securities available-for-sale  
Other non-interest income  
Total non-interest income

11,445,944	5,919,498
5,493,428	6,345,005
5,484,171	5,330,946
–	1,841,102
–	143,880
–	18,184
366,527	325,088
22,790,070	19,923,703

### Non-interest expense

Compensation and benefits  
Office occupancy  
Data processing  
Office operations  
Loan servicing  
Promotional  
Professional services  
Other non-interest expenses  
Total non-interest expense

26,334,706	26,445,964
4,159,475	3,994,634
3,828,501	2,896,410
3,758,983	4,172,798
1,536,230	1,329,815
1,233,088	2,056,149
1,176,502	1,491,361
1,031,210	2,205,048
43,058,695	44,592,179

### Net income

\$	6,467,240	\$	9,187,238
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# Statements of Comprehensive Income and Changes in Members' Equity

## Statements of Comprehensive Income

	Years Ended December 31,	
	2020	2019
<b>Net income</b>	\$ 6,467,240	\$ 9,187,238
<b>Other comprehensive income</b>		
Unrealized gain on securities available-for-sale	1,591,837	3,131,896
Reclassification adjustment for realized gains included in gain on sale of investment securities	—	(18,184)
Total other comprehensive income	1,591,837	3,113,712
<b>Comprehensive income</b>	\$ 8,059,077	\$ 12,300,950

## Statements of Changes in Members' Equity

	Total Members' Equity	Regular Reserves	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)
Balance, December 31, 2018	\$ 128,305,262	\$ 23,423,471	\$ 105,929,765	\$ (1,047,974)
Net income	9,187,238	—	9,187,238	—
Other comprehensive income	3,113,712	—	—	3,113,712
Balance, December 31, 2019	140,606,212	23,423,471	115,117,003	2,065,738
Net income	6,467,239	—	6,467,240	—
Other comprehensive income	1,591,838	—	—	1,591,837
Balance, December 31, 2020	\$ 148,665,289	\$ 23,423,471	\$ 121,584,243	\$ 3,657,575



## **Board of Directors**

Somnath Banerjee, Chair

Matthew Mičetić, Vice Chair

Rhonda Cramer, Secretary

Frank Chinn, Director

Sue Iggulden, Director

Tiffini Mueller, Director

Mary Nolan, Director

## **Audit Committee**

Luke Watson, Chair

Rebekah Anderson, Committee Member

Sarah Bang, Committee Member

Terry Donahe, Committee Member

Matthew Mičetić, Committee Member

John Pierce, Committee Member

Kenny Sallee, Committee Member

## **Leadership Team**

Steven Stapp, President/CEO

James Alexander, SVP/Chief Risk Officer

Brian Devereux, SVP/Chief Lending Officer

Gayle Evans, SVP/Chief Human Resources Officer

David Fehrer, SVP/Chief Information Officer

Greg Spear, SVP/Chief Financial Officer

Scott Bell, VP/Chief Experience Officer

Corlinda Wooden, VP/Chief Retail Officer



**Unitus Community Credit Union**

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