

PRESIDENT'S MESSAGE

The year of 2022 will be known for exceeding goals and milestones at Cornerstone Financial Credit Union. Each year the board of directors and senior management team members work together to create goals for the upcoming year. All goals were met or exceeded in 2022!

Our loan and membership growth for 2022 was exceptional with loans increasing almost 22% and memberships growing over 7%. Delinquencies and charge-offs were low which contributed to record-breaking income of \$5.6 million. In addition, assets grew by 11.75% and ended the year at \$584.4 million. We are proud of these results, especially in an economic year that was unpredictable.

Our continued commitment to serving members was reflected in our biannual membership survey in which 92% of our members rated their overall experience with Cornerstone as excellent or good. We are pleased that we have been able to maintain a high level of personal service while serving the financial needs of our members.

Using technology to serve our members has been more important than ever as we have faced staffing shortages. Members continue to embrace digital banking that allows them to conduct a variety of transactions, apply for loans, open new accounts, and deposit checks. A new digital banking program was introduced February 7, 2023, that continues our tradition of offering leading edge technology to enhance the member experience.

Thank you to all our members who allow us to serve them and help meet their financial goals. I also want to thank our staff, management, and board of directors for their continued work in making Cornerstone successful!

Donna Young
President



LEADERSHIP TEAM

Donna Young
President

Laura Williamson
Executive Vice President

Rob Byrd
Chief Financial Officer

Roderick Payne
Chief Information Officer

William Frye
Vice President, Marketing

Kallar McCown
Vice President, Branch Operations

Stacie Rawls
Vice President, Lending

BOARD OF DIRECTORS

Gary Cowan
Chairman

Lelan Statom
First Chairman

Dr. Roberta Hill
Second Chairman

Karen Clabough
Secretary

Joseph Macourek
Treasurer

Aaron Jewell
Director

Kimberly Silvus
Director



Prosperity and Perseverance

2022 ANNUAL REPORT

CORNERSTONE
FINANCIAL
CREDIT UNION

Serving members since 1955.

Despite the economic challenges in 2022, I am pleased to report that your credit union surpassed many of its goals and is financially strong and continuing to grow. We have remained focused on the services our members need to support their financial objectives, superior service and offering financial services based on sound financial principles.

We are proud to welcome over 5,600 new members who joined the credit union in 2022. Members came to us early in the year for our low vehicle rates and later in the year for our high deposit rates. It reflects the roller coaster ride the economy has faced this year but also how we continued to persevere as market conditions remained uncertain. Your credit union continues to thrive and serve the needs of its members.

Because the credit union philosophy is "people helping people", Cornerstone strives to remain a pillar of the community. In 2022, the employees chose two charities to support throughout the year which were the Children's Miracle Network (CMN) and the Alzheimer's Association. These initiatives were supported with donation drives for employees and members as well as philanthropic events such as the Walk to End Alzheimer's and the Credit Union for Kids Golf Tournament to support CMN. We also supported smaller charities with our "30 Deeds in 30 Days" campaign which assisted dozens of organizations in all branch areas.

Our continued investment in the education of young adults in the state of Tennessee is highlighted with our 13th Annual Cornerstone Financial Credit Union Scholarship Program. To date, we have committed more than \$300,000 to rising seniors to assist with their college expenses. With tuition expenses at an all time high, we are pleased to offset these rising costs to better the lives of so many.

As volunteer representatives, the board of directors of Cornerstone is committed to embracing our fiduciary responsibility to ensure that our credit union is serving your financial needs and operating in a sound financial manner. We appreciate your loyalty and look forward to continued growth for 2023.



Sincerely,

Gary Cowan
Chairman

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

Assets

	12/31/2022	12/31/2021
Cash and cash equivalents	\$21,612,103	\$49,556,091
Investments	36,887,915	35,546,829
Loans receivable, net*	482,994,854	396,106,372
Accrued interest receivable	1,362,597	1,001,141
Premises and equipment, net	14,556,798	14,624,232
Other assets	26,998,110	26,108,794
Total Assets	\$584,412,377	\$522,943,459

Liabilities & Members' Equity

Members' shares and deposits	\$522,580,232	\$472,418,066
Borrowings	8,500,000	0
Other liabilities	7,537,655	5,992,330
Total liabilities	538,617,887	478,410,396
Members' equity	45,794,490	44,533,063
Total Liabilities & Capital	\$584,412,377	\$522,943,459

CONSOLIDATED STATEMENTS OF INCOME

Interest income	\$17,683,296	\$15,372,948
Interest expense	1,198,216	446,583
Net interest income	16,485,080	14,926,365
Provision for loan losses	385,000	175,000
Net interest income after	16,100,080	14,751,365
Non-interest income	6,283,923	5,655,905
Non-interest expense	16,792,151	14,844,733
Net Income	\$5,591,852	\$5,562,537

*Loans receivable are net of allowance for loan losses of \$3,025,121 and \$3,013,746 as of December 31, 2022 and 2021, respectively.

The enclosed Consolidated Statements of Financial Condition as of December 31, 2022 and 2021 and the Consolidated Statements of Income for the years ended December 31, 2022 and 2021 have been prepared in accordance with generally accepted accounting principles and regulations of the Tennessee Department of Financial Institutions.

Rob Byrd
Chief Financial Officer



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2022 Annual Meeting Minutes

The 2022 Annual Meeting was held on March 4, 2022. Cornerstone members voted online or in their respective branch office for three candidates running for three open spots. A total of 1065 votes were cast overall with 643 online and 422 in branch. The elected candidates were Gary Cowan with 771 votes, Dr. Roberta Hill with 891 votes and Kimberly Silvus with 813 votes.