

PRESIDENT'S REPORT

As the new President of Cornerstone in January 2021, I was filled with anticipation and excitement as I started my new role. My lifelong career in the credit union movement provided me with the foundation for this new role; however, I didn't anticipate that 2021 would be so unusual and would hold a few unexpected accomplishments.

A constant in 2021 was the giving spirit of the Cornerstone community which includes our staff, members, board of directors, and people in the communities we serve. A few of the charities we supported included the Children's Miracle Network that provides funding for Vanderbilt Children's Hospital, the Nashville Humane Society, and our Project Pencil Partner Harris-Hillman Special Education School.

We also sponsored 30 deeds in 30 days where we supported a variety of local charities and frontline essential workers. In August, the Cornerstone community donated over \$35,000 to our neighbors in the Humphries County area that experienced devastation from flooding. Our giving spirit is strong.

A totally unexpected event in 2021 was essentially no losses from our lending programs. In a business where you loan funds, this would never be expected or anticipated especially when you add in the uncertainty due to Covid and issues in the job market. This created a substantial positive impact on our net income for the year earning over \$5.5 million making it our best year ever. Our membership growth was strong at 3.29% along with loan growth of 4.9%. We also celebrated our assets being at an all-time high of over a half billion dollars! These accomplishments are all milestones in an uncertain market.

In 2021, we had many successes, a few surprises, and multitudes of challenges but with a talented staff and a great board of directors, we were able to adapt and make it a successful year.

In closing, we express much gratitude and appreciation to our members, staff and board, we are pleased to present the 2021 Annual Report reflecting an outstanding year.



Donna Young
President



LEADERSHIP TEAM

Donna Young
President

Laura Williamson
Executive Vice President

Linda Summarell
Chief Lending Officer

Roderick Payne
Chief Information Officer

Rob Byrd
Chief Financial Officer

Jason Dilbeck
Vice President, Lending

William Frye
Vice President, Marketing

Kallar McCown
Vice President, Branch Operations

BOARD OF DIRECTORS

Gary Cowan
Chairman

Lelan Statom
First Chairman

Dr. Roberta Hill
Second Chairman

Karen Clabough
Secretary

Joey Macourek
Treasurer

Kimberly Silvus
Director

Aaron Jewell
Director

CREDIT COMMITTEE

Linda Summarell
Chairman

Stephanie Faulkner
Donna Hackett



Onward and Upward

2021 ANNUAL REPORT

CORNERSTONE
FINANCIAL
CREDIT UNION

Serving members since 1955.

As I reflect on the past year and the many challenges that our world has faced, I look back to the goals we set as an organization to achieve success for our members and employees in 2021. Despite the challenges that presented themselves throughout the year, I am pleased to report that your credit union accomplished many of the goals that were established and also had one of the most successful years in terms of income that we have ever experienced. Despite the enduring obstacles the pandemic has presented, your credit union continues to thrive and serve the needs of its members.

We are proud to welcome over 4,400 new members who joined the credit union in 2021. Many of these members came to Cornerstone to take advantage of some of the lowest vehicle rates we have had in years; additionally, they discovered the many products and services that we offer which can enhance every part of their financial life. We remain pleased that our current members continue to refer their family and friends to our Cornerstone family, especially our youngest members. They began their savings adventure with us and have continued as adults to take advantage of our many products and technological enhancements created to keep us current with the latest advancements in financial services.

Cornerstone has always been a valued partner in the community, and we are especially proud of the success we have achieved with our Cornerstone Financial Credit Union Scholarship Program. Now in the 12th year, it gives us tremendous pride to know that we have helped over 250 Middle Tennessee students make their dreams a reality. My longtime career in education, has made me acutely aware of the many difficulties experienced by these students so our scholarship program is something that I am especially proud to call a Cornerstone tradition.

As volunteer representatives, the board of directors of Cornerstone is committed to embracing our fiduciary responsibility so as 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 2022.



Sincerely,

Gary Cowan
Chairman

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

Assets	12/31/2021	12/31/2020
Cash and cash equivalents	\$49,556,091	\$33,692,574
Investments	35,546,829	21,765,835
Loans receivable, net*	396,106,372	377,644,881
Accrued interest receivable	1,001,141	984,657
Premises and equipment, net	14,624,232	14,646,475
Other assets	26,108,794	19,359,093
Total Assets	\$522,943,459	\$468,093,515
Liabilities & Members' Equity		
Members' shares and deposits	\$472,418,066	\$423,083,107
Other liabilities	5,992,330	7,267,715
Total liabilities	478,410,396	430,350,822
Members' equity	44,533,063	37,742,693
Total Liabilities & Capital	\$522,943,459	\$468,093,515

CONSOLIDATED STATEMENTS OF INCOME

Interest income	\$15,372,948	\$15,729,116
Interest expense	446,583	2,181,915
Net interest income	14,926,365	13,547,201
Provision for loan losses	175,000	1,300,000
Net interest income after	14,751,365	12,247,201
Non-interest income	5,655,905	5,268,260
Non-interest expense	14,844,733	14,755,456
Net Income	\$5,562,537	\$2,760,005

*Loans receivable are net of allowance for loan losses of \$3,013,746 and \$2,846,837 as of December 31, 2021 and 2020, respectively.

The enclosed Consolidated Statements of Financial Condition as of December 31, 2021 and 2020 and the Consolidated Statements of Income for the years ended December 31, 2021 and 2020 have been prepared in accordance with generally accepted accounting principles and regulations of the Tennessee Department of Financial Institutions.

Rob Byrd
Vice President/Chief Financial Officer



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2021 Annual Meeting Minutes

The 2021 Annual Meeting was held on March 5, 2021. Cornerstone members voted online or in their respective branch office for two candidates running for two open spots. A total of 1584 votes were cast overall with 1181 online and 403 in branch. The elected candidates were Ms. Karen Clabough with 1090 votes and Mr. Lelan Statom with 1479 votes.