

Statement of Financial Condition

ASSETS	Dec. 31, 2019 Audited	Dec. 31, 2018 Audited
Loans to Members (net*)	\$20,185,460	\$17,123,177
Cash	\$139,762	\$233,425
Investments	\$19,082,701	\$25,292,938
Other Assets	\$4,931,706	\$467,558
Total Assets	\$44,339,629	\$43,117,098

LIABILITIES & MEMBERS' EQUITY

Member Shares	\$38,387,897	\$38,356,592
Outside Borrowings	\$1,800,000	\$695,000
Total Liabilities	\$134,709	\$149,445
Equity	\$4,017,023	\$3,916,062
Total Liabilities & Equity	\$44,339,629	\$43,117,098

* Net of Allowance

For a comprehensive overview of income & expenses, go to: www.commontrustfcu.org and click on Annual Report.

MISSION STATEMENT

Common Trust Federal Credit Union is a member-owned financial institution that provides personal banking services. Our mission is to be the familiar face that guides our membership to financial stability by building lifelong relationships with each individual and providing them with the solutions needed to meet their unique goals.



COMMON TRUST
FEDERAL CREDIT UNION

BOARD OF DIRECTORS

Kathy Connolly	Chairman of the Board
Loretta Schuck	Vice Chairman
Kathleen McSweeney	Secretary
Joan Sweeney	Treasurer
William McGrath	Director
Jane O'Connor	Director
Harrison Condon	Director

STAFF

James McCorkle	President/CEO
Frank Harmon	Vice President Finance
Patricia Norton	Operations Manager
Diane Woods	Loan Officer
Patricia Rossi	Lead Member Service Representative
Maureen Masterson	Member Service Representative
Rita Gibson	Member Service Representative

People Helping People



COMMON TRUST
FEDERAL CREDIT UNION

Savings

Share Accounts
Share Draft Accounts
Payroll Deduction
Term Share Accounts
IRA Share Accounts
Money Market Accounts
Holiday Clubs
All Purpose Clubs
MasterCard Debit Card

Services

Audio Response
Home Banking
Mobile Banking
Direct Deposit
Payroll Deduction
Notary Public

Lending

New/Used Automobile Loans
Home Equity & 2nd Mortgages
Recreational Loans
Student Loans
Lines of Credit
Personal Loans
MasterCard



www.commontrustfcu.org

Main Office
8 Cedar Street
Woburn, MA 01801
Phone: (781) 933-2600

People Helping People



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ANNUAL REPORT
2020

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Woburn, MA 01801
Phone: (781) 933-2600

President's Report

As President, my goal is to ensure that Common Trust Federal Credit Union keeps pace with our members' evolving financial and technology needs while remaining financially safe and sound. 2019 saw the credit union continue to make changes as we looked to streamline processes, reduce expenses and make the overall member interaction easier and more memorable. Overall the Credit Union system continues to be healthy, sound and strong and 2020 looks like it will be another good year.

As we look back on last year, a couple of significant accomplishments should be noted, first, loans grew by just over \$3 million, with auto loans growing by \$1 million and mortgages growing by \$1.9 million. With total loans increasing significantly, loan income grew by over \$150,000 for the year and the credit union posted a positive net income for the fifth consecutive year. Net worth is strong while delinquencies and loan charge-offs continue to be significantly below the national average. Total shares finished up \$288,000 for the year.

We understand that we can't rest on past successes so in 2019 the credit union continued to make enhancements that are designed to help us serve a larger group of members. The hi-lights for 2019 include changing our charter to a community charter allowing us the opportunity to reach and service more people, the re-branding of the credit union by changing the name to Common Trust Federal Credit Union, and the roll out of our new tag line "Familiar Faces Invested in You", and finally the addition of our third Credit Union branded ATM for our members. Along with the charter and branding changes we also recognized how we communicate with our members had to continue to evolve. In 2019 we branched out in connecting with our membership with a series of "Familiar Faces Invested in You" television commercials that helped us reach our expanded membership base. We also continued to reach our members through our social media platforms (Facebook, Twitter and LinkedIn) which allows us the opportunity to communicate news, information and promotions to our members in a non-traditional manner. Finally, financial literacy continues to be a top priority for us and in 2019 we continued to teach a financial literacy to two 8th grade classes in the Kennedy Middle School.

As we look forward to the New Year, Common Trust Federal Credit Union will continue to focus on innovative ways to make us more efficient. We will be converting our debit card processing over to CO-OP which will make the processing easier and faster. As with any change there is a learning curve and we thank the membership for their patience and understanding as we continue to improve the overall member experience. While we upgrade our technologies, we will continue to focus on increasing membership while trying to maximize our return on all investments. Also we will continue to expand our financial literacy initiative by holding our first Reality Fair with Woburn High Students in June.

As life continues to change and get faster it's important to remember that Common Trust Federal Credit Union is here for you. We have a knowledgeable and professional staff to meet your financial needs and we've partnered with licensed professionals to handle your complex financial needs. We take pride in our ability to work with members, one on one, and help them solve their financial problems all while not putting them in a difficult position for years to come. We want members to know that if they are having difficulty, we are willing to work with them.

To achieve these goals, it takes an exceptional team of individuals whose dedication makes this credit union what it is. First, I would like to thank our dedicated Board of Directors, whose leadership and vision help to continue to improve your credit union. Also, I would like to express my sincere gratitude to the committed and dedicated employees, who make your credit union an exceptional and friendly place to conduct your financial business. Finally, credit unions are like partnerships and Common Trust Federal Credit Union would not be where we are if it wasn't for our dedicated business partners at Members Mortgages and Northeast Planning and Associates.

As we look forward to the coming year please know that we are committed to providing you the highest level of member service while continuing to enhance our product line, services and technology. Rest assured Common Trust Federal Credit Union does not need an excuse for being committed to the membership; we always have been and always will be 'not for profit, but for service'.

James M. McCorkle
President and Chief Executive Officer

Supervisory Committee Statement

July 6, 2020

Supervisory Committee
Common Trust Federal Credit Union
8 Cedar St.
Woburn, MA 01801

To the members of Common Trust Federal Credit Union:

The supervisory committee has continued to engage with Conant Associates for 2019 and 2020 to assist in completing the annual objectives required of the supervisory committee by the National Credit Union Administration. Conant associates visited the credit union on a monthly basis and reported back to the supervisory committee any findings related to these additional examinations.

Conant Associates was also engaged to complete the annual supervisory committee audit for the 12-month period ending December 31, 2019. The overall records and operations of the credit union were found to be in satisfactory condition.

As we have found ourselves in the most unusual of circumstances facing the COVID-19 pandemic, the credit union has continued to offer its members the services they depend on. These are extremely challenging times and the staff and management have been able to keep the doors open and the wheels turning.

The members of the Supervisory Committee sincerely appreciate the support and assistance provided by the Board of Directors, the Credit Union management, and staff throughout the year.

Sincerely,
Charles R. Conant IV
Conant Associates

Chairman's Message

On behalf of the Board of Directors and Staff I would like to thank our loyal membership for their continued support of the Credit Union.

2019 was a very successful year as we had a positive net income for the fifth year in a row.

When it comes to the key ratio benchmarks, Common Trust Federal Credit Union continued a positive trend and most of our ratios improved meaning the credit union remains strong and ready to serve our members. The biggest increase we saw last year was in our total loan portfolio, which saw our net loans increase slightly north of \$3 million, with automobile loans increasing by over \$1 million dollars.

Our 2019 initiatives were geared towards growing the credit union and to achieve this we changed felt we had to change the name of the Credit Union to be able to include our new community membership charter. Along with these two major changes we also rolled out our first series of TV commercials and we continued to promote our financial literacy program at the Kennedy Middle school.

As we look forward to the New Year, technology will still be at the forefront of our goals. At the end of May, we will be converting our Debit Card Processor to CO-OP, which will streamline our process while affording members the ability to manage their Debit and Credit Cards with one app.

I would like to take this opportunity to acknowledge and thank Jim and the entire staff for the tireless efforts to make your credit union the best it can be. Also, I would like to thank the Board of Directors for volunteering their time and making the commitment to make sure that your credit union will be here for another 50 years.

As we move forward in 2020, I am proud to say that we continue to maintain our profitability while growing deposits and loans and reducing expenses. During this year, we will be working to grow the membership by reaching out to our new potential membership group while continuing to make sure our current membership is informed of everything we have to offer. In closing I would like the membership to know that your Board of Directors take their mission very seriously and we are all committed to the Credit Union mantra of "People Helping People" Remember this is your credit union!!

Thank You
Kathleen Connolly
Chairman of the Board

Treasurer's Report

In 2019, Woburn Municipal Federal Credit Union changed its name and Charter to Common Trust Federal Credit Union with a Community Charter (from a "SEG" Charter) inclusive of the many city and towns surrounding Woburn—this change was approved by our Regulators the NCUA effective May 2, 2019.

The Credit Unions Net Income for 2019 was \$80,403.06 a decrease from 2018 of \$52,840. Note that since the management change in early 2015 the Credit Unions net income for the five years ending 2019 was \$408,941. As mentioned in prior years, for the 7th consecutive year there was not an NCUA Assessment, for the 2nd year in a row the Credit Union did receive a "refund" of \$6,595.72 a material decrease from the initial refund in 2018 of \$30,895.33, this assessment contraction represents 46% of the \$52,840 mentioned above.

Common Trust FCU's liquidity position continued to be strong in 2019, as has been the case since 2016. The Credit Unions' Capital Ratio ended at strong 9.06% versus 9.08% in 2018 — by definition we are a Well Capitalized Credit Union.

Overall assets /footings increased to \$44,339,629, an increase of \$1,222,531 or 2.76% - this increase was represented by a net increase in borrowings of \$1,105,000 and a small increase in total deposits of \$31,305 to \$38,387,897. As mentioned in prior years the deposit base has been extremely steady since 2017 which was \$38,435,025

Total Loans increased a net \$3,076,328 to a portfolio total of \$20,271,807, (since year ending 2015 the portfolio has grown \$7,839,807 or an increase of 63.06%) the details of the 2019 are as follows: Fixed Rate Mortgages \$1,907,628; Home Equity Loans \$331,514 and Vehicle Loans \$1,001,245. In addition to the above growth the Credit Union entered into 2-deals with Webster First FCU totaling \$4,505,645 (Real Estate Loans for two years only) — The Allowance for Loan Losses ended \$86,346.66 being fully funded. To fund the large growth mentioned above of \$7,581,973 the investment portfolio decreased by \$6,808,069 as well as an increase in short term borrowings of \$1,105,000 — this caused a decrease in investment income of \$38,589 and an increase in borrowing costs of \$31,303

Income Impact - these transactions caused the following gross income impact: Loan Income increase by \$111,984 to \$854,418, the Webster First transaction resulted in a gross income change of \$104,115

In summary, 2019 was a successful year in so many ways, from the expansion in its charter, to a name change, to the increases in lending to our members all resulting in a net increase in gross income of \$163,259 (inclusive of the above) while operating expenses increased by \$139,811 one of the material increases in expenses were Marketing of \$81,495 due to the name change and charter change.

Many of the changes above will continue to benefit the Credit Union in the years to come and will undoubtedly increase earnings in 2020 and beyond.