

CLACKAMASTM

FEDERAL CREDIT UNION



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Annual Report



CLACKAMAS *Leadership*

Senior Management Team

Aaron Goff

President/Chief Executive Officer

Rani Khouri

Chief Financial Officer

Kimo Rosa

Chief Lending Officer

Luke McMurray

VP of Member Engagement

Jason Mott

AVP of Information Technology

Alicia Finch

AVP of Branch Services

Wendi Kissell

Executive Assistant

CLACKAMAS *Leadership*

Board of Directors

Geoff Horton

Board Chair

Charlie Stinson

Vice Chair

Keith Galitz

Treasurer

Stacey Hubbard

Secretary

Michael Fraser

Director

Gordon Huiras

Director

Dana Lord

Director

Guadalupe Martinez

Associate Director

Joshua Ketterman

Associate Director

Supervisory Committee

Cynthia Smith-English

Committee Chair

Paul Belz-Templeman

Committee Member

Charles Fick III

Committee Member

Stacey Hubbard

Committee Member

Gary Martin

Committee Member

Board Chair and President's Report

On March 13, 2020, Clackamas Federal Credit Union's senior leadership team gathered in our board room to discuss our response to the COVID pandemic. It was an extraordinary moment – both humbling and uncertain, but also one of the proudest moments of our careers. We didn't know much about the virus or the pandemic yet, but we knew it was about to get bad. We knew people were going to become ill and that some would likely lose their lives. We knew that the economy would be severely impacted, and that many of our members would see their income reduced through furloughs and layoffs. Most of all, we knew that Clackamas had to help in every way we could.

In those first days of the pandemic, we settled on three priorities: 1) protecting the health of our members and staff, 2) preserving the financial health of members, and 3) supporting the community that we love. From giving back nearly \$1 million in fees to delivering food boxes to food-insecure families, we found countless ways to meet those objectives. Here are several examples of how we responded:

- Implemented several interactive teller machines to allow in-branch, contactless transactions with live tellers.
- Launched a new digital banking platform to help members more easily and

conveniently manage their money from anywhere.

- Funded more than \$16 million in forgivable Paycheck Protection Program Loans to 245 small businesses in Clackamas County.
- Cut NSF fees from \$27 to \$12 and waived many other fees, putting nearly \$1 million back in members' pockets.
- Distributed \$389,000 in state-funded grants to individuals whose employment had been disrupted by the pandemic.
- Volunteered more than 600 hours in the community, delivering food boxes in partnership with the Clackamas Service Center, among other activities.
- Purchased approximately 3,000 meals for staff from locally owned restaurants.
- Taught financial literacy virtually to more than 1,600 children and adults.
- Deferred more than 7,000 monthly loan payments at members' request, with no fee or penalty.
- Contributed more than \$120,000 to local organizations, such as Special Olympics Oregon, Red Cross Northwest Response Fund, The Canby Center, Clackamas Service Center, Exceed Enterprises, Word is Bond, Ant Farm, and Molalla's Share the Love.

Most of these efforts have continued into 2021, and our members are seeing the impact. The average member's

CLACKAMAS Leadership

deposit balances increased by 23% in 2020, while the average individual loan balance decreased by 9% as members were able to pay off or reduce their debt. Clackamas members paid on average 45% less in fees in 2020 than members at other credit unions nationally, according to Callahan & Associates. We are extremely proud of our efforts to give back to our community and improve lives in 2020!

Looking forward, we remain focused on helping all members build wealth in both good times and bad. To that end, Clackamas is committed to a "digital+human" strategy that combines excellent technological tools with amazing employees in our branches and contact center. In early 2021, several of our branches were refreshed and redesigned to help provide the excellent service members expect from Clackamas. Our McLoughlin Branch moved to the Oak Grove Center located just a few miles up McLoughlin Boulevard in March 2021. Stay tuned for more new branch announcements in the coming months. We will also be adding new capabilities to our digital banking system, including person-to-person payments through Zelle, and voice control through Amazon Alexa. We look forward to serving you with these new features, services, and convenient locations.

We are incredibly proud of and grateful to our team of paid and

volunteer staff for the amazing job they have done in 2020. Like many of you, a great number of our coworkers had to transition rapidly to working from home, juggling work responsibilities with cabin fever, home-schooling, and rowdy pets. Others were front-line essential workers throughout the pandemic, providing personal service in our lobbies, drive-up lanes, and even curbside. Together, they succeeded in providing an excellent level of service, according to survey responses from members – even exceeding our pre-COVID member service goal!

Finally, thank you to our Clackamas members, for recognizing the benefits of a not-for-profit financial cooperative and for your patience with us as we navigated this difficult year together. By choosing Clackamas, you ensure that your money stays right here in the community, strengthening and adding to the vitality of Clackamas County and surrounding communities. We appreciate the opportunity to be a part of your life and financial journey, helping you and your family achieve your dreams and goals.

As the pandemic winds down, the future is a blank canvas, and we look forward to working with you to help paint a bright and prosperous 2021 and beyond!

Supervisory Committee's Report

CLACKAMAS Leadership

The Supervisory Committee is an independent group of five volunteers appointed by the Board of Directors to represent the Credit Union's members. Our role is to ensure Clackamas is managed in a way that is both fiscally and ethically sound, and to verify that proper internal controls are in place. To meet that responsibility, the committee meets monthly to review audit reports, financials, and member complaints. The committee also attends and participates in monthly Board meetings, ensuring regular communication between the two bodies tasked with the oversight and governance of Clackamas Federal Credit Union.

In 2020, the committee engaged Daren Tanner, P.C. to conduct quarterly audits of operational programs including Anti-Money Laundering/Bank Secrecy Act compliance. The committee also engaged the certified public accounting firm Moss-Adams, LLP to conduct an annual comprehensive financial audit.

In August 2020, the committee hired an internal auditor that will work in conjunction with Daren Tanner, P.C. to conduct quarterly audits in 2021 and beyond. Cherry Parker, the Credit Union's new auditor, will work side-by-side with Clackamas staff. Cherry will report directly to the Supervisory Committee throughout the year, ensuring

a thorough review of processes and procedures as Clackamas grows in both size and complexity.

After their audit of Clackamas' financial statements, Moss-Adams' opinion is that they present fairly in material respects, and that the financial position of Clackamas and the results of the operations and cash flows for the year ended 2020 are in accordance with accounting principles generally accept in the United States of America.

Based on the reviews of both Tanner and Moss-Adams, the Supervisory Committee is confident that Clackamas is operating in a safe and sound manner and is compliant with all applicable laws, rules, and regulations.

Thank you for your membership at Clackamas Federal Credit Union.

Aaron Goff
President/CEO




Geoff Horton
Board Chair





Cynthia Smith-English
Supervisory Committee Chair





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Year in review



Inspired by a young member who saved his money all year in order to donate toys to children-in-need, Clackamas staff started a pay it forward campaign. Employees contributed money to help make a donation in this member's name. In January, the donation was made to the Gladstone Food Pantry to show this young member that his good actions can inspire more good action!



January



April

We immediately serve current and new members with forgivable Paycheck Protection Program loans. Clackamas is one of few local institutions offering this opportunity to new members

Business Services works diligently, even late into the night, helping as many members as possible apply for this crucial funding.



March

Clackamas immediately responds to the first wave of COVID-19 by cutting fees, finding creative solutions for members including more opportunities to skip payments and a new Emergency Relief Loan.

Clackamas keeps staff safe by creating work-from-home opportunities and providing meals from local restaurants for folks on-site.

Clackamas also begins a weekly food box delivery program with Clackamas Service Center to get food to those who need it most.



February

A team of 31 Clackamas employees, family members, and friends participate in Special Olympics Oregon's Polar Plunge and Super Plunge in February. Together they raised over \$31,000 for individuals with special needs!

Clackamas staff advocates for credit unions and their members in Washington D.C. at the 2020 CUNA Governmental Affairs Conference.



May

Folks who are already food insecure experience more difficulties due to COVID-19. Clackamas donates to two local organizations that work hard to fight hunger.

Donations totaling \$7,500 are made to Clackamas Service Center and The Canby Center helping keep pantries stocked and food boxes available.



June

Clackamas gives members another opportunity to connect with the credit union. Members can now text Clackamas with questions about their account, request to open new accounts and loans, and more.

In partnership with Clackamas Service Center, we launch a food box pickup program at the site of our new Oak Grove Branch.

July

Clackamas donates to Word is Bond, a local nonprofit working to rewrite the narrative and build positive relationships between young Black men and law enforcement.

This work occurs through leadership development, critical dialogue, and education during their six-week Rising Leaders summer internship program. Several local police officers participate each year in the program.

August

Clackamas distributes \$389,000 in emergency funds available through state-funded grants. These one-time \$500 relief payments help Oregonians facing hardships.

We introduce a new fully-Spanish version of our website helping our Spanish-speaking communities stay connected with Clackamas.



September

As wildfires devastate much of the county, Clackamas supports members and employees with emergency shelter loans for RVs and trailers, care packages for displaced members, and emergency shelter for employees.

Clackamas Connect, a new checking account for folks who may not traditionally qualify, arrives to help connect individuals to much-needed financial services.



October

Our new and improved Digital Banking platform arrives! This new platform offers more robust features. This new platform introduces much-needed tools for business members.

November

Continuing our commitment to inclusion and recognition, Clackamas sponsors Exceed Enterprises' annual celebration. Exceed offers a wide spectrum of services to support adults with diverse abilities at every stage in their journey to community integration and employment.



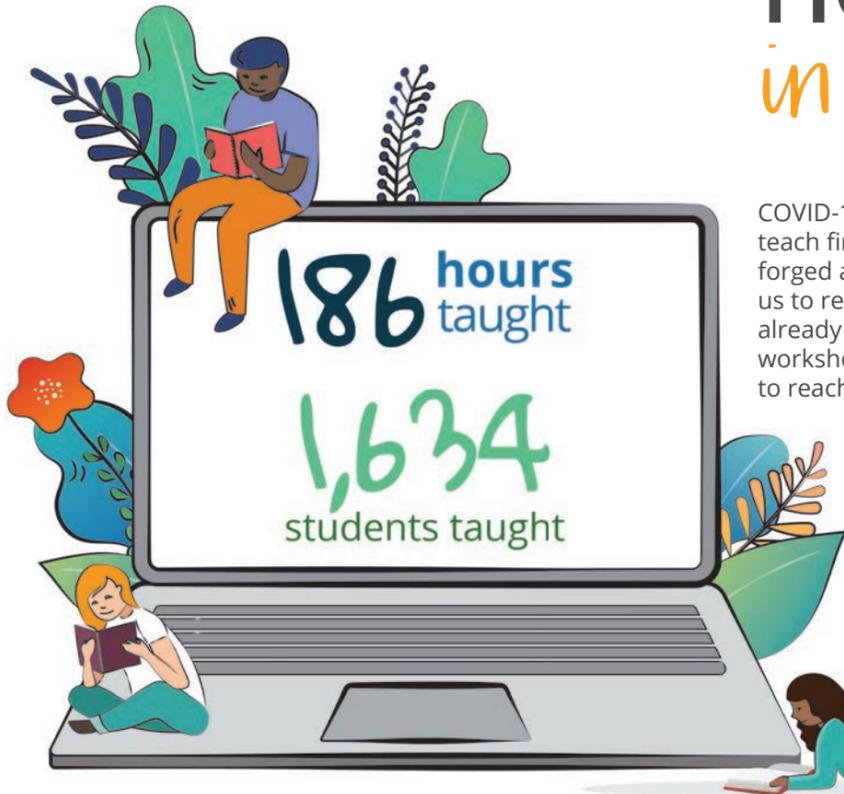
December

Santa visits Clackamas to help bring holiday cheer to our members and community. Members using Interactive Teller Machines have a chance to see Santa early and receive a holiday gift.

Clackamas brings holiday magic to children in-need with Clackamas High School's Winter Blitz program which provides food, gifts, and household items to over 300 in-need families in the North Clackamas School District. Clackamas plays a key role in a record-setting year.



HOURS SPENT in the community



COVID-19 required adjustments to the way we usually teach financial literacy. Instead of slowing down, we forged ahead, developing a new virtual system allowing us to reach even more learners. By April, we were already teaching online classes. We began a weekly workshop series with Clackamas Workforce Partnership to reach the unemployed, worked with the Oregon City School District Community Education Department to teach a series of classes for kindergarten through second grade, partnered with Exceed Enterprises teaching a four-part series, continued teaching in our local schools, and much more. All in all, in 2020 we taught 186 hours to 1,634 learners to help fulfill our mission to improve lives.

Our staff spent many hours working to improve lives in 2020. Of those 679 hours, 290 were spent delivering food boxes, preparing meals, and more with Clackamas Service Center. Clackamas gave 227 hours taking the Polar Plunge, coaching virtual teams, and serving on the Young Professionals Council at Special Olympics Oregon. We spent over 100 hours volunteering with local groups like Exceed Enterprises, Children's Cancer Association, and Friends of the Milwaukie Center.



679 hours volunteered

46.96% of employees volunteered



FUNDS raised + donated

Raised over \$30,000 for Special Olympics Oregon during Polar Plunge.

\$124,224 raised for local organizations

Donating funds to organizations that support inclusion and recognition, food and housing insecurity, emergency response, and children's needs, **Clackamas stepped up for our community during a tough year!**

\$15,000 donated to the American Red Cross' Northwest Relief Fund and Clackamas Emergency Services to support local wildfire relief efforts.

Donated over \$11,000 to inspire joy, community and holiday magic with Children's Cancer Association, Molalla High School's Share the Love, and Clackamas High School's Winter Blitz.

Donated nearly \$40,000 to local food shelters and pantries, like Clackamas Service Center and The Canby Center, to help keep folks fed.

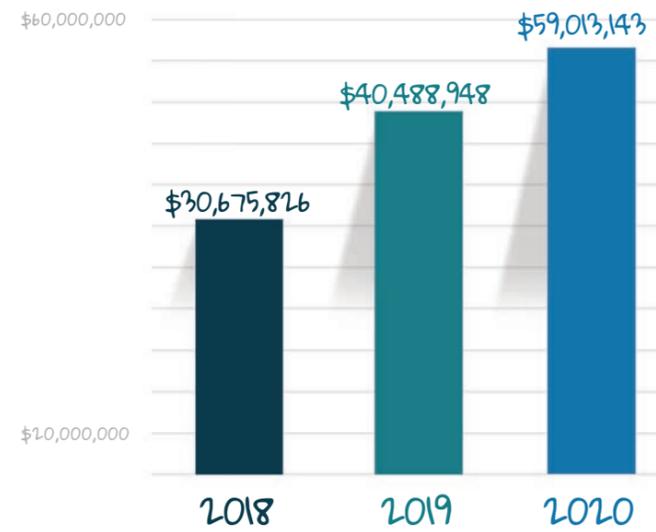


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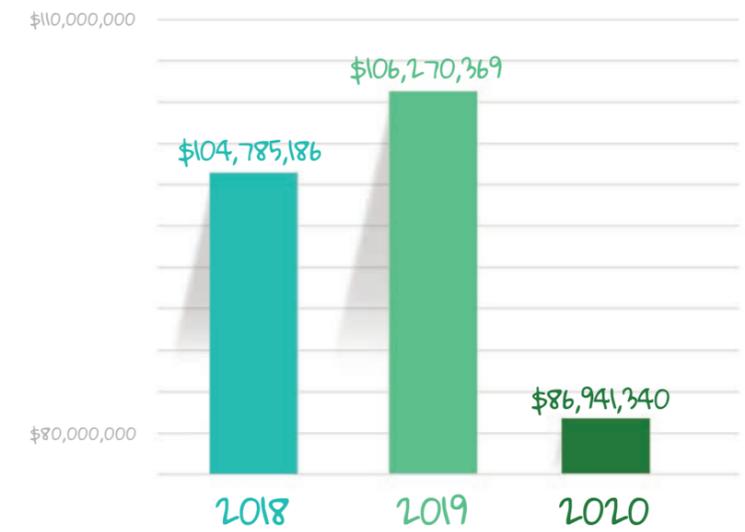
Financial Highlights

MEMBER Financials

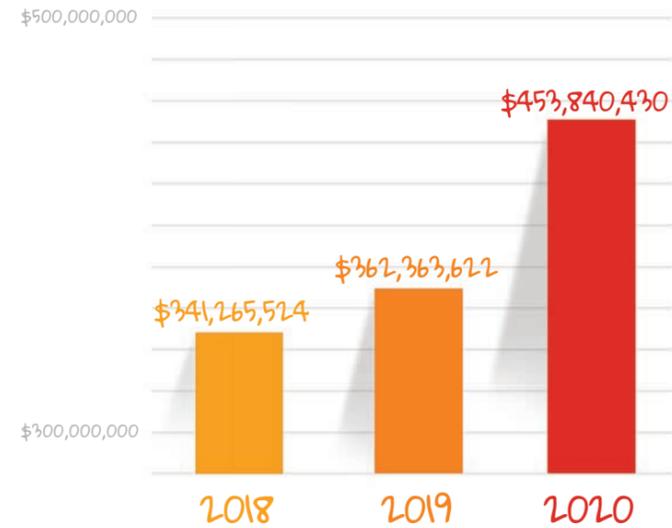
Member Business Loans



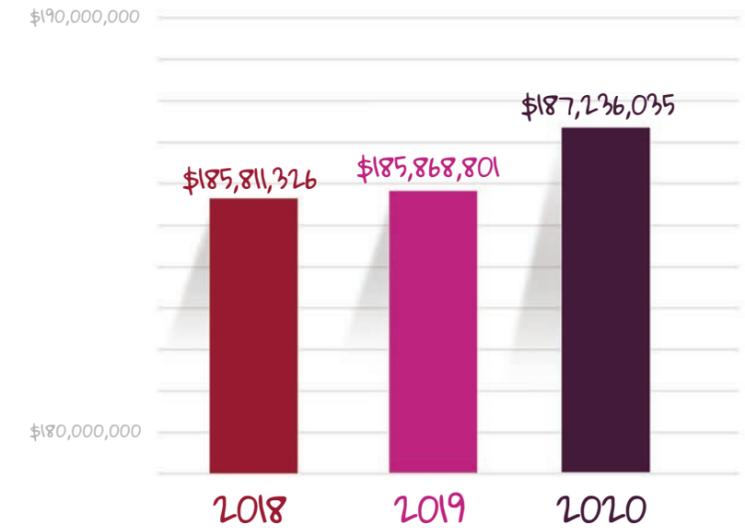
Member Real Estate Loans



Member Deposits



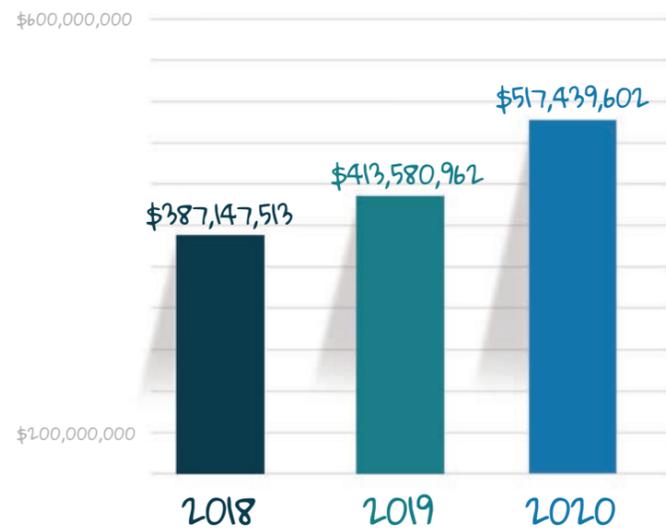
Member Consumer Loans



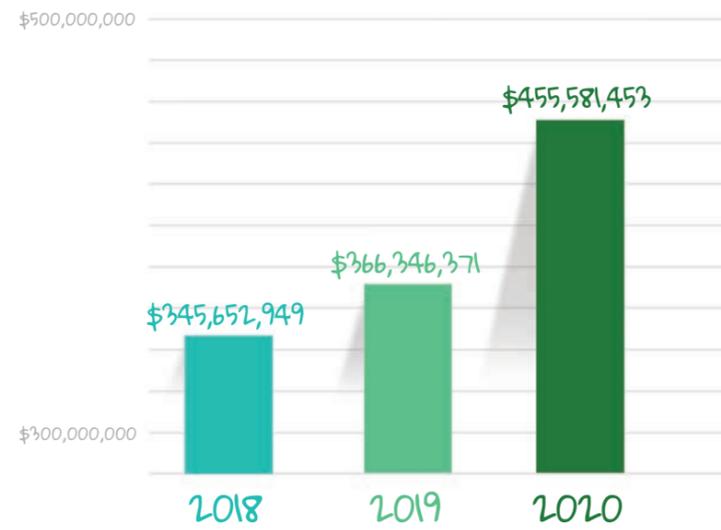
FINANCIAL Highlights

FINANCIAL Highlights

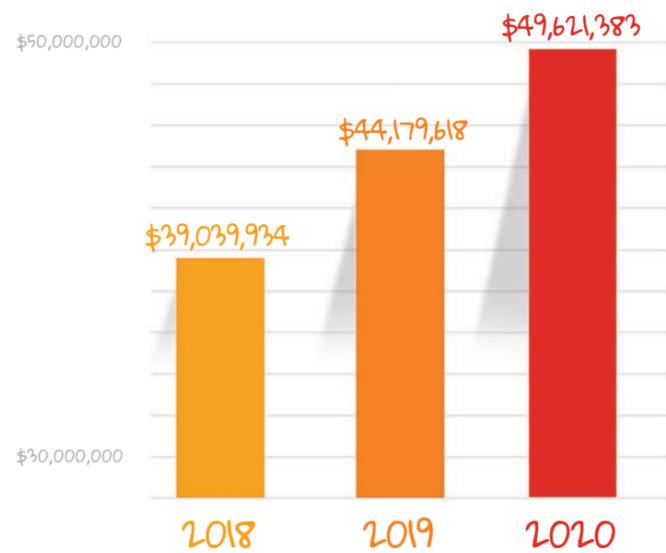
Total Assets



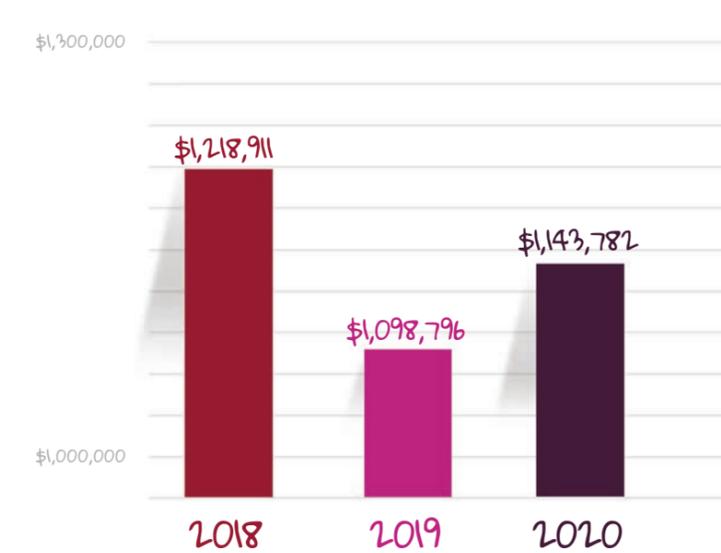
Total Shares



Total Equity



Total Dividends



	2020	2019
Balance Sheet		
Cash	\$133,119,279	\$35,348,908
Loans	\$330,908,923	\$330,725,109
Investments	\$24,837,098	\$19,618,043
Other Assets	\$28,574,302	\$27,888,902
Total Assets	\$517,439,602	\$413,580,962
Member Deposits		
Member Deposits	\$453,840,430	\$362,363,622
Non-Member Deposits	\$1,741,024	\$3,982,749
Other Liabilities	\$12,236,765	\$3,054,973
Total Equity	\$49,621,383	\$44,179,618
Total Liabilities and Equity	\$517,439,602	\$413,580,962
Income Statement		
Interest Income	\$17,816,521	\$17,376,229
Non-Interest Income	\$6,461,886	\$6,385,435
Operating Expense	\$16,359,788	\$16,043,212
Provision for Loan Loss	\$1,325,400	\$1,713,656
Dividends to Members	\$1,143,782	\$1,098,796
Net Income/Loss	\$5,449,436	\$4,906,001

CLACKAMAS *emergency relief*



**Hours spent
volunteering in
the community:**

679 Hours

2020 was one of the hardest years that many of us have gone through. In addition to living through a pandemic, many lost jobs, had homes threatened by wildfires, and so much more. At Clackamas, we're committed to being people helping people. When times got tough, we held strong for our members and our community. Here's how we supported our members and community during tough times.



**Total number
of skip pays:**

7,400 monthly
payments skipped
since March 2020



**Emergency Shelter
RV Loans:**

144 reduced-rate
loans totaling nearly
\$5,831,703



**Total
Donations:**

over \$121,680



**Dollars saved
in fees:**

Estimated \$900,000
from the start of
the pandemic



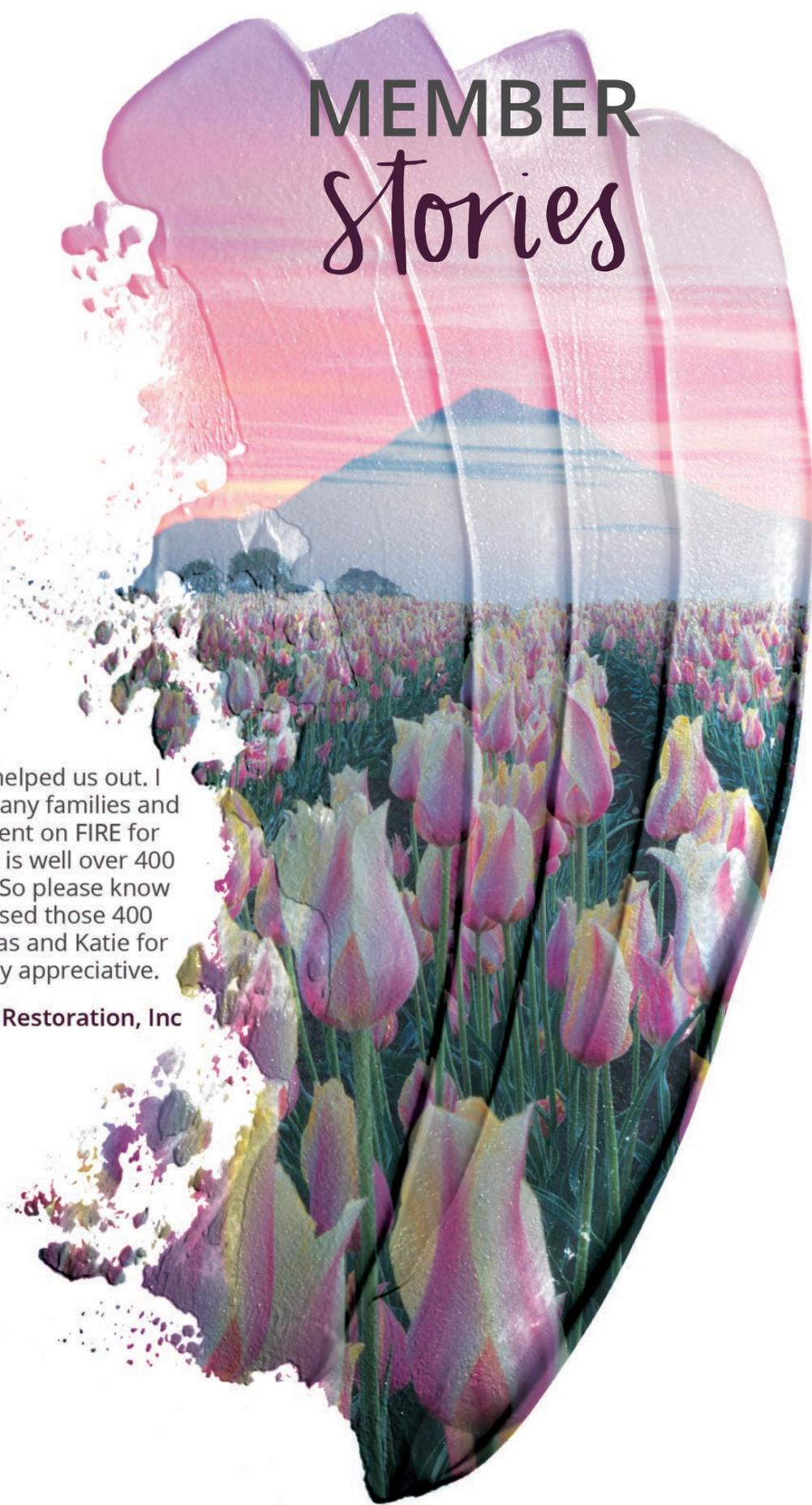
**Paycheck
Protection Program:**

254 loans
totaling nearly
\$16,700,000



**Emergency
Relief Loans:**

95 loans
totaling nearly
\$227,043



MEMBER Stories

“The PPP money has really helped us out. I once did the math on how many families and people are directly dependent on FIRE for their livelihood. The number is well over 400 men, women, and children. So please know that your efforts have blessed those 400 people! Thank you Clackamas and Katie for all that you did. We are truly appreciative.

– Greg, FIRE Restoration, Inc

“Along with millions of other small business owners, my partner and I found ourselves in a very scary and unusual position when the COVID-19 shutdown of our country hit. We took immediate action when the small business stimulus package was enacted, doing our best to maneuver through the confusion and implementation problems that came with the PPP program. I reached out to SBA and discovered that CFCU was going to be one of the entities handling these loans. When I contacted CFCU, I was amazed at how helpful and friendly they were, especially since our business accounts were with a big box bank at the time. We ended up applying for the PPP loan with CFCU, after being placed in a ‘queue’, a virtual waiting line, by the bank we’d been doing business with for years. By the time we were allowed to apply through the ‘big box’ bank, CFCU had already gotten our application approved and within 2 days had the money in our account. They were kind, well informed, and seemed to truly understand the need and urgency of the situation. As a woman owned business of a major real estate brokerage in Clackamas County, we finally feel like we’re part of a banking ‘team’, a team of people that will help us with our banking needs, a team that will offer solutions, a team that cares about us. Bye-bye Big Box, hello CFCU! We will be working with our new friends to migrate all of our business accounts to CFCU. We are forever grateful.

– Debra and Danielle, Better Homes and Gardens Realty Partners

“Clackamas did an amazing job! From the minute that I submitted my application on line it was seamless and smooth! I was in complete and utter amazement and happiness, once we received word that we would be funded! We are so thankful for this loan, and the help that we know it will bring us to get through the next couple months!

– Vicki, Two Chicks & A Rooster Catering & BBQ

“When the PPP was announced I acted quickly and reached out to my bank right away to apply for the program. There was a lot of back and forth with them, there were times their Online portal was not working, and it was difficult to get information from them. About a week into the process I applied with Clackamas FCU. I started the Online application process and within a couple of days I heard from Katie in the Business Services department. Since I still had not received any communication back from my bank I proceeded with Clackamas. Katie was able to complete my application and get the loan approved quickly. The PPP has provided my business some peace of mind and is keeping my business running and my employees working.

– David, Walen Construction

“As our big bank partnership was not willing or able to help us with our PPP loan, I reached out to Katie at Clackamas Federal Credit Union and she was more than happy to help us with our loan. I’m sure she was overwhelmed with clients, but took the time to help our company that has had no business relationship to make sure we got are paperwork processed correctly and promptly, it was such a good experience that we are currently in the process of moving my business accounts over to CFCU. We also had to open an account for the loan and Alicia helped me with that process and her help was also much appreciated. We were able to get funded April 13 and glad to find help for my small business, it felt like they actually cared for us and not just another customer at the big banks.

– Scott, Clackamas Electric and Energy Solutions

The background of the entire page is a composite image of a natural landscape. The top portion shows a starry night sky with a bright star. Below the sky is a mountain range with a prominent peak. The middle section features a large, calm body of water reflecting the sky and mountains. The bottom part of the image shows a dark, rocky shoreline with a small, dark object, possibly a log or a person, standing on it. The Clackamas Federal Credit Union logo is positioned in the upper right corner of the image.

CLACKAMAS[™]
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People Helping People