



2023 ANNUAL REPORT

57th Annual Meeting

A MESSAGE FROM OUR CEO

As we reflect on the year 2023, it's evident that we faced our share of challenges in the market. Despite this, I am proud to report that Community West Credit Union remains resilient and focused on strategic initiatives.

While our financial performance did not meet our initial projections, I am optimistic about the future trajectory of the credit union. Our decision to open a bigger branch in Middleville, Michigan, has strengthened our presence in the community, and underscores our promise to serving and enriching our members' financial lives with unparalleled enthusiasm.

One of the most encouraging aspects of the past year has been the unwavering morale within our team. Our employees have demonstrated remarkable dedication, adaptability, and teamwork throughout these challenging times. Their resilience is a testament to the strong foundation upon which the credit union is built.

Looking ahead, we remain steadfast in our pursuit of sustainable growth and profitability. We will continue to invest in innovative methods, operational efficiencies, and opportunities for talent development to position ourselves for long-term success.

I extend my heartfelt gratitude to our members, employees, and our Board of Directors for their continued support and collaboration. Together, we will navigate the opportunities and challenges that lie ahead, guided by our shared vision and commitment to excellence.

Sincerely,

A handwritten signature in black ink that reads "Heidi Hunt". The signature is written in a cursive, flowing style.

Heidi Hunt

President and Chief Executive Officer

2023 ANNUAL MEETING MINUTES

Meeting called to order at 6:19PM

Minutes of 2022 Annual Meeting were read and approved.

By-laws were presented and approved.

Board of Directors Election Vice Chairman Shawn Miller notified the Board of Directors of unanimous agreement from the sub-team to recommend Lisa Knapp for a full Board of Director seat to replace retiring Jane Poolman. Board Chair Pam Hove put the decision to add Lisa Knapp to the Board of Directors to an electronic vote and was unanimously approved. Jane Poolman retired from the CWCU Board at the end of the regularly scheduled Board of Directors meeting on April 18, 2023.

The Board discussed the election of directors. Current Director Shawn Miller and Director Bernard Zahm stood for re-election to a new 3-year term, and all were appointed/approved.

CEO Heidi Hunt acknowledged 2022 was a challenging year, but she appreciated the dedication of the staff and the support of the Board.

Meeting adjourned at 6:34PM

ANNUAL MEETING AGENDA

| | |
|--|--------------|
| Welcome and Introduction | Pamela Hove |
| Call to Order & Establish Quorum | Pamela Hove |
| Minutes of 56th Annual Meeting | Bernard Zahm |
| Treasurer's Report | Bernard Zahm |
| Old Business | Pamela Hove |
| New Business | Pamela Hove |
| By-Laws | |
| Board of Directors Election | |
| CEO Comments | Heidi Hunt |
| Adjournment | Pamela Hove |

BOARD OF DIRECTORS

| | |
|--------------------|-------------------|
| Pamela Hove | Chair |
| Shawn Miller | Vice-Chair |
| Bernard Zahm | Treasurer |
| Bernard Zahm | Interim-Secretary |

LOAN REPORT

Community West Credit Union booked 1,738 loans in the 2023 lending program for \$32.4 million dollars. The majority of new loan volume came from vehicle loans, which accounted for 46% of the new dollar volume, followed by first mortgage loans at 20%, and second mortgage loans at 19%.

CWCU continues to offer our members a wide range of products with low-interest rates and fees while remaining competitive in the market and mitigating our risk. We look forward to continuing to review new avenues that will enhance our products and services.

We offer the following loan products and services:

- Complete mortgage program, including conventional loans for purchases and refinances, first-time home-buyer program, construction loans, Rural Development loans, home equity loans and lines of credit.
- Comprehensive student packages, including undergraduate student loans, student loan refinance program for graduates, and a young adult laptop loan.
- Competitive credit card program, including reward benefits.
- Convenient online information, application processes, and payment acceptance.
- Dedicated Community West Credit Union team members committed to our members and our community.

TREASURER'S REPORT

The Certified Public Accountants at Doeren Mayhew conducted the annual financial statement audit in March of 2024 as of December 31, 2023 financials. In the opinion of our auditors and the Board of Directors, the financial statements present fairly the financial position and operating results of the credit union, and are prepared in conformity with generally accepted accounting principles. A copy of the Auditor's Report from Doeren Mayhew is available upon request.

The credit union completed 2023 with \$256.9 million dollars in total assets, \$161.0 million dollars in loans, \$220.2 million dollars in deposits, and \$22.5 million dollars in member capital. During 2023, total assets decreased by 5.03%, deposits decreased by 6.39%, loans decreased by 9.86%, and capital decreased 2.64%. There were no mergers in 2023.

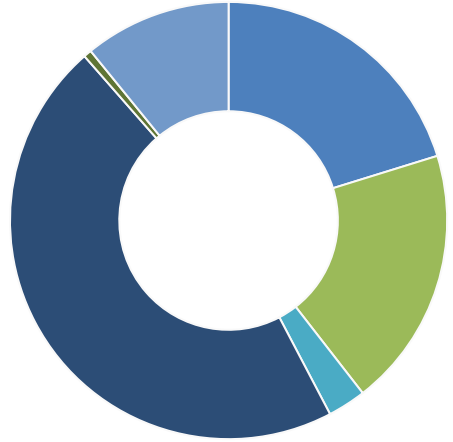
In 2023, the credit union produced \$32.4 million dollars in new loans; \$10.9 million indirect loans and \$21.5 million direct loans. The credit union paid \$2.3 million dollars in dividends to members during 2023 and recorded a net income of -\$375 thousand dollars.

The credit union remains well capitalized, with a capital ratio of 8.75% and continues to take appropriate actions to manage the normal risks associated with the business.

– Bernard Zahm

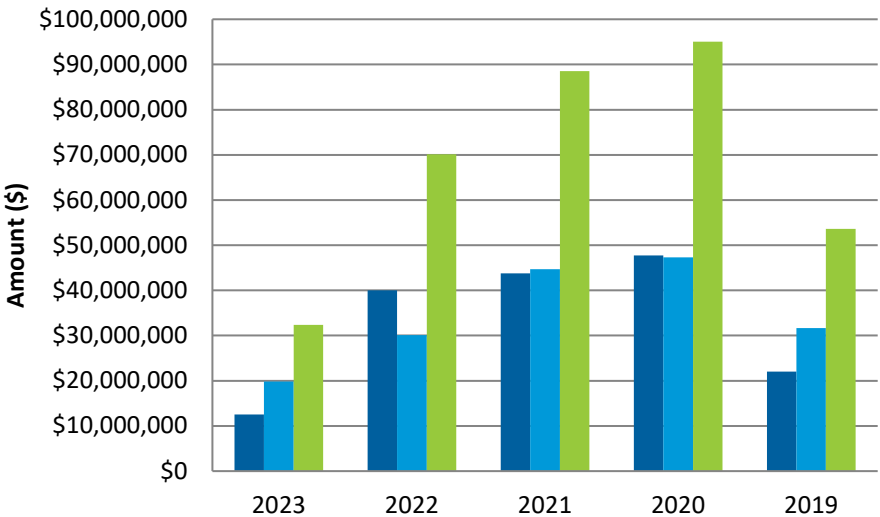
LOAN DISTRIBUTION 2023

| | |
|----------------------------|----------------------|
| ● Vehicle | \$ 14,972,591 |
| ● 1 st Mortgage | \$ 6,549,550 |
| ● 2 nd Mortgage | \$ 6,239,725 |
| ● Unsecured | \$ 3,520,758 |
| ● Credit Card | \$ 917,900 |
| ● Student Loan | \$ 191,986 |
| Total | \$ 32,392,510 |



NEW LOAN VOLUME 2023

| | 2023 | 2022 | 2021 | 2020 | 2019 |
|-----------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Indirect | \$12,530,056 | \$39,995,669 | \$43,776,039 | \$47,756,023 | \$22,012,436 |
| Direct | \$19,862,453 | \$30,106,601 | \$44,727,159 | \$47,301,607 | \$31,635,983 |
| Total | \$32,392,510 | \$70,102,270 | \$88,503,198 | \$95,057,630 | \$53,648,419 |



STATEMENT OF FINANCIAL CONDITION

| BALANCE SHEET | 12/31/2021 | 12/31/2022 | 12/31/2023 |
|-------------------------------------|--------------------|--------------------|--------------------|
| Loans to Members | 151,728,337 | 178,595,210 | 160,989,944 |
| Less Allowance for Loan Loss | (1,106,740) | (1,116,821) | (1,614,398) |
| Net Loans | 150,621,596 | 177,478,389 | 159,375,546 |
| Cash | 22,305,673 | 12,308,670 | 15,849,293 |
| Investments | 61,938,802 | 63,274,387 | 66,602,505 |
| Building, Furniture, and Equipment | 10,853,829 | 11,437,465 | 11,510,295 |
| Other Assets | 3,263,819 | 6,079,150 | 3,626,019 |
| Total Assets | 248,983,719 | 270,578,061 | 256,963,658 |
| Liabilities | 656,863 | 11,789,773 | 14,244,260 |
| Member Deposits | 224,359,389 | 235,259,092 | 220,236,940 |
| Member Capital | 23,967,468 | 23,090,925 | 22,482,457 |
| Total Liabilities and Equity | 248,983,719 | 270,578,061 | 256,963,658 |
| INCOME STATEMENT | 12/31/2021 | 12/31/2022 | 12/31/2023 |
| Interest on Loans | 6,041,325 | 6,505,313 | 7,984,333 |
| Income from Investments | 730,362 | 1,065,069 | 1,580,724 |
| Income from Fees | 1,431,384 | 1,480,733 | 1,685,160 |
| Other Income | 2,009,164 | 1,845,837 | 1,935,277 |
| Total Income | 10,212,236 | 10,896,952 | 13,185,494 |
| Interest Expense (Dividends) | 968,552 | 1,296,530 | 3,121,265 |
| Compensation and Benefits | 5,223,881 | 5,549,277 | 5,499,104 |
| Office Operations | 2,054,154 | 2,199,281 | 2,285,768 |
| Loan Servicing | 847,488 | 873,215 | 1,098,472 |
| Other Expenses | 1,286,979 | 1,558,696 | 1,468,542 |
| Total Operating Expenses | 10,381,056 | 11,476,998 | 13,473,151 |
| Provision for Loan Losses | 108,763 | 3,933 | 107,652 |
| Non-Operating (Income) Expenses | 239,186 | (145,707) | (20,374) |
| Total Expenses | 10,729,005 | 11,335,224 | 13,560,429 |
| NET INCOME | (516,770) | (438,271) | (374,934) |

