



COMMUNITIES OF ABILENE

Federal Credit Union

2018 TREASURER'S REPORT

SUMMARY OF FINANCIAL CONDITION

ASSETS	
Cash on Hand	\$1,706,854
Cash on Deposit	\$5,899,465
Loans to Members	\$92,301,190
Less: Allowance Loan Losses	(\$767,818)
Total Net Loans & Cash	\$99,139,691
Investments	\$35,767,352
Land & Buildings	
Net of Depreciation	\$912,600
Furniture, Fixtures & Equipment	\$198,970
NCUA Insurance Deposit	\$1,236,032
Other Assets	\$1,296,910
Foreclosed Assets	(\$100)
Total Assets	\$138,551,455
LIABILITIES	
Accounts Payable	\$1,752,354
Dividends Payable	\$536
Total Net Liabilities	\$1,752,890
MEMBER'S EQUITY	
Member Deposits	\$125,619,095
Retained Earnings	\$7,722,839
Statutory Reserves	\$3,456,631
Total Liabilities & Member's Equity	\$138,551,455

STATEMENT OF INCOME

OPERATING INCOME

Income from Loans	\$4,354,378
Income from Investments	\$902,098
Total Income	\$5,256,476
Expenses	
Member Dividends	\$344,351
Provision for Loan Loss	\$492,953
Interest on Borrowed Money	\$16,206
Total Expense	\$853,510
Net Income after Provision	\$4,402,966
Non-Interest Income	
Fee Income	\$850,496
Other Operating Income	\$197,241
Other Non-Operating Income	(\$27,330)
Total Non-Interest Income	\$1,020,407
Total Income	\$5,423,373

OPERATING EXPENSES

Employee Compensation & Benefits	\$2,370,638
Training & Conference	\$18,395
Office Occupancy	\$245,341
Office Operations	\$1,200,378
Education & Promotion	\$105,580
Loan Servicing	\$256,920
Professional & Outside Services	\$217,472
Regulatory Agency Fees	\$ -
Operating fees	\$36,486
Miscellaneous Operating Expense	\$30,151
Total Non-Interest Expenses	\$4,481,361
Net Income	\$942,012

Charlotte Caldwell, Chief Financial Officer

ANNUAL REPORT



COMMUNITIES OF ABILENE

Federal Credit Union

2019 ANNUAL MEMBERS MEETING

Good evening, and thank you everyone for coming out tonight to support your credit union! Our members make the Communities of Abilene Federal Credit union possible. Our staff and volunteers care for and manage our credit union. Together, we have built a credit union that is well above average.

We are proud to tell you that the hard work and dedication of the staff, the Board of Directors, and the Supervisory Committee, have advanced the credit union in many areas. The Federal Examiners upgraded our CAMEL Rating. This rating means that our Capital Adequacy, Assets, Management Capability, Earnings, Liquidity, and Sensitivity to market risk have all passed inspection with flying colors and we were upgraded from a rating of 3, which is a very good rating, to a rating of 2, which is a great rating. That is an extremely difficult rating to achieve in the credit union industry. It reflects a huge personal investment of time and intellectual horsepower by the credit union team.

The employees made additional, behind the scenes contributions to our credit union as well. They saved the credit union tens of thousands of dollars by doing the upgrade work to the buildings. They didn't have to spend their time cleaning, patching, painting and more, but they did it because they wanted to make the credit union look as good on the outside as it does on the inside. They made, and continue to make, investments in our future, which is a future we can all share in and contribute to together. We are so proud of them.....

The staff are the first to deflect any personal credit for accomplishments. They always say they are part of a team and they all work together. As a member, a customer if you will, I appreciate the personal relationships I have with the staff. They make it a priority to provide the very best care possible. The most exciting part is that they treat us all like that! They want every visit we make to be a productive and rewarding experience.

Where are we headed?

Our website is one example of the progress we are making in technology. Due to security and code complexity, keeping the website attractive, secure, current, and easy to use is a lot easier said than done. We are happy to announce that the next generation website is now complete.

We have a new logo! The people in the logo look like a family. We are all part of the Communities of Abilene family. Our new logo is a representation of that special bond we share as members together and not just customers.

There are a number of risks that are ever present. Our staff works continuously to ensure our assets are protected, criminal attempts are thwarted, and risks are mitigated. This is truly no easy task. A number of the staff and volunteers have various responsibilities to protect every aspect of the business and they are keeping us on the right track.

The future rests in our ability to keep financially strong and healthy. In order to fuel financial growth for the organization and its members, it simply boils down to earning more than our expenses. We are always looking for ways to acquire more members, more loans, reduce unnecessary costs, all while better serving our members.

People have a choice to belong to any credit union around. They can be a customer of any bank they want. We believe the best place for people to trust their financial future is with us. We hope to see more and more young people decide to open their first accounts with us. Maybe friends, neighbors, and family members will hear about our great service, fantastic loan rates, and awesome account choices and give us a try.

At the 2017 annual meeting, it was so exciting to share the news that we had earnings of over \$300,000. We said that we were very optimistic about 2018. So, here we are, reporting on just how successful we were in 2018. We are so fortunate to report that earnings were just shy of triple what they were in 2017! As happy as we are to report earnings we have not seen in a decade, we are not resting on these accomplishments. We are monitoring our business practices very carefully. We will continue to do our very best.

On behalf of the Board of Directors, the Supervisory Committee, and the employees of the Communities of Abilene Federal Credit Union, we thank you for putting your trust and confidence in us. We wish you all a healthy and successful 2019.

Respectfully Submitted,
Robert Sayer
Chairman, Board of Directors



2018 CHAIRMAN'S REPORT





2018 SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is made up of members who oversee the basic financial health of our credit union. The Committee is responsible for making sure the accounting practices used represent the financial condition of the Credit Union accurately. The Committee continuously monitors the Credit Union's internal controls and insures the institution conforms to National Credit Union Administration (NCUA) and Federal Reserve Board regulations.

The firms of WayPoint Advisory Services Inc. and Eide Bailly LLP conducted audits agreed to by the Supervisory Committee solely to assist it in fulfilling responsibilities outlined in the NCUA Rules and Regulations.

The Supervisory Committee once again commends and thanks our credit union leadership and staff for all their hard work and efforts that made 2018 an outstanding year for our credit union.

If any credit union member is interested in becoming a member of the Supervisory Committee they can send a letter to the committee at the address below.

If you are unable to resolve an issue concerning your account by calling or visiting a branch office, please contact the Supervisory Committee and give us an opportunity to address and work the issue. We can be contacted by sending a letter to the CoAFCU Supervisory Committee P.O. Box 488, Abilene TX 79604.

Respectfully Submitted,

Kenneth M. Simonton
Chairman Supervisory Committee



This was a stellar year for Communities of Abilene Federal Credit Union. For 2018, we had earnings of \$942,012 and our total assets increased to \$138,551,455. Our loan volume went up 8.5 million, and our charge-offs went down \$470,552. The repossessions we experienced over the last few years has seemed to turn around.

During the year, we focused on cleaning up data and automating some of our processes that we had been doing manually. We have been working on updating our website to give our members access to more information so they can make better decisions concerning their finances. . The IT department continued to upgrade our hardware and software, along with replacing outdated equipment. The camera system at Dyess, along with the phone system at our North 6th location, was replaced.

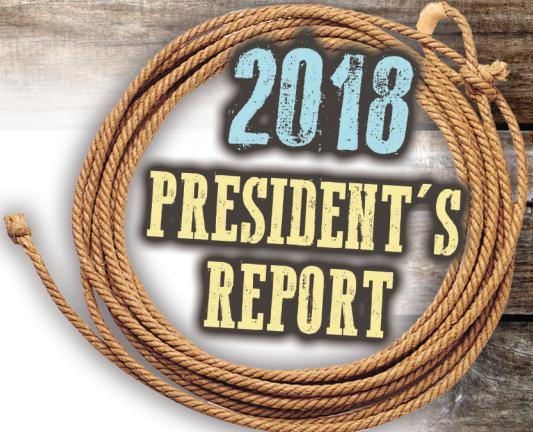
In 2018, we introduced our new logo to reflect what Communities of Abilene is all about - "Community". We have replaced our signs and continue to work on changing out the old logo with the new. We changed our teller pods at Rolling Green and North 6th to make the work areas more secure and to give members more privacy when making a transaction.

The collections department did a great job working with our members to reduce delinquencies and charge-offs. They were instrumental in the large reduction in our charge-offs for the year. The loan department continues to bring in new loans, which contributed to our increase in revenue and an additional 8.5 million in total loans.

In closing, I want to thank the Board, the Supervisory Committee, and our staff for the great service they provide our members. I also want to thank our members for being part of the Communities of Abilene Federal Credit Union family.

Respectfully Submitted,

Louis Zientek
President and Chief Executive Officer



2018 PRESIDENT'S REPORT

