

2017 TREASURER'S REPORT

SUMMARY OF FINANCIAL CONDITION		STATEMENT OF INCOME	
ASSETS		OPERATING INCOME	
Cash on Hand	\$ 1,957,985	Income from Loans	\$ 4,382,121
Cash on Deposit	\$ 9,099,366	Income from Investments	\$ 902,069
Loans to Members	\$ 83,731,395	Total Income	\$ 5,284,190
Less: Allowance Loan Losses	\$ (1,089,680)	Expenses	
Total Net Loans & Cash	\$ 93,699,066	Member Dividends	\$ 344,611
		Provision for Loan Loss	\$ 963,505
Investments	\$ 41,093,892	Total Expense	\$ 1,308,116
Land & Buildings		Net Income after Provision	\$ 3,976,074
Net of Depreciation	\$ 968,653	Non-Interest Income	
Furniture, Fixtures & Equipment	\$ 157,603	Fee Income	\$ 782,156
NCUA Insurance Deposit	\$ 1,241,070	Other Operating Income	\$ 122,129
Other Assets	\$ 967,413	Other Non-Operating Income	\$ -
Foreclosed Assets	\$ 15,368	Total Non-Interest Income	\$ 904,285
Total Assets	\$ 138,143,065	Net Income	\$ 308,688
LIABILITIES		OPERATING EXPENSES	
Accounts Payable	\$ 1,720,703	Employee Compensation & Benefits	\$ 2,280,901
Dividends Payable	\$ 1,962	Training & Conference	\$ 30,699
Total Net Liabilities	\$ 1,722,665	Office Occupancy	\$ 239,211
MEMBER'S EQUITY		Office Operations	\$ 1,383,487
Member Deposits	\$ 125,791,200	Education & Promotion	\$ 113,163
Retained Earnings	\$ 7,172,569	Loan Servicing	\$ 191,710
Statutory Reserves	\$ 3,456,631	Professional & Outside Services	\$ 246,801
		Regulatory Agency Fees	\$ -
		Operating fees	\$ 30,677
		Miscellaneous Operating Expense	\$ 55,022
Total Liabilities & Member's Equity	\$ 138,143,065	Total Operating Expenses	\$ 4,571,671

Charlotte Caldwell, CHIEF FINANCIAL OFFICER



COMMUNITIES

OF ABILENE FEDERAL CREDIT UNION

2018 ANNUAL MEMBERS MEETING



2017 CHAIRMAN'S REPORT

2017 was a good year for Communities of Abilene Federal Credit Union. The economy began to make a recovery and our skilled staff took action to maximize income, reduce expenses, manage risk successfully, and upgrade our IT capabilities.

In 2017, we rolled out the EMV Chip Card. This gives us the added security that is essential today. Thanks to our IT team leading the way, we are using 21st Century Technology. Another success for the IT department was the Card Valet feature for our debit cards. You get an added level of security and convenience by using Card Valet and being able to monitor your daily usage.

A strain on daily administration is managing accounts with bad addresses. The staff is working very hard to track down the bad addresses and clean up the accounts. Along with that, we realized a person with more than one account might only use one of those accounts all the time, and purposely leave the others alone. We are working to fix it, so if you use any one of the accounts, the others are credited with activity to avoid the accounts not being using on a regular basis going inactive or dormant.

Interest rates have been slowly rising over the last couple of months. For the credit union, it means we can earn a little more money on our investments. If you have any plans for a new house or car, this would be the best time to get serious! The trend is for the rates to continue to go up, and in our lifetimes, we may never see these historic low rates again.

In 2017, we earned over \$300,000 in profit. Even though

we had many upgrades to business services and IT, the staff squeezed every nickel they could and cut out any unnecessary spending possible. They also re-negotiated vendor services and saved us more money. A lot of outreach was done with local auto dealers and it paid off. We are the preferred loan agents for some of the big auto dealers in the area. That doesn't just happen. It takes hard work and dedication to go out to auto dealers and show them why we are their best source for loans.

The Supervisory Committee has conducted a number of routine, but important audits, and they have all come back showing that the business practices are sound. We appreciate the dedication of the Supervisory Committee volunteers.

The economy is rolling along. We want our current members to have the security and satisfaction of knowing your money is safe in our credit union, and we have a number of services and loans to enrich your quality of life. The Federal Examiners are pleased with our operations. We are very optimistic for 2018.

We can always improve, and we can always add more members to our credit union family, especially members who need loans. This is your credit union as much as it is ours. Help us grow and thrive. We sincerely thank you for supporting us, and being our advocates out there in the community.

Respectfully Submitted,
Robert Sayer,
Chairman, Board of Directors

2017 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 formerly Davis Kinard & Co, PC 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 asks and encourages all members to ensure their current address is on file with the credit union to ensure correspondence from the credit union is able to be delivered in a timely manner.

The Supervisory Committee commends and thanks our credit union leadership and staff for all their hard work and efforts on behalf of all the members.

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 have any questions or concerns about your account that you are unable to resolve by calling or visiting a branch office, please contact us in writing at P.O. Box 488, Abilene TX 79604.

Respectfully submitted
Kenneth M. Simonton,
Chairman Supervisory Committee

2017 ANNUAL PRESIDENT'S REPORT

This year we saw some improvement in the economy which had a positive impact on Communities of Abilene Federal Credit Union's earnings. For 2017, we had earnings of \$308,688 and our total assets increased to 138,143,065. Our loan volume increased 10 million dollars, but our charge-offs due to repossessed vehicles continue to be a drain on our earnings. There was some improvement this past year and we are hoping 2018 will be even better.

During the year, we were focused on getting projects completed. The IT department stayed busy with system hardware and software upgrades, along with replacing outdated equipment. They worked with one of our vendors to upgrade our camera systems at two of our locations. The ATM's were upgraded to allow for Visa and EMV chip cards with some additional enhancements to our website. Card Valet, which puts members in charge of their debit card purchases, was introduced.

The EMV chip cards were rolled out to replace the old magnetic strip cards. This was a major undertaking and required a lot of coordination between the staff and our members. I want to personally thank all of the employees who were involved with the process. It required a lot of patience and commitment on your part. This should help control fraud and make it more difficult for our member's debit cards to get compromised.

The collections department continues to do 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, with the great relationship they have built with our dealerships, increased our revenue by bringing in 10 million dollars of new loans.

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

Respectfully Submitted
Louis Zientek,
President and Chief Executive Officer