

ANNUAL REPORT

2021 TREASURER'S REPORT

2022 ANNUAL MEMBERS MEETING

SUMMARY OF FINANCIAL CONDITION

STATEMENT OF INCOME

ASSETS

| | |
|-----------------------------------|-----------------------------------|
| Cash on Hand | \$2,286,596 |
| Cash on Deposit | \$26,095,778 |
| Loans to Members | \$64,823,908 |
| Less: Allowance Loan Losses | \$(304,202) |
| Total Net Loans & Cash | \$92,902,080 |
| Investments | \$69,471,234 |
| Land & Buildings | Net of Depreciation \$858,727 |
| Furniture, Fixtures & Equipment | \$121,274 |
| NCUA Insurance Deposit | \$1,410,184 |
| Other Assets | \$1,196,546 |
| Foreclosed Assets | - |
| Total Assets | \$165,960,045 |

LIABILITIES

| | |
|------------------------------|--------------------|
| Accounts Payable | \$1,106,721 |
| Dividends Payable | \$2,547 |
| Total Net Liabilities | \$1,109,268 |

MEMBER'S EQUITY

| | |
|--------------------|---------------|
| Member Deposits | \$151,507,763 |
| Retained Earnings | \$9,886,383 |
| Statutory Reserves | \$3,456,631 |

Total Liabilities & Member's Equity \$165,960,045

OPERATING INCOME

| | |
|----------------------------------|--------------------|
| Income from Loans | \$2,874,960 |
| Income from Investments | \$849,133 |
| Total Income | \$3,724,093 |
| Expenses | |
| Member Dividends | \$313,609 |
| Provision for Loan Loss | \$198,287 |
| Interest on Borrowed Money | - |
| Total Expense | \$511,896 |
| Net Income after Provision | \$3,212,197 |
| Non-Interest Income | |
| Fee Income | \$776,582 |
| Other Operating Income | \$544,256 |
| Other Non-Operating Income | - |
| Total Non-Interest Income | \$1,320,838 |
| Total Income | \$4,533,035 |

OPERATING EXPENSES

| | |
|------------------------------------|--------------------|
| Employee Compensation & Benefits | \$2,170,148 |
| Training & Conference | \$5,644 |
| Office Occupancy | \$178,249 |
| Office Operations | \$1,244,488 |
| Education & Promotion | \$97,452 |
| Loan Servicing | \$176,823 |
| Professional & Outside Services | \$206,401 |
| Regulatory Agency Fees | - |
| Operating fees | \$31,820 |
| Miscellaneous Operating Expense | \$20,129 |
| Total Non-Interest Expenses | \$4,131,154 |

Net Income \$401,881

On behalf of the Board of Directors: Greetings, fellow members of Communities of Abilene Federal Credit Union.

The 2021 year, like the preceding one, was challenging for all of us. Balancing our organizational financial health and the staff's protection was an arduous undertaking. Our President and CEO, Lou Zientek, has done a marvelous job in orchestrating the systems of our credit union. It is, indeed, a large system consisting of various sub-systems.

You, the members are foremost. There are tellers on the front line and many more supportive systems of other loyal people managing the infrastructure. Their stupendous efforts have maintained a stable, viable operation to serve our members who are the essential element in this cooperative effort. Your deposits and borrowing money enable the essential function of the credit union to provide excellent full service to the community. Through this unstable and perplexing time, we have rendered full services and kept our doors open. Considering this restrictive fiscal time frame, we achieved tremendous growth. Thank you for joining and participating in our wonderful organization.

The freeze we all recall in February 2021, froze overhead pipes at the Dyess Branch and flooded the building causing tremendous damage. Insurance covered everything and we emerged unscathed. But, because of the underutilization and cost effectiveness a decision was made to close the Dyess Branch. Earlier this year the branch closure was completed. We now just have the North 6th and Rolling Green locations. As a result, our operations are more streamlined and effective.

In conclusion, we have endured and completed this past year in an outstanding manner under problematic circumstances. Our members have been served well and we are indeed a solid community. We feel if we are not busy growing, we're busy dying and you can be assured the Board of Directors prioritize your best interests and you are in their prayers.

Thank you for growing with us and being a part of the team.

Jim McDonald
Chairman of the Board



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Federal Credit Union



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2021 CHAIRMAN'S REPORT

2021 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.

In 2021 the firm WayPoint Advisory Services Inc. completed an Automated Clearing House Review. The firm Eide Bailly LLP completed four quarterly audits on the Share Accounts of Officials and Employees, Dormant Account Activity, Expense Report and Corporate Credit Card Activity, Loan Reviews to Include Officials, Employees and their Family members, File Maintenance Reports, and Bank and General Ledger Account Reconciliations. There were four findings were reported to the Supervisory Committee who followed up with the Credit Union leadership who explained and or corrected the findings to the satisfaction of the Supervisory Committee working on behalf of all the Credit Union members.

The Supervisory Committee again commends and Thanks our Credit Union Leadership and Staff for their professionalism and cooperation with WayPoint and Eide Bailly. The Committee wants to ensure all members that the Leadership and Staff are whole heartedly committed to the continued success of 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



2021 PRESIDENT'S REPORT

The uncertainty with our economy continued into 2021 for Communities of Abilene Federal Credit Union. In 2021, we had earnings of \$401,881 and our total assets increased to \$165,960,045. Our loan volume continued to suffer this year. COVID started to slow down, but dealerships were still unable to get inventory due to the chip shortage. Our loan volume dropped \$14.5 million. We were able to purchase a few investments to help offset the drop in loan volumes, but the rates we received on those investments were very low. Our charge-offs decreased \$305,759 and we were able to keep our expenses flat, which helped us have a successful year.

In 2021, the focus was trying to find a place to invest all the additional deposits coming into the Credit Union. We saw our total shares increase by over 10 million. The Federal Reserve had dropped the fed fund rate to near zero and there weren't many places to put those additional funds. We looked for new investment opportunities but there were not any available. We did purchase a few investments, but the returns were terrible. We hope this next year returns to a more normal environment.

The collections department did a great job keeping our charge offs to a minimum. They worked with our members by allowing interest only payments, loan extensions, and payment arrangements. This prevented several of our members from losing their vehicles or homes and damaging their credit scores. The tellers and member service representatives did a great job assisting our members with their financial needs.

I want to thank our members for being part of the Communities of Abilene Federal Credit Union family and our Board of Director, Supervisory Committee, and our great staff.

Respectfully Submitted,

Louis Zientek
President and Chief Executive Officer

