

ANNUAL REPORT

2022 TREASURER'S REPORT

2022 Annual MEMBERS MEETING

2022 CHAIRMAN'S REPORT

SUMMARY OF FINANCIAL CONDITION

STATEMENT OF INCOME

ASSETS

Cash on Hand	\$2,357,930
Cash on Deposit	\$15,103,828
Loans to Members	\$75,203,071
Less: Allowance Loan Losses	\$(205,880)
Total Net Loans & Cash	\$92,458,949
Investments	\$62,698,464
Land & Buildings	
Net of Depreciation	\$772,819
Furniture, Fixtures & Equipment	\$167,489
NCUA Insurance Deposit	\$1,493,846
Other Assets	\$1,042,496
Foreclosed Assets	-
Total Assets	\$158,634,063

LIABILITIES

Accounts Payable	\$1,770,660
Dividends Payable	\$1,999
Total Net Liabilities	\$1,772,659

MEMBER'S EQUITY

Member Deposits	\$153,530,036
Retained Earnings	\$(125,263)
Statutory Reserves	\$3,456,631

Total Liabilities & Member's Equity \$158,634,063

OPERATING INCOME

Income from Loans	\$2,497,301
Income from Investments	\$1,633,493
Total Income	\$4,130,794
Expenses	
Member Dividends	\$309,363
Provision for Loan Loss	\$116,391
Interest on Borrowed Money	-
Total Expense	\$425,754
Net Income after Provision	\$3,705,040
Non-Interest Income	
Fee Income	\$788,867
Other Operating Income	\$595,278
Gain (Loss) Fixed Assets	\$134,298
Other Non-Operating Income	-
Total Non-Interest Income	\$1,518,443
Total Income	\$5,223,483

OPERATING EXPENSES

Employee Compensation & Benefits	\$2,364,111
Training & Conference	\$20,703
Office Occupancy	\$197,587
Office Operations	\$1,313,642
Education & Promotion	\$99,432
Loan Servicing	\$218,543
Professional & Outside Services	\$254,317
Regulatory Agency Fees	-
Operating fees	\$26,670
Miscellaneous Operating Expense	\$36,390
Total Non-Interest Expenses	\$4,531,395

Net Income \$692,088

On behalf of the Board of Directors; Greetings, fellow members of Communities of Abilene Federal Credit Union. Welcome to your Annual Membership Meeting.

The year 2022 presented the usual business challenges for the Communities of Abilene Federal Credit Union (CoAFCU). Our primary mission is to establish and maintain a safe and steadfast foundation for the financial stability of our Members and the organization itself. Granted, we are not alone in numerous, somewhat, hindering outside forces. These are normal issues that pressurize our efforts to provide ideal services desired by our members. They are numerous and include insistent regulations and regulatory agencies, required costly supportive services, overhead expenses and risk management. These and other such difficulties have been taken in stride and regardless, headway was achieved.

In considering the concept of "If you're green, you're growing but if you're ripe, you're rotting." Our CoAFCU is not "green" in the sense of being inexperienced. We are seasoned with a long history of effectiveness which is illustrated by consistent growth over long periods. This organization is indeed functioning well and growing. For further reference, please see our President/CEOs report in this document.

This credit unions metrics reflect positive growth this past year that is signified by the following: In 2022 the return on average assets increased approximately 10%. Capital Assets Ratio increased from 8.8% to 9.49%. The Delinquency ratio declined from .45% down to 1.9%. Total loans rose by \$11 million and membership grew by 2.5%. These leading indicators are a viable set of positive data that show we are on solid ground and moving forward in delivering full financial services to our Members.

Members can be assured this organization is managed in accordance with all governmental requirements The Management team and employees are competent, top notch, people who are stakeholders in CoAFCU. The Board of Directors is a dedicated group of informed caring individuals who pay strict attention to the details of the operation and monitor it closely. The Supervisory Committee is also devoted to their duties.

Remember, you the Member are the essential element in this credit union function. Each of you plays a role that enables these successful full financial services. Thank you for supporting this team.

Jim McDonald
Chairman of the Board



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Federal Credit Union



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2022 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 2022 the firm Eide Bailly LLP completed three 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.

The Supervisory Committee welcomed our new President and CEO Clint Wilson and look forward to working with him. We are confident that Clint will be a great asset to our credit union. We also commend and thank our Credit Union Leadership and Staff for their superior professionalism and cooperation with all outside auditors and especially with all of the outstanding members 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 have any issues concerning your account, I respectfully ask that you first call or visit a branch office. If your issue is not resolved, then I ask you to secondly Please contact the Supervisory Committee and give us an opportunity to address and work the issue. Lastly, I ask that you contact NCUA as only a last resort. The Supervisory Committee 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

2022 PRESIDENT'S REPORT

Last year was an exciting year for Communities of Abilene Federal Credit Union and the American economy in general. In 2022, your credit union had earnings of \$692,088 and our total assets ended the year at \$158,624,063. During the first nine months of the year, the credit union continued a significant downturn in lending activity which was tied to the COVID pandemic. With the automobile industry experiencing shortages in microchips, the availability of both new and used autos was significantly diminished. Vehicles that were available were sold at a premium and used automobiles were bringing premium prices as well. As microchips became more available in latter 2022, loan volumes began to increase as we put on close to \$8 million dollars in auto loans in the last quarter of 2022.

As inflation continued to skyrocket in late 2022, your credit union raised interest rates on several loan products to keep pace with Federal Reserve rate increases. Over the course of the year, our investments purchased in the latter phases of the COVID pandemic produced returns that helped shore up lower than desired returns in the member lending department.

Overall, Communities of Abilene Federal Credit Union continues to keep our operating costs in line with industry standards and our collections department has continued to keep our charge offs well below peer averages. Our tellers and member service representatives continue to meet our members expectations at every turn and will continue to do so moving forward.

Of course it is worth noting that at the end of the year, Lou Zientek, our previous CEO retired from duties at Communities of Abilene FCU. He can still be seen sneaking in for popcorn on Friday if you can't find him on one of the local golf courses.

Moving into 2023 we are seeing continued rate increases by the Federal Reserve with a potential for rate cuts toward the end of the year as inflation continues to challenge the American economy. While these challenges are real and create financial hardship for our members, I have no doubt that Communities of Abilene will continue to thrive due to loyalty and patriotism of our members.

I want to thank our members for their continued trust of Communities of Abilene Federal Credit Union family, and I look forward to serving each of you in 2023.

Respectfully Submitted,

Clint Wilson
President and Chief Executive Officer

