



# 2012 ANNUAL REPORT



**A**s you can see in our financial statements, and evidenced by our \$5 Million profit-sharing payout to members, we experienced a very successful year in 2012. And we continue to be well capitalized, demonstrating sustainable strength and stability.

Rather than a long letter, we decided to tell our story in pictures. We're extremely proud of the strides we made to improve our members' financial lives, strengthen our credit union, and give back to our community. Thank you for helping us make Kansas City even stronger. We are Building Financial Success ... *Together!*

Sincerely,

*Bradley D. Douglas*

Brad D. Douglas  
Chairman of the Board

*Dennis E. Pierce*

Dennis E. Pierce  
Chief Executive Officer



## FINANCIAL EDUCATION

Our multi-pronged commitment to help children in our community understand financial fundamentals and start their financial lives positively is unparalleled, receiving national industry recognition. We invest in their future to create a positive impact long-term for all Kansas Citians.



## COMMUNITYAMERICA BALLPARK

We extended our sponsorship of the Kansas City T-Bones baseball team. This sponsorship helps keep the CommunityAmerica brand relevant to Kansas Citians interested in affordable family fun well done.



## SOCIAL REPUTATION

Our members continue to refer new families to us every day because of the care we take in working towards financial success for every member.

**John D.**  
Joined @CommunityAmerCU three days ago and the branch manager is already greeting me by name! Never would have happened at my old bank.

**Mary L.**  
So this morning I get a letter from CommunityAmerica Credit Union stating they are giving us \$117.29 just for being a member, it is part of their Owner Return Program (as they consider all member's Owners) - so I pull up our accounts and it is there! I'm sorry but I've never seen a BANK pay ME for being a member. Thank you CACU!!!!

**Shaun B.**  
My wife and I are new members, and absolutely love CACU so far. Checking, savings, Christmas Club, things are so easy with you guys. Keep up the good work!

**Meesha V.**  
Hello, just wanted to say thanks to the drive-through teller at the Blackbob branch. Not only I showed up at 5:59 but in a rush I made a hundred dollar error on my deposit slip. Not only the young lady stayed few extra minutes to take care of my deposit, she discovered and corrected my mistake. Thanks for the patience and honesty. Long time happy customer.

**Jarrod K.**  
Lovin' @CommunityAmerCU's new site and online banking look and feel. Well done!! #BestBankinKC

**Chris D.**  
The very nice ladies at the Blue Springs (Outer Rd) branch wrapped my children's gifts this morning. What a wonderful service for working parents. Thank you!





## SAVIN' MAVENS

Our Savin' Mavens media outreach helps Kansas Citians become better stewards of their hard-earned money. Coupled with our targeted financial classes, we're making more of an impact than any other financial institution in the area.



## COMMUNITY INVOLVEMENT

Community is part of our name — we genuinely want to drive positive change in Kansas City. For the fourth straight year, our employees volunteered at least 3,000 hours. Specifically, we helped build houses for those needing shelter, we packaged food to feed the hungry in our community, and we raised money for important charitable causes that profoundly make a difference in the lives of our members. From lemonade stands to holiday bell ringing, our employees rolled up their sleeves throughout the year — people helping people — to live up to our values.



## \$5 MILLION GIVE-BACK

Our financial strength in 2012 was best exemplified by the \$5 Million profit payout to members as part of our cooperative, not-for-profit model. Just one more way we reward our members for their continued support of this institution.

# CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

Years ended December 31, 2012 and 2011 (Amounts in thousands)

	<u>2012</u>	<u>2011</u>
<b>ASSETS</b>		
Cash on hand	\$ 35,190	\$ 18,236
Cash equivalents	115,748	51,616
Cash and cash equivalents	150,938	69,852
Corporate credit union membership shares	-	2,281
Securities available for sale	445,878	536,988
Other investments	18,636	17,480
Investments in CUSOs	1,058	976
Loans held for sale	43,121	36,334
Loans, net	1,085,953	1,079,206
Accrued interest receivable	6,730	6,818
Mortgage servicing rights	8,543	6,977
Premises and equipment, net	37,748	39,136
Federal Home Loan Bank stock	16,723	18,079
NCUSIF insurance deposit	13,680	12,552
Other assets	30,928	15,408
<b>TOTAL ASSETS</b>	<b>\$ 1,859,936</b>	<b>\$ 1,842,087</b>
<b>LIABILITIES</b>		
Members' share and savings accounts	\$ 1,419,188	\$ 1,371,703
Borrowings	175,000	221,532
Accrued interest payable	5,726	1,322
Other liabilities	28,636	30,755
<b>TOTAL LIABILITIES</b>	<b>1,628,550</b>	<b>1,625,312</b>
<b>COMMUNITYAMERICA MEMBERS' EQUITY</b>		
Regular reserve	73,827	90,001
Undivided earnings	148,870	122,465
Accumulated other comprehensive loss	2,390	2,870
<b>TOTAL COMMUNITYAMERICA'S EQUITY</b>	<b>225,087</b>	<b>215,336</b>
Noncontrolling Interest	6,299	1,439
<b>TOTAL MEMBERS' EQUITY</b>	<b>231,386</b>	<b>216,775</b>
<b>TOTAL LIABILITIES &amp; MEMBERS' EQUITY</b>	<b>\$ 1,859,936</b>	<b>\$ 1,842,087</b>

# CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31, 2012 and 2011 (Amounts in thousands)

	2012	2011
INTEREST INCOME		
Loans	\$ 64,251	\$ 69,730
Investment securities	5,274	4,410
Cash equivalents	991	918
<b>TOTAL INTEREST INCOME</b>	<b>70,516</b>	<b>75,058</b>
Interest Expense		
Members' share and savings accounts	14,386	12,726
Borrowed funds	7,356	8,374
<b>TOTAL INTEREST EXPENSE</b>	<b>21,742</b>	<b>21,100</b>
Net Interest Income	48,774	53,958
Provision for Loan Losses	17,675	15,211
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSS</b>	<b>31,061</b>	<b>38,747</b>
NONINTEREST INCOME		
Service fees	20,605	18,415
Net unrealized gain on other investments	1,078	407
Credit and debit card transaction fees	11,549	10,498
Origination income	6,721	3,358
Gain on the sale of loans	19,763	11,288
Other	4,230	2,318
<b>TOTAL NON INTEREST INCOME</b>	<b>63,946</b>	<b>46,284</b>
NONINTEREST EXPENSE		
Compensation and benefits	48,605	39,405
Office operations	12,261	10,638
Occupancy	5,647	5,552
Educational and promotional	4,896	5,606
Loan processing	3,570	2,640
Professional fees and outside services	5,167	4,524
Realized loss and impairment on repossessed assets	792	825
Other operating expenses	2,229	4,522
<b>TOTAL NONINTEREST EXPENSE</b>	<b>83,167</b>	<b>73,712</b>
NET INCOME	11,840	11,319
Net Income Attributable to Noncontrolling Interest	1,609	413
<b>NET INCOME ATTRIBUTABLE TO COMMUNITYAMERICA</b>	<b>10,231</b>	<b>10,906</b>

## CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years ended December 31, 2011 and 2012  
(Amounts in thousands)

	Regular Reserve	Capital Maintenance Reserve	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Members' Equity
<b>Balance, December 31, 2010</b>	\$ 97,701	\$ 55,878	\$ 47,981	\$ 420	\$ 1,247	\$ 203,227
Net income	—	—	10,906	—	413	11,319
Transfers	(7,700)	(55,878)	63,578	—	—	—
Other comprehensive income	—	—	—	2,450	—	2,450
Dividends	—	—	—	—	(221)	(221)
<b>Balance, December 31, 2011</b>	\$ 90,001	—	\$ 122,465	\$ 2,870	\$ 1,439	\$ 216,775
Net income	—	—	10,231	—	1,609	11,840
Transfers	(16,174)	—	16,174	—	—	—
Other comprehensive income	—	—	—	(480)	—	(480)
Transfer of noncontrolling interest	—	—	—	—	3,755	3,755
Dividends	—	—	—	—	(504)	(504)
<b>Balance, December 31, 2012</b>	<u>\$ 73,827</u>	<u>\$ —</u>	<u>\$ 148,870</u>	<u>\$ 2,390</u>	<u>\$ 6,299</u>	<u>\$ 231,386</u>



## TREASURER'S REPORT

In 2012, CommunityAmerica Credit Union had total Assets of \$1.860 billion. Assets in 2012 increased by \$17.8 million. Deposits increased by \$47.5 million to a total of \$1.419 billion.

For the year, CommunityAmerica provided 25,740 loans to members totaling \$816 million. Our overall loan portfolio increased .99% or \$10.8 million.

The Credit Union's lending policies and collection practices resulted in a delinquency rate of 1.34% at year-end. In addition, we experienced a charge-off ratio of 1.09%.

Our net income in 2012 was \$10.231 million. This resulted in an 11.97% capital-to-asset ratio.

## SUPERVISORY REPORT

The Supervisory Committee of the Credit Union has a responsibility to serve the members of CommunityAmerica. It meets bi-monthly to perform duties, which include ensuring the Credit Union operates properly and in accordance with the rules and regulations established by the National Credit Union Administration and the Missouri Division of Credit Unions.

Furthermore, the committee retained an independent audit firm to form an opinion on the accuracy of our consolidated financial statements. We are pleased to report that our audit examination yielded an unqualified opinion, noting our financial statements to be presented fairly and in accordance with accounting principles generally accepted in the United States of America.

## BOARD OF DIRECTORS

CommunityAmerica's Board of Directors is elected by our members. This volunteer group functions on behalf of members to oversee the operations of the Credit Union. The Board meets monthly to assure the Credit Union runs smoothly and in accordance with regulations.

Brad Douglas – Chairman  
Brad Miller – Vice Chairman  
Colleen Browne – Secretary/Treasurer  
R. Bruce Brower  
Mick Fenley  
Terri Martin  
Rich Miller  
Trent Skaggs  
Mike Swenson  
Allison Waggoner

## SUPERVISORY COMMITTEE

The members of our Supervisory Committee volunteer their time to provide an additional level of checks and balances. This group meets every other month, as well as monthly with the Board of Directors.

Stephanie Fisher – Chairman  
Eric Gervais  
Kerry Domke  
Joe Williams

## EMERITUS BOARD MEMBERS

Roger Adamson  
David Drollinger  
Phil Gaines  
Larry Hampton  
Tom Humphrey

