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2013 ANNUAL REPORT

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In 2013, we launched our new brand campaign and tagline, Profit to the People®, bringing to life our calling — building financial success together with our members — and encouraging prospects to seriously consider switching to a better way of banking. Because we are a cooperative, members profited in so many ways, including free financial coaching, an empathetic service approach, better rates, lower fees, sound investment advice and of course, our Profit Payout.\*

Our communities also profited from our unwavering commitment to social responsibility — demonstrated by local outreach and volunteer efforts, record-breaking United Way fundraising efforts, the annual holiday drive and our financial literacy classes.

Due to a significant investment in technologies in 2013, you profited from an improved and more convenient banking experience. As you will see in our financial statements, we had a very successful year in 2013, including record-setting net income levels. As a result, we're well-capitalized and positioned for a bright future.

See our story in pictures and thank you for choosing CommunityAmerica. We're proud to be not-for-profit ... so you can be.

Sincerely,

Brad D. Douglas  
Chairman of the Board

Dennis E. Pierce  
Chief Executive Officer



## Online & Mobile Banking

We opened two new redesigned branches — one in your living room and one in the palm of your hand. Our online banking and mobile platforms experienced significant upgrades that allow you to deposit checks from your phone, use texts for transactions, open new accounts, and so much more. And our new budgeting tool, FinanceWorks, offers a live snapshot of your financial situation to help you plan and manage your financial goals.

## Financial Education

Thousands of adults and students across the metro profited from our wide-reaching efforts to help them learn life-changing financial fundamentals. We once again received national financial literacy recognition for what we do locally to help people of all ages learn tips and tricks to help reach short- and long-term goals.



\*Dividend is discretionary and approved annually by CommunityAmerica's Board of Directors. Amounts are variable and are not guaranteed.



### Don't Tax My CU

With our not-for-profit business model under attack by big banks, CommunityAmerica took the lead nationally to test member advocacy outreach to legislators designed to help preserve credit unions' federal tax-exempt status. In large part due to these efforts, we are making an impact in Washington, D.C., as political leaders of both parties are hearing directly from you that a tax on credit unions is a tax on members.



### Best Places to Work

Our organization and your experiences are the result of engaged employees focused on your financial success. Without an energized and empowered workforce, we couldn't accomplish what we do. This past year, CommunityAmerica was recognized as a Best Place to Work honoree by the *Kansas City Business Journal* for the third time. And this Best Place to Work also happens to be the best place to bank.

### Community Involvement

Our community profited from our efforts to drive positive change locally. We dedicated thousands of hours building houses, collecting donations, volunteering in warehouses and at community events to help those in need. Being a not-for-profit gives us the flexibility to ensure that social responsibility is a major component of how we do business.



### \$5.5 Million Profit Payout

We all profited from yet another strong year, perhaps best exemplified by the more than \$5.5 million Profit Payout issued to members with at least two unique product/service relationships. And our Profit Payout Calculator on [cacu.com](http://cacu.com) lets you see the additional dollars you could have received by bringing over more loans or deposits from other financial institutions.





# Consolidated Statements of Financial Condition

Years ended December 31, 2013 and 2012 (Amounts in thousands)

	<u>2013</u>	<u>2012</u>
<b>ASSETS</b>		
Cash on hand	\$ 39,110	\$ 35,028
Cash equivalents	128,496	115,910
Cash and cash equivalents	167,606	150,938
Securities available for sale	371,855	445,878
Other investments	20,676	18,636
Investments in CUSOs	1,045	1,058
Loans held for sale	51,650	83,836
Loans, net	1,168,327	1,058,295
Accrued interest receivable	5,520	6,767
Mortgage servicing rights	17,967	12,134
Premises and equipment, net	39,510	37,748
Federal Home Loan Bank stock	12,294	16,723
NCUSIF insurance deposit	13,988	13,680
Other assets	18,491	29,873
<b>TOTAL ASSETS</b>	<b><u>\$ 1,888,928</u></b>	<b><u>\$ 1,875,566</u></b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Members' share and savings accounts	\$ 1,484,426	\$ 1,419,188
Borrowings	108,500	175,000
Accrued interest payable	6,166	5,726
Other liabilities	40,495	44,266
<b>TOTAL LIABILITIES</b>	<b><u>1,639,587</u></b>	<b><u>1,644,180</u></b>
<b>MEMBERS' EQUITY</b>		
Regular reserve	73,827	73,827
Undivided earnings	166,942	148,870
Accumulated other comprehensive income	93	2,390
<b>TOTAL COMMUNITYAMERICA EQUITY</b>	<b>240,862</b>	<b>225,087</b>
Noncontrolling Interest	8,479	6,299
<b>TOTAL MEMBER EQUITY</b>	<b>249,341</b>	<b>231,386</b>
<b>TOTAL LIABILITIES &amp; MEMBER EQUITY</b>	<b><u>\$ 1,888,928</u></b>	<b><u>\$ 1,875,566</u></b>



# Consolidated Statements of Operations

Years ended December 31, 2013 and 2012 (Amounts in thousands)

	<u>2013</u>	<u>2012</u>
<b>INTEREST INCOME</b>		
Loans	\$ 63,873	\$ 64,632
Investment securities	4,332	5,274
Cash equivalents	1,028	991
<b>TOTAL INTEREST INCOME</b>	<b>69,233</b>	<b>70,897</b>
Interest expense		
Member share and savings accounts	13,011	14,386
Borrowed funds	3,802	7,356
<b>TOTAL INTEREST EXPENSE</b>	<b>16,813</b>	<b>21,742</b>
Net interest income	52,420	49,155
Provision for loan losses	9,144	17,680
<b>NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSS</b>	<b>43,276</b>	<b>31,475</b>
<b>NON-INTEREST INCOME</b>		
Service fees	20,227	20,605
Net unrealized gain on other investments	1,935	1,078
Credit and debit card transaction fees	12,544	11,549
Origination income	8,065	6,721
Gain on the sale of loans	17,235	17,567
Realized gain on repossessed assets	81	—
Other	10,554	8,074
<b>TOTAL NON-INTEREST INCOME</b>	<b>70,641</b>	<b>65,594</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation and benefits	51,861	48,538
Office operations	13,781	12,258
Occupancy	5,984	5,655
Educational and promotional	4,315	4,962
Loan processing	3,419	3,105
Professional fees and outside services	6,615	5,167
Realized loss and impairment on repossessed assets	—	792
Other operating expenses	8,959	4,752
<b>TOTAL NON-INTEREST EXPENSE</b>	<b>94,934</b>	<b>85,229</b>
<b>NET INCOME</b>	<b>18,983</b>	<b>11,840</b>
Net income attributable to noncontrolling interest	911	1,609
<b>NET INCOME ATTRIBUTABLE TO COMMUNITYAMERICA</b>	<b>\$ 18,072</b>	<b>\$ 10,231</b>



## Consolidated Statements of Member Equity

Years ended December 31, 2013 and 2012  
(Amounts in thousands)

	Regular Reserve	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Noncontrolling Interest	Total Member Equity
<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>	\$ 73,827	\$ 148,870	\$ 2,390	\$ 6,299	\$ 231,386
Net income	—	18,072	—	911	18,983
Other comprehensive income (loss)	—	—	(2,297)	—	(2,297)
Partial disposition of noncontrolling interest	—	—	—	1,502	1,502
Dividends	—	—	—	(233)	(233)
<b>Balance, December 31, 2013</b>	\$ 73,827	\$ 166,942	\$ 93	\$ 8,479	\$ 249,341

### In Memory Of

CommunityAmerica wishes to recognize and pay tribute to David Drollinger, a special member of our credit union family who passed away this year. The contributions David made to the growth and success of CommunityAmerica were invaluable. He will be deeply missed.

<b>David M. Drollinger</b>	Supervisory Committee	1992 – 1993
	Board Member	1993 – 2011
	Emeritus Member	2011 – 2014

## Treasurer's Report

In 2013, CommunityAmerica Credit Union had total Assets of \$1.889 billion. Assets in 2013 increased by \$13.4 million. Deposits increased by \$65.2 million to a total of \$1.484 billion.

For the year, CommunityAmerica provided 24,603 loans to members totaling \$776 million. Our overall loan portfolio increased 10.4% or \$110 million.

The Credit Union's lending policies and collection practices resulted in a delinquency rate of 1.16% at year-end. In addition, we experienced a charge-off ratio of .94%.

CommunityAmerica's net income in 2013 was \$18.1 million. This resulted in a 12.75% capital-to-asset ratio.

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## Supervisory Report

The Supervisory Committee of the Credit Union has a responsibility to serve the members of CommunityAmerica. Our committee meets at least quarterly to perform our 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, we 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 yielded an unqualified opinion from our auditors, noting our financial statements to be presented fairly and in accordance with accounting principles generally accepted in the United States of America.

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## Board of Directors

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

Brad Douglas — Chairman

Colleen Browne — Vice Chairman

Rich Miller — Secretary

Mick Fenley

Terri Martin

Brad Miller

Trent Skaggs

Allison Waggoner

Richard Wetzel

## Supervisory Committee

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

Stephanie Fisher — Chairman

Kerry Domke

Eric Gervais

Joe Williams

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## Emeritus Board Members

Roger Adamson

Phil Gaines

Bruce Brower

Tom Humphrey

David Drollinger

