



2014 ANNUAL REPORT





Brad Douglas, Chairman of the Board, and Dennis Pierce, CEO



CommunityAmerica Foundation:
Family Financial Transformations



We are proud to announce that 2014 was a record-breaking year for our credit union. As a member-owned, not-for-profit cooperative, CommunityAmerica's executive leadership team, the hundreds of people who work on our members' behalf, and the board of volunteer directors all approach our business by putting people first. The result was record net income and profit for the organization, allowing us to return a Profit Payout¹ of over \$6 million this year alone.

In 2014, we strengthened our technology to make it easier to do business with us. We were able to launch several innovative solutions, including Wi-Fi in our branches and new technology to shorten wait times at our contact center. We also made our mobile and online banking experiences even better, with several enhancements.

2014 marked a milestone for the credit union. After 22 successful years as CommunityAmerica's CEO, Dennis Pierce announced his retirement. The organization conducted a thorough search to find his successor, and starting in 2015, Lisa Ginter took over as the new CEO of CommunityAmerica Credit Union. Lisa has served for 20 years at CommunityAmerica – most recently as the Chief Operating Officer. She continues our member-focused vision and builds on the momentum and culture Dennis and his leadership team established over the past several years.

There are so many reasons to be optimistic. The activities and photos highlighted throughout this report tell our story. It is a privilege to serve the Kansas City community, and the fact that our members have chosen us is something we embrace.

Sincerely,

Brad D. Douglas
Chairman of the Board

Dennis E. Pierce
Chief Executive Officer



NEW Community Financial Center — Raytown Hy-Vee

2014 HIGHLIGHTS

COMMUNITYAMERICA FOUNDATION FORMED

"Community" is an integral and important part of our name because we believe investing locally makes everyone stronger. This year our commitment continued with the introduction of the CommunityAmerica Foundation. The CommunityAmerica Foundation's mission is to transform the lives of Kansas City families within our field of membership, helping them attain long-term success and independence through financial literacy and empowerment. We are proud of this initiative and look forward to the significant impact it will have for many years to come.

MILLENNIAL ENGAGEMENT THROUGH LIVEKC

We recognize the critical role the millennial generation plays in the current and future success of the credit union. As a result, CommunityAmerica is now a sponsor of LiveKC, giving our employees an opportunity to actively engage with millennial professionals at other local corporations to plan events, discuss best practices and elevate their impact at the companies for which they work.

BRANCH TECHNOLOGY INVESTMENTS

Technology was at the forefront of our investments, as plans were made to open the first Community Financial Center in 2015. This year, we implemented a series of smart ATMs and added free² Wi-Fi in branches. The Community Financial Centers offer a hands-on and interactive member experience including an open floor plan with employees trained for personal consultations, along with privacy stations for transactions.

PURCHASE REWARDS³ AVAILABLE TO MEMBERS

Shop at your favorite stores. Eat at your favorite restaurants. Pay with your CommunityAmerica debit card. The result? Cash rewards deposited directly into your checking account. In January 2014, we launched Purchase Rewards with great success, hearing positive feedback from members who enjoy receiving incentives at establishments they already frequent.

\$6.2 MILLION PROFIT PAYOUT

2014 was another record year, with \$6.2 million in dividends issued to members as part of the Profit Payout. This continues to be a key differentiator for the credit union, as the average qualifying CommunityAmerican household received nearly \$90 this year alone. Many have flocked to the Profit Payout Calculator, with countless new and existing members benefitting from this online tool that shows what their potential Payout could have been by having additional loans or deposits with CommunityAmerica.

EXTENDED CONTACT CENTER HOURS

Members spoke and we listened! We were asked to offer greater access to our people for account support, so we extended our Contact Center hours into the evenings and weekends. We're now available Monday to Friday, 7am–7pm and Saturday, 9am–2pm. This is yet another way we put our members' needs first, and take pride in the highest level of service.

¹ Profit Payout dividend is discretionary and approved annually by CommunityAmerica's Board of Directors. ² Standard carrier rates may apply. ³ Terms and conditions for cashback rewards apply. * Profit Payout dividend is discretionary and approved annually by CommunityAmerica's Board of Directors. Amounts advertised are representative of actual dividends paid in 2015. Dividend is not guaranteed and amounts may vary. Not everyone receives a dividend and member must be in good standing on processing date to qualify. Dividends are reported to IRS and a 1099 form will be issued at year-end. Any applicable taxes are the responsibility of recipient. Membership subject to approval.



Midnight Underground Circus LiveKC Event



Profit Payout



Member Appreciation Event — Emeritus Scholarship Winners

CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

Years ended December 31, 2014 and 2013 (Amounts in thousands)

2014

2013

*** ASSETS ***

Cash on hand	30,370	39,110
Cash equivalents	61,213	128,496
CASH AND CASH EQUIVALENTS	\$ 91,583	\$ 167,606
Securities available for sale	440,329	371,855
Other investments	21,160	20,676
Investments in CUSOs	1,045	1,045
Loans held for sale	25,542	51,650
Loans, net	1,287,410	1,168,327
Accrued interest receivable	5,078	5,520
Mortgage servicing rights	22,339	17,967
Premises and equipment, net	38,927	39,510
Federal Home Loan Bank stock	15,493	12,294
NCUSIF insurance deposit	14,650	13,988
Other assets	24,503	18,490
TOTAL ASSETS	\$ 1,988,059	\$ 1,888,928

*** LIABILITIES AND MEMBERS' EQUITY ***

LIABILITIES		
Members' share and savings accounts	1,559,799	1,484,426
Borrowings	108,500	108,500
Accrued interest payable	7,003	6,166
Other liabilities	44,583	40,495
TOTAL LIABILITIES	\$ 1,719,885	\$ 1,639,587
MEMBERS' EQUITY		
Regular reserve	73,827	73,827
Undivided earning	184,593	166,942
Accumulated other comprehensive income	1,077	93
TOTAL COMMUNITYAMERICA MEMBERS' EQUITY	\$ 259,497	\$ 240,862
Non-controlling interest	8,677	8,479
TOTAL MEMBERS' EQUITY	\$ 268,174	\$ 249,341
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 1,988,059	\$ 1,888,928

CONSOLIDATED STATEMENTS OF OPERATIONS

Years ended December 31, 2014 and 2013 (Amounts in thousands)

2014

2013

*** INTEREST ***

INTEREST INCOME

Loans	63,176	63,873
Investment securities	6,204	4,332
Cash equivalents	884	1,028
TOTAL INTEREST INCOME	\$ 70,264	\$ 69,233

INTEREST EXPENSE

Members' share and savings accounts	13,400	13,011
Borrowed funds	3,178	3,802
TOTAL INTEREST EXPENSE	\$ 16,578	\$ 16,813

Net interest income	53,686	52,420
Provision for loan losses	7,433	9,144
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 46,253	\$ 43,276

*** NON-INTEREST ***

NON-INTEREST INCOME

Service fees	16,654	20,227
Gain on the sale of loans	16,694	17,235
Credit and debit card transactions fees	13,944	12,544
Origination income	6,837	8,065
Net unrealized gain on other investments	414	1,935
Realized gain on repossessed assets	245	81
Other	12,852	10,554
TOTAL NON-INTEREST INCOME	\$ 67,640	\$ 70,641

NON-INTEREST EXPENSE

Compensation and benefits	51,942	51,861
Office operations	15,817	13,781
Loan processing	6,378	3,419
Professional fees and outside services	6,296	6,615
Occupancy	6,113	5,984
Educational and promotional	3,868	4,315
Other operating expenses	5,630	8,959
TOTAL NON-INTEREST EXPENSE	\$ 96,044	\$ 94,934

Net income	17,849	18,983
Net income attributable to non-controlling interest	198	911
NET INCOME ATTRIBUTABLE TO COMMUNITYAMERICA	\$ 17,651	\$ 18,072

CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years ended December 31, 2014 and 2013 (Amounts in thousands)

	1	2	3	4	5
2012 BALANCES					
BALANCE, DECEMBER 31, 2012	\$ 73,827	\$ 148,870	\$ 2,390	\$ 6,299	\$ 231,386
2013 BALANCES					
Net income	—	18,072	—	911	18,983
Other comprehensive (loss)	—	—	(2,297)	—	(2,297)
Partial disposition of non-controlling interest	—	—	—	1,502	1,502
Dividends	—	—	—	(233)	(233)
BALANCE, DECEMBER 31, 2013	\$ 73,827	\$ 166,942	\$ 93	\$ 8,479	\$ 249,341
2014 BALANCES					
Net income	—	17,651	—	198	17,849
Other comprehensive income	—	—	984	—	984
BALANCE, DECEMBER 31, 2014	\$ 73,827	\$ 184,593	\$ 1,077	\$ 8,677	\$ 268,174

COLUMN HEADERS

- | | | |
|-----------------------|---|------------------------------|
| 1. Regular Reserve | 3. Accumulated Other Comprehensive Income | 4. Non-controlling Interests |
| 2. Undivided Earnings | | 5. Total Members' Equity |

A SPECIAL THANK YOU TO DENNIS PIERCE

After more than 22 years as CEO of CommunityAmerica, Dennis Pierce planned his retirement with the full transition to Lisa Ginter occurring in March 2015. It is increasingly uncommon for CEOs to retain their posts for such a long tenure, and in this case, it is a testament to his skill, stewardship and passion for the credit union movement. Dennis always kept our members' best interests ahead of all else, which took him to the industry's top post as Chairman of the Credit Union National Association in 2014. This is only one of dozens of local, state and national positions Dennis selflessly volunteered his time for, and for no other reason than the betterment of the credit union, its members and our community.

We simply do not have space to articulate all of the achievements Dennis enjoyed during his illustrious career. The board, supervisory committee, employees and members thank Dennis for his amazing efforts to grow CommunityAmerica into what it has become today — one of the nation's largest and strongest credit unions. We are indebted to him for his vision, and wish him the very best for a well-planned and well-deserved retirement.



The Passing of the CEO Torch — Dennis Pierce to Lisa Ginter

TREASURER'S REPORT

In 2014, CommunityAmerica Credit Union had total assets of \$1.988 billion. Assets in 2014 increased by \$99.1 million. Deposits increased by \$75.4 million to a total of \$1.56 billion. For the year, CommunityAmerica provided 25,799 loans to members totaling \$671 million. Our overall loan portfolio increased 10.2% or \$119 million.

The credit union's lending policies and collection practices resulted in a delinquency rate of 0.88% at year-end. In addition, we experienced a charge-off ratio of 0.50%. CommunityAmerica's net income in 2014 was \$17.7 million. This resulted in a 13.49% capital-to-asset ratio.

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.

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/Treasurer*
Yijing Brentano
Kerry Domke
Mick Fenley
Terri Martin
Trent Skaggs
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 with the Board of Directors monthly.

Stephanie Fisher, *Chairman*
Hal Bentley
Joe Williams

EMERITUS BOARD MEMBERS

Bruce Brower
Allison Waggoner



CommunityAmerica and CUSO One employees gather for all Credit Union Meeting



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