

2015 Annual Report



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Lisa Ginter, CEO, and Rich Miller, Chairman of the Board

In 2015, CommunityAmerica was delighted and humbled to celebrate our 75th anniversary. We spent this year in a similar fashion to the last 75: exceeding the expectations of our incredible members and positioning ourselves for a successful future. In fact, we experienced a record-breaking year, surpassing \$2 billion in assets. Our message of financial peace of mind extended further than ever before as we reached a new milestone of nearly 200,000 memberships.

None of this would have been possible without our dedicated team of employees who remain committed to making CommunityAmerica the greatest place to bank...and to work. Under our new leadership team, we reached record levels of growth and financial strength for the Credit Union. This translates into outstanding rates, better products, improved technology, and more responsive customer service for our valued members.

Over the course of the last year, our members continued to profit in a myriad of ways, including our highest ever Profit Payout¹ of \$7 Million, which was distributed in January of 2016. Technology took center stage as we continued improving the banking experience through our innovative Community Financial Centers, a redesigned website, and the ability to securely log into our mobile app with your fingerprint or a scan of your eye.

CommunityAmerica is dedicated to supporting our great community. There's a reason "community" is in our name, after all. Our award-winning financial literacy programs continued to help improve lives. We were actively involved in multiple Chambers of Commerce throughout the metro, and we supported over 1,590 hours of employee volunteer time within various organizations and charities that our staff hold dear to its hearts.

The future of CommunityAmerica has never been brighter. What follows are some highlights of 2015. We have so much to look forward to in 2016 and beyond. None of it, however, would be possible without you, our members.

Thank you for your ongoing loyalty and membership!

Sincerely,

Rich Miller
Chairman of the Board

Lisa Ginter
Chief Executive Officer

2015 Highlights

Community Financial Centers Open

CommunityAmerica launched our new Community Financial Centers in 2015 with the refresh of the Raytown, Missouri Hy-Vee location, followed by the opening of our first freestanding Center, located in Kansas City, Kansas. These unique and innovative branches include smart ATMs with greater functionality, and floating work stations for employees to better assist members for more in-depth conversations. The new concepts are part of the Credit Union's strategic focus to advance our high-tech, self-serve options. Two additional Centers are scheduled to open in Olathe, Kansas and Lee's Summit, Missouri in 2016.

Guests Refreshed at Boulevardia

CommunityAmerica supported the local community in a big way at the Boulevardia summer festival on Father's Day weekend in June. Consistent with the Credit Union's overall community sponsorship strategy, this event was an ideal opportunity to connect with Kansas Citians in a more personal and fun way while gaining awareness for the Credit Union among non-members. We hosted a "chill zone" where guests could cool off, sponsored and designed the beverage coins and held social media giveaways of live art and other freebies for event attendees.

Financial Literacy Program Changes Lives

As part of the CommunityAmerica Foundation, we initiated our Family Financial Transformations pilot program this past year in order to help more than 50 local families make significant progress on the journey towards financial independence. Upon graduating from our six-week series, the first three groups of participants eliminated more than \$100,000 in combined personal debt and built more than \$15,000 in combined savings!

Cashback Free Checking Debuts

We introduced an industry-leading new product, Cashback Free Checking, which garnered outstanding response from both new and existing members due to its benefits of free checking, plus the opportunity to earn up to \$90 cash back² each year. This account was an extremely popular choice, attracting more than eight thousand new members to the Credit Union in 2015 alone. We look forward to continued innovation with feature-laden new products in 2016 and beyond.

"People-Driven" Initiative Commences

This year, we directed more focus on employees by launching an initiative completely devoted to making CommunityAmerica not just the best place to bank, but the best place to work. Five internal teams analyzed our approach in areas such as compensation & benefits, recruiting, onboarding, performance management and career development, and unveiled a series of recommendations for tangible improvements. We anticipate the upcoming changes will only contribute to ensuring our employees continue offering the best member service in the industry.

Profit Payout Tops \$7 Million

2015 was another record year for the Credit Union, with more than \$7 million returned to members through this year's Profit Payout, which continues to be a key differentiator for CommunityAmerica. In fact, we heard member success stories resulting from the use of our online Profit Payout Calculator all year long. Countless new and existing members have benefited from calculating what they could have received by having loans and deposits with us, and then acting on that knowledge. It is our belief that the deeper and broader the relationship a member has with us, the more benefit we can provide.

¹ 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. ² Earn 3% Cash Back, up to \$7.50 per month, on monthly point-of-sale debit card transactions posted to a Cashback Free Checking account when Qualifications met (see below). Cash back earnings rate accurate as of 02/16/2016 and may change without notice after account opening. Contact us at 800.892.7957 to find out the current cash back earnings rate. Cash back will be deposited into the Cashback Free Checking account by the 5th calendar day following the month Qualifications met. Cash back will not be calculated for month(s) Qualifications not met. This account requires eStatements to avoid conversion to different checking product not eligible for Cash Back. Business accounts not eligible for this product. Limit one Cashback Free Checking account per membership account number. Qualifications: The membership account number tied to the Cashback Free Checking account must be enrolled in eStatements, have a monthly direct deposit of at least \$250 posted to one deposit-suffix, and a single Checking -suffix must have 15 posted point-of-sale debit card transactions per month, OR the membership account number must be enrolled in eStatements and have a single Checking -suffix with 25 posted point-of-sale debit card transactions per month. Transactions exclude refunds/credits, and ATM transactions.

Consolidated Statements of Financial Condition

Years ended December 31, 2015 and 2014 (Amounts in Thousands)

	2015	2014
*** ASSETS ***		
Cash on hand	35,559	30,370
Cash equivalents	168,040	61,213
Cash and cash equivalents	\$ 203,599	\$ 91,583
Securities available for sale	433,950	440,329
Other investments	20,003	21,160
Investments in CUSOs	896	1,045
Loans held for sale	30,274	25,542
Loans, net	1,361,707	1,287,410
Accrued interest receivable	5,001	5,078
Mortgage servicing rights	25,141	22,339
Premises and equipment, net	41,412	38,927
Federal Home Loan Bank stock	16,313	15,493
NCUSIF insurance deposit	15,736	14,650
Other assets	22,836	24,503
Total Assets	\$ 2,176,868	\$ 1,988,059
*** LIABILITIES AND MEMBERS' EQUITY ***		
LIABILITIES		
Members' share and savings accounts	1,732,890	1,559,799
Borrowings	108,500	108,500
Accrued interest payable	7,164	7,003
Other liabilities	42,367	44,583
Total Liabilities	\$ 1,890,921	\$ 1,719,885
MEMBERS' EQUITY		
Regular reserve	75,591	73,827
Undivided earnings	203,010	184,593
Accumulated other comprehensive income (loss)	(1,824)	1,077
Total CommunityAmerica Members' Equity	\$ 276,777	\$ 259,497
Non-controlling interest	9,170	8,677
Total Members' Equity	\$ 285,947	\$ 268,174
Total Liabilities & Members' Equity	\$ 2,176,868	\$ 1,988,059

Consolidated Statements of Operations

Years ended December 31, 2015 and 2014 (Amounts in Thousands)

2015

2014

*** INTEREST ***

INTEREST INCOME

Loans	60,914	63,176
Investment securities	6,256	6,204
Cash equivalents	1,067	884
Total Interest Income	\$ 68,237	\$ 70,264

INTEREST EXPENSE

Members' share and savings accounts	13,029	13,400
Borrowed funds	3,186	3,178
Total Interest Expense	\$ 16,215	\$ 16,578

Net interest income	52,022	53,686
Provision for loan losses	2,708	7,433
Net Interest Income After Provision for Loan Losses	\$ 49,314	\$ 46,253

*** NON-INTEREST ***

NON-INTEREST INCOME

Service fees	14,490	16,654
Gain on the sale of loans	20,908	16,694
Credit and debit card transactions fees	15,733	13,944
Origination income	8,003	6,837
Net holding gain (loss) on other investments	(1,222)	414
Realized gains (losses) on repossessed assets	(84)	245
Other	14,754	12,852
Total Non-Interest Income	\$ 72,582	\$ 67,640

NON-INTEREST EXPENSE

Compensation and benefits	59,044	51,942
Office operations	17,739	15,817
Loan processing	2,681	6,378
Professional fees and outside services	7,631	6,296
Occupancy	6,177	6,113
Educational and promotional	5,175	3,868
Other operating expenses	4,539	5,630
Total Non-Interest Expense	\$ 102,986	\$ 96,044

Net income	18,910	17,849
Net income attributable to non-controlling interest	493	198
Net Income Attributable to CommunityAmerica	\$ 18,417	\$ 17,651

Consolidated Statements of Members' Equity

Years ended December 31, 2015 and 2014
(Amounts in Thousands)

	1	2	3	4	5	6
★ ★ ★ 2013 BALANCES ★ ★ ★						
Balance, December 31, 2013	\$ 73,827	\$ 166,942	\$ 240,769	\$ 93	\$ 8,479	\$ 249,341
★ ★ ★ 2014 BALANCES ★ ★ ★						
Net income	—	17,651	17,651	—	198	17,849
Other comprehensive income	—	—	—	984	—	984
Balance, December 31, 2014	\$ 73,827	\$ 184,593	258,420	\$ 1,077	\$ 8,677	\$ 268,174
★ ★ ★ 2015 BALANCES ★ ★ ★						
Net income	—	18,417	18,417	—	493	18,910
Other comprehensive loss	—	—	—	(2,901)	—	(2,901)
Credit Union merger	1,764	—	1,764	—	—	1,764
Balance, December 31, 2015	\$ 75,591	\$ 203,010	\$ 278,601	\$ (1,824)	\$ 9,170	\$ 285,947

Column Headers

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|-----------------------|--|------------------------------|
| 1. Regular Reserve | 4. Accumulated Other Comprehensive Income (Loss) | 5. Non-Controlling Interests |
| 2. Undivided Earnings | | 6. Total Members' Equity |
| 3. Total | | |

Treasurer's Report

In 2015, CommunityAmerica Credit Union increased total Assets by \$188.81 million, to a total of \$2.176 billion. Deposits increased by \$173.09 million over the year, totaling \$1.73 billion at year-end.

For the year, CommunityAmerica provided 30,351 loans to members, totaling \$881.1 million. Our overall loan portfolio increased 6.02% or \$79.03 million. The Credit Union's lending policies and collection practices resulted in a delinquency rate for 2015 of 0.67%. During the same year, the Credit Union experienced a charge-off ratio of 0.42%. CommunityAmerica's net income in 2015 was \$18.4 million, resulting in a 12.71% capital-to-asset ratio.

Supervisory Report

The Supervisory Committee of the Credit Union has a responsibility to serve members of CommunityAmerica. The 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.

Rich Miller, *Chairman*

Brad Douglas, *Vice Chairman*

Kerry Domke, *Secretary/Treasurer*

Yijing Brentato

Terri Martin

Amy McAnarney

Dean Newton

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

Melanie Coleman

Emeritus Board

Bruce Bower



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