



*Better Banking Begins
With Membership*



2006
Annual Report

2006 President's Report

As I assume operational responsibility for your credit union, I want to assure you that I and the entire staff of **Communities of Abilene Federal Credit Union** (CoAFCU) are committed to delivering the highest level of member satisfaction humanly possible.

I recently introduced myself to you in a letter and asked you what's working and where the credit union could improve. Almost a thousand of you responded, and I hope you continue to share your ideas and concerns with me.

I heard your thoughts and ideas and have engaged our staff to find new and better ways to improve your quality of life and minimize the stress of managing your finances. Here is a brief summary of what we've accomplished to date.

1. NEW Big Country Checking offers everything you need to effectively manage your finances day-to-day. In addition to free checking with no minimum balance requirements, you get free checks, Visa debit card, an overdraft line of credit and a CoAFCU MasterCard with cash-back rewards at a reduced rate, unlimited free electronic bill payment, unlimited free transactions at CO-OP Network ATMs and a branch network that spans the United States.

Everyone will find value in Big Country Checking, but, it is particularly helpful for our deployed active duty military members to manage their family finances via the internet. Our Dyess branch is being equipped with an internet café so the entire family can participate in financial decisions, even when one of the family members is overseas.

2. Easier Access to Services and Accounts

We are always looking for ways to save you time and money. Making it easier for you to take advantage of our great rates does both! We're completely

redesigning our Web site, www.CoAFCU.org, expected to launch in June, so online, you can:

- **Open a new account** or purchase high yielding share certificates.
- **Apply for a loan** and get approved within minutes.
- **Purchase insurance** - life, homeowners, or for automobile.
- **Trade securities and Pay bills** online.
- **View account balance** and history plus retrieve canceled checks.

Don't use the internet? No problem

- **24/7 Loan by Phone Service** is still available.
- **Mortgages - we'll come to you** to help you apply and close your mortgage!

3. On-going training and service quality evaluations are part of our pact with you, our member/owner, to consistently complete accurate and timely transactions. We're all committed to meeting your needs. Unlike other financial institutions, we focus on our members, not just the bottom line.

4. Vehicle loans through CoAFCU's Preferred Buyer's Club. Now many vehicle dealerships in the Abilene area will arrange CoAFCU financing for your new or used car, truck, motorcycle, or boat, right in the dealership. It's one stop shopping that saves you time and guarantees you still get our great rates and service.

At Communities of Abilene Federal Credit Union, our horizon indicator is member satisfaction. We pledge to please you with our service, provide you value with our products, and earn your trust through the quality of our work.

Respectfully submitted,

Gavin H. Cochran
President and Chief Executive Officer

Banking Begins With Membership

www.CoAFCU.org (325) 691-2300

2006 Chairman's Report

Over the past year Communities of Abilene Federal Credit Union has worked diligently to enhance, upgrade and update our products and services in order to give you the most convenient access your accounts possible. Your Board of Directors is committed to providing you with the best, most convenient service available in the Big Country. To that end, you now have:

1. **More Access to Branches and Accounts**

- **The CO-OP ATM Network** gives our members, access to *over 25,000 fee free ATMs* nationwide. A directory of locations is available on our Web site.
- **Shared Branch Network** offers you even more locations to meet your needs. There are over 2,300 branches throughout the United States to serve you just as if you were in one of our Abilene facilities. Our Dyess Air Force Base branch will become a part of this national Shared Branch network to better serve the active duty and retired military with accounts in other participating credit unions.
- **Our Web site, www.CoAFCU.org**, is being updated to provide you with online loan processing, better internet banking and electronic bill payment services, insurance and brokerage services. In fact, when the new site becomes functional, you will even be able to open and fund an account online. This is particularly important to our members who are deployed.

2. **More functional and inviting facilities.**

- **Member service facilities upgrades** to make them as functional and as inviting as possible for our members.

3. **The best possible products to secure your financial future.** We've introduced:

- Big Country Checking
- America Saves

- Family MasterCard® Credit Cards
- Money Market Account
- Redesigned Retirement Accounts
- CoAFCU's Preferred Buyer's Club In-Dealership Vehicle Financing
- A suite of Share Certificates at competitive rates
- New eServices for Online Banking

4. **Contributing to our community.** CoAFCU

actively participates in our community and supports programs that make a difference, such as:

- *Active and Retired Military/ World's Largest Barbeque*
- *Airman's Advisory Council* - CoAFCU was the sole sponsor of the very successful Mystery Theater at their Heritage Club.
- *7th Bomb Wing Services* - CoAFCU sponsored the Glen Miller Concert at the Heritage Club.
- *Abilene Partners in Education* - CoAFCU adopted Taylor Elementary and supports a wide range of activities, including *Junior Achievement (JA)* monetarily and through volunteering time and attention. In addition to providing the entire JA budget and consulting staff at Taylor, our staff provides a real-life perspective to economic theory for Abilene area high school seniors.
- *Meals on Wheels, Kiwanis, Children's Miracle Network* and more community organizations

Your Board of Directors is committed to helping you, our member/owners, achieve financial success. We will continue to provide the products and services you need to meet your immediate and long-term financial goals and deliver them to you in the fastest, most convenient way possible.

Respectfully submitted,

Gerald Garrett
Chairman - Board of Directors



2006 Supervisory Committee Report

The Supervisory Committee is responsible for insuring that our accounting conforms to Financial Accounting Board Standards and truly and accurately reflects the financial condition of the credit union. The Committee also continuously monitors the credit union's internal controls and insures the institution conforms to National Credit Union Administration and Federal Reserve Board regulations. The Committee has retained the accounting firm of McGladrey & Pullen Certified Public Accountants to audit the statement of financial condition of Communities of Abilene Federal Credit Union and the related statements of income and comprehensive income, members' equity, and cash flows for the

year ended March 31, 2007. That audit is currently under way. If you would like to have a copy, please notify Perry Davis, our internal auditor, at 325-691-2374. He will mail a copy as soon as it becomes available.

We continue to protect your interest in CoAFCU and strive to insure that you receive prompt accurate service. **If you have any questions or concerns about your account that cannot be resolved in a normal manner, please notify us in writing at P.O. Box 2603, Abilene, TX 79604.**

Respectfully submitted,

Carl Johnson, *Chairman*
Donna Biddle and Scott Kemp

STATEMENT OF FINANCIAL CONDITION

as of December 31, 2006

ASSETS

Cash on Hand	\$	733,811
Cash On Deposit		3,892,529
Loans to Members		28,824,791
Less: Allowance Loan Losses		(56,344)
TOTAL Loans to Members	28,768,447	
Investments		41,891,712
Land and Buildings		
Net of Depreciation		872,491
Equipment		658,963
Share Insurance Deposit		697,855
Other Assets:		733,117

TOTAL ASSETS **\$78,248,925**

LIABILITIES

Accounts Payable	\$	141,114
Dividends Payable		4,780
Accrued Liabilities		65,203
TOTAL Liabilities	\$	211,097

MEMBERS' EQUITY

Member Deposits	\$	68,306,407
Retained Earnings		6,274,790
Statutory Reserves		3,456,631
TOTAL Members' Equity	78,037,828	

TOTAL LIABILITIES & MEMBERS' EQUITY **\$78,248,925**

STATEMENT OF INCOME & EXPENSE

as of December 31, 2006

INCOME

Income from Loans	\$	2,002,290
Income from Investments		1,795,753
TOTAL Interest Income	\$3,798,043	

Interest Expense		
Member Dividends	\$	1,244,274
Loan Loss Expense		111,416
Net Interest Income		
After Interest Expense		2,442,353
Non-Interest Income		596,725
Less Operating Expense		2,967,723

NET INCOME (LOSS) **\$ 71,355**

OPERATING EXPENSES

Employee Compensation	\$	1,126,710
Employee Benefits		219,977
Office Occupancy Expense		221,549
Member Services		860,601
Marketing Expense		163,590
Loan Servicing Expense		45,908
Professional and Outside Services		173,340
Association Expense		23,184
Regulatory Agency Fees		14,482
Miscellaneous Operating Expense		118,382

TOTAL OPERATING EXPENSE **\$2,967,723**

Respectfully submitted,
Jay Swonger, *Treasurer*



**ADDRESS FOR CORRESPONDENCE,
DEPOSITS AND LOAN PAYMENTS**
P.O. Box 631, Abilene TX 79604-0631

E-MAIL: CU@**CoAFCU**.org

ONLINE: www.**CoAFCU**.org

MAIN TELEPHONE SWITCHBOARD

(325) 691-2300 or (800) 535-2157

Hours Monday – Friday 8:30am to 5:30pm

APPLY FOR A LOAN 24/7 (866)292-7675

MEMBER SERVICES (325) 691-2330

DELINQUENCY OFFICE (325) 691-2316

**COMMUNITIES OF ABILENE
FEDERAL CREDIT UNION
DOWNTOWN BRANCH**

3661 N. 6th Street, Abilene, TX 79603-5644

(325) 673-0069 Fax

Lobby Hours

Monday – Friday 9:00am to 5:30pm
Saturday: Closed

Drive-Thru Hours

Monday – Friday: 7:30am to 6:00pm
Saturday: 8:30am to 1:00pm

DYESS AIR FORCE BASE BRANCH

341 Avenue C, Dyess AFB, TX 79607

(325) 692-9571 Fax

Lobby Hours

Monday - Friday: 8:30am to 5:00pm
Saturday: Closed

Drive-Thru Hours

Monday - Friday: 8:00am to 5:00pm
Saturday: Closed

MAX TELEPHONE TELLER - 24 hours, 7 days

(325) 691-2301 or (800) 231-3328

LOST/STOLEN DEBIT OR CREDIT CARDS

Visa Debit Card (800) 754-4128

MasterCard Credit Card (800) 442-4757

ABA/ROUTING AND TRANSIT NUMBER

311380859

