

2021 ANNUAL REPORT

ATFCU IS RICH IN LOCAL COLOR

CHAIRMAN'S REPORT

Best to lead with the obvious – the COVID pandemic affected every single day of 2021. Remarkably, Abilene Teachers Federal Credit Union found the grit to power through and keep the doors open. This accomplishment is a marked contrast to many other Texas credit unions who did not reopen for in-person interactions until August 2021. Our management and staff did their best to provide services as normally as possible. Thank you for your understanding in an unusual time.

With safety precautions in place, ATFCU also continued our work in the community.

- During two Community Impact Days, each employee spent part of a designated holiday serving others. We completed projects at 12 nonprofits in the Abilene area.
- We served as the lead sponsor for autumn's Boo at the Zoo, an event that allows families to enjoy outdoor Halloween excitement.
- Our annual Skip-A-Payment program transitioned to a year-round format and raised \$161,835 for the Boys and Girls Club of Abilene.
- We adopted a monthly schedule for employee volunteers at the AISD Homeless Ministry.
- Alongside the Abilene Chamber of Commerce, we presented a Children's Business Fair for young entrepreneurs and laid plans for 325 Day – a celebration honoring local businesses that will be held on March 25, 2022.

The United States is experiencing a work force shortage and Abilene is no exception. As the credit union continues to grow, it is increasingly important that staff openings be filled with the best applicants available. To that end, the Board of Directors approved an expansion of employee benefits in 2021. Our goal is to be attractively positioned in an increasingly tight labor market.

As a note of personal privilege, I want to say thank you to the Board Members with whom I have worked since I was first elected in 2003. Each has brought leadership, dedication and enthusiasm to their positions and it is an honor to serve alongside them.

Thank you to our members. Your faith in Abilene Teachers FCU is the reason we are here.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee can be thought of as the 'watchdog' of the credit union. They are responsible for conducting annual audits, verifying member accounts, researching member complaints and ensuring that management complies with established policies and procedures.

To ensure that the financial statements of Abilene Teachers FCU statements are fairly and accurately presented, the committee employed Eide Bailey LLP to perform the 2021 comprehensive annual audit. The auditors' opinion was unqualified, meaning that the statements conform to generally accepted accounting principles and are fair and transparent.

The National Credit Union Administration (NCUA) conducted ATFCU's regulatory examination in August 2021. Exam findings were very positive and continue to reflect the healthy financial position of Abilene Teachers Federal Credit Union. The next federal exam is scheduled for February 2023.

To fulfill our verification responsibilities, the Supervisory Committee mails account transaction confirmations to randomly selected members each month. We appreciate your cooperation in returning these promptly. Your input is a useful resource that provides timely feedback to the Committee and senior management of the credit union.

We strive to provide the best possible financial experience to our members. If you have a question about your account that has not been resolved to your satisfaction, please contact us directly at P.O. Box 6198, Abilene, TX 79608.

J. Nolan Kelley
Chairman of the Board

Royce Curtis
Vice Chairman

Emily Meador
Treasurer

Chris Faehnle
Secretary

Terry Bull

Keith Dowell

Ronnie Kincaid

Jay Lester

Robert Tucker

Pam Nicholas, *Chairperson*
Royce Curtis, *Board Representative*

Rodney Murphy
Marian Piersall
Karen Turner
Tommy Vaughn

PRESIDENT'S REPORT

Adaptability was the name of the game in 2021. In addition to the ongoing COVID pandemic, we weathered the February Snowpocalypse which caused ATFCU to close on scheduled workdays for the first time in our 71-year history. We scrambled, we hustled, and we asked more of every employee in order to serve our members effectively in challenging times. Thank you for your patience with our innovations.

After the deep freeze, the credit union moved on at a brisk pace. Our assets increased to \$577,061,167, which is a 12% increase over 2020. Members drove this growth by saving a significant percentage of their COVID stimulus payments and child tax credits. 2,373 new members joined Abilene Teachers FCU, bringing our membership total to 53,084.

New products were introduced at a regular pace. As the year began, the holiday Skip-A-Payment program was broadened to become a year-round option. Members can now select to skip payments in the months that work best for their family. The ATFCU website was modernized and launched in February. During the second quarter, exterior construction was completed on the Antilley branch expansion. The new wing provides adequate space for projected future growth. In September, we added a home equity loan application to our online lending platform. *Credit Score & More*, a tool that provides free credit scores and advice, was added to digital banking in October.

Three long-tenured employees retired in 2021. Steve Scott, VP of Finance, and Denise Hassel, VP of Branch Operations, retired during the second quarter. Diane Sanders, Accounting Supervisor, retired in December. These three boasted a cumulative 90 years of service to Abilene Teachers FCU. Many thanks to them for their steadfastness and dedicated efforts that helped ATFCU grow into a market leader. Burnadette Kimmes, a credit union professional from Minnesota, was brought on board and is our Sr. VP – CFO/COO. She and her husband Joe appreciate the warmer weather in Abilene that allows them to play golf year round. I would also like to make special mention of Lisa Keith, my Administrative Assistant, who celebrated her 30th service anniversary in 2021. Lisa has a true heart for our members and it shows in all she does.

As we look forward we are mindful of three predominant financial concerns for 2022. The first is inflation. Members born since 1970 have never experienced this unsettling condition. Secondly, interest rate hikes have been promised by the Fed. How many and how much remains to be seen but they are on the near horizon. Thirdly, the Great Resignation will continue. Our employees are our most important resource. We are monitoring these trends and studying inventive work practices to see us into the future.

By now, we've probably all heard the curse, "may you live in interesting times". It is going to be interesting now and for the foreseeable future. The credit union is financially solid and ready to handle whatever comes our way. We thank our members for putting their trust in Abilene Teachers Federal Credit Union and look forward to serving you and your family in 2022 and many years ahead.

TREASURER'S REPORT

STATEMENT OF INCOME	2021	2020	2019	2018
Operating Income				
Interest on Loans	\$ 16,413,509	\$ 17,491,336	\$ 17,391,008	\$ 15,427,275
Interest on Investments	846,593	870,280	1,599,825	1,813,408
Other Income	13,810,985	11,855,203	10,150,151	9,701,936
Total Income	\$ 31,071,087	\$ 30,216,819	\$ 29,140,984	\$ 26,942,619
Operating Expenses				
Salaries and Benefits	\$ 10,182,692	\$ 8,571,056	\$ 8,254,332	\$ 7,836,873
Member Insurance	60,000	60,000	47,000	46,000
Office Occupancy	1,497,329	1,369,353	870,292	806,187
Office Operations	6,166,478	6,434,560	3,628,327	3,267,009
Miscellaneous Expense	3,280,771	6,956,635	8,345,766	6,100,846
Total Expenses	21,187,270	23,391,604	21,145,717	18,056,915
Net Income Before Dividends	\$ 9,883,818	\$ 6,825,215	\$ 7,995,267	\$ 8,885,704
Distribution of Income				
Dividends to Members	428,758	1,003,214	1,563,363	1,149,343
Reserves & Undivided Earnings	\$ 9,401,060	\$ 5,822,001	\$ 6,431,904	\$ 7,736,361

STATEMENT OF FINANCIAL CONDITION	2021	2020	2019	2018
Assets				
Loans (net)	\$ 346,153,912	\$ 351,826,784	\$ 341,959,867	\$ 323,538,909
Investments	74,552,331	40,230,973	79,803,336	90,075,849
Other Assets	156,354,924	122,287,334	33,449,848	25,804,848
Total Assets	\$ 577,061,167	\$ 514,345,091	\$ 455,213,051	\$ 439,419,606
Liabilities and Equity				
Accounts Payable	\$ 9,624,680	\$ 4,099,170	\$ 4,920,938	\$ 5,578,645
Shares	268,483,671	226,751,237	189,840,466	183,765,813
Share Drafts	130,499,404	118,739,070	100,757,136	97,234,457
Share Certificates	52,282,373	58,309,847	58,474,699	56,740,588
IRA's	25,885,019	25,560,807	26,156,854	27,469,049
Reserves	90,286,020	80,884,960	75,062,958	68,631,054
Total	\$ 577,061,167	\$ 514,345,091	\$ 455,213,051	\$ 439,419,606

Emily Meador, Treasurer