



# 2023 ANNUAL REPORT

## Every Reason, Every Season

### Chairman's Report

Credit unions were created for a specific reason – to provide affordable financial products and services to all people, not just the wealthy. North America's first credit union (also called a Peoples Bank) was established in Quebec in 1901. Concerned citizens organized it after learning of a fellow Canadian who was court ordered to pay \$5,000 in interest on a \$150 moneylender loan.

Though many things have changed since then, moneylenders still exist. Today we call them predatory lenders and payday loan companies. To lessen their impact on society, the mission of Abilene Teachers Federal Credit Union is to minimize financial stress by offering practical, affordable financial services to our friends and neighbors. Therefore, Abilene Teachers FCU is committed to investing within our communities and sharing the credit union's capabilities with all who can benefit. The following list features notable 2023 accomplishments:

- **On March 25, our staff coordinated the second 325 Day, complete with a mayoral proclamation, live music and 120 participating local businesses.**
- **Our annual Skip-A-Payment program raised \$165,135 to support the Boys and Girls Clubs of Abilene.**
- **140 employees spent part of a designated fall holiday working on projects at seven Abilene nonprofits.**
- **In conjunction with Habitat for Humanity and local experts, we took part in several sessions of their newly created Homeowners College for Habitat clients.**
- **Financial education programs were presented throughout our service area to a wide variety of audiences.**

American consumers lost \$10 million to fraudsters in 2023. Deceptive schemes of every shape and size continue to bedevil ATFCU members. For the second year in a row, we have increased the size of our Fraud Department. Proactive alerts and relevant articles are regularly circulated on our website, newsletters, mobile app, and social media. We urge everyone to become educated about these increasingly sophisticated ploys and to call us before money changes hands. The single most important weapon you possess in this fight is the confidentiality of your digital banking credentials. Please don't share them with anyone – particularly anyone who says they can help you with a financial problem.

The ATFCU Board invites feedback on matters that are important to you. Please get in touch with any of us to share your thoughts. On behalf of the Board and staff, thank you for your loyalty to Abilene Teachers Federal Credit Union. We look forward to serving you and your family for many years in the future.

### Supervisory Committee Report

The Supervisory Committee of Abilene Teachers FCU is responsible for conducting annual audits, verifying member accounts, researching member complaints, and ensuring that the organization complies with established policies and procedures.

Eide Bailley LLP was contracted to perform the 2023 comprehensive annual audit to verify that the financial statements of Abilene Teachers Federal Credit Union are fairly and accurately presented. Based upon thorough research, their audit opinion was unqualified, meaning that the statements are complete and transparent and conform to generally accepted accounting principles.

The National Credit Union Administration (NCUA) conducted ATFCU's regulatory examination during January and February of 2023. Exam findings were positive and reflect the healthy financial position of Abilene Teachers Federal Credit Union.

The Supervisory Committee mails account transaction confirmations to randomly selected members on a monthly basis. They arrive in a letterhead envelope and request the account holder to verify a specific transaction. Should you receive one, we appreciate your cooperation in the process. Your input is a useful resource that provides timely feedback to the Committee and senior management of the credit union.

It is our goal to provide the outstanding personal service 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.

### BOARD MEMBERS

Royce Curtis  
**Chair**

Keith Dowell  
**Vice-Chair**

Emily Meador  
**Treasurer**

Chris Faehnle  
**Secretary**

Terry Bull

Ronnie Kincaid

Jay Lester

Karen Munoz

Rob Tucker

### SUPERVISORY COMMITTEE

Pam Nicholas,  
**Chairperson**

Keith Dowell,  
**Board Representative**

Marian Piersall

Karen Turner

Rodney Murphy

Cherie Speer

# President's Report

During 2023, the credit union introduced several new services and began an important transition to a new debit/credit card processor. Early in the year, we installed a new software platform in our Member Information Center that allows members to choose phone, chat, audio and/or video when needing to ask a question or resolve a problem. The learning period ran smoothly, and we have found it to be a helpful diagnostic tool for identifying and solving member issues.

During the summer we added a new savings product – the Money Market Savings Account. This account pays more interest than traditional savings but doesn't tie up money for a specific period like a Savings Certificate. Because it is a 'non-transactional' account, there's not a temptation to dig into it for everyday purchases. In a rising interest rate environment, this account meets an additional member need.

Debit cards were introduced in the mid 1990's and Abilene Teachers FCU selected a processing partner who was particularly attuned to the credit union market. Over the next 30 years, their ownership changed hands several times and their customer service level declined markedly. The Board and senior management made the decision to move ATFCU's business to a different processor. The subsequent transition has been comprehensive and careful. Debit cards were converted in October 2023 and credit cards will be re-issued in April 2024. Member benefits will be enhanced upon project completion.

The 2022 inflation rate in the United States was the highest since 1979. It moderated a bit in 2023, primarily due to downward market pressures caused by 11 Federal Reserve rate increases over a two-year period. As a conscientious steward of member funds, ATFCU's interest rates followed the Fed's lead. We believe that the long-expected drop in interest rates will not begin until the second quarter of 2024.

As a result of shortages and supply chain problems during the COVID pandemic, consumers remain eager to buy products that were unavailable during that time. Vehicles are a prime example. In order to purchase a pickup, the buyer needs a loan. In order to make the loan, financial institutions need deposits. To no one's surprise, 2023 saw lenders fighting for deposits by raising interest rates on their savings products. Abilene Teachers offered a popular 7-month Savings Certificate special during the spring and summer months that enabled our Lending Department to operate without hindrance.

We thank our 54,086 members for choosing us as their financial partner. Please be assured that Abilene Teachers Federal Credit Union continues to focus on the right things – serving our members with excellence, exercising fiscally conservative management and maintaining the highest ethical standards.

James L. Boyd, President

# Treasurer's Report

## STATEMENT OF INCOME

### OPERATING INCOME

	2023	2022	2021	2020
Interest on Loans	\$ 19,470,129	\$ 15,964,149	\$ 16,413,509	\$ 17,491,336
Interest on Investments	\$ 5,960,482	2,828,638	846,593	870,280
Other Income	15,040,772	15,058,834	13,810,985	11,855,203
<b>Total Income</b>	<b>\$ 40,471,383</b>	<b>\$ 33,851,621</b>	<b>\$ 31,071,087</b>	<b>\$ 30,216,819</b>

### OPERATING EXPENSES

Salaries and Benefits	\$ 11,181,490	\$ 10,144,417	\$ 10,182,692	\$ 8,571,056
Member Insurance	24,000	23,581	60,000	60,000
Office Occupancy	2,431,814	1,783,026	1,497,329	1,369,353
Office Operations	9,645,820	9,266,052	6,166,478	6,434,560
Miscellaneous Expense	10,029,022	3,490,936	3,280,771	6,956,635
<b>Total Expenses</b>	<b>33,312,146</b>	<b>24,708,012</b>	<b>21,187,270</b>	<b>23,391,604</b>
<b>Net Income Before Dividends</b>	<b>\$ 7,159,237</b>	<b>\$ 9,143,609</b>	<b>\$ 9,883,818</b>	<b>\$ 6,825,215</b>

### DISTRIBUTION OF INCOME

Dividends to Members	\$ 4,314,729	\$ 542,633	\$ 482,758	\$ 1,003,214
Reserves & Undivided Earnings	\$ 2,844,507	\$ 8,600,976	\$ 9,401,060	\$ 5,822,001

## STATEMENT OF FINANCIAL CONDITION

### ASSETS

	2023	2022	2021	2020
Loans (net)	\$ 371,812,134	\$ 357,930,072	\$ 346,153,912	\$ 351,826,784
Investments	78,462,162	90,736,619	74,552,331	40,230,972
Other Assets	137,302,172	140,178,711	156,354,924	122,287,334
<b>Total Assets</b>	<b>\$ 587,576,468</b>	<b>\$ 588,845,402</b>	<b>\$ 577,061,167</b>	<b>\$ 514,345,091</b>

### LIABILITIES AND EQUITY

Accounts Payable	\$ 6,918,373	\$ 5,636,568	\$ 9,624,680	\$ 4,099,170
Shares	253,051,949	270,056,556	268,483,671	226,751,237
Share Drafts	130,609,007	138,974,665	130,499,404	118,739,070
Share Certificates	71,022,817	50,299,479	52,282,373	58,309,847
IRA's/IRA Certificates	24,242,819	24,991,138	25,885,019	25,560,807
Reserves	101,731,503	98,886,996	90,286,020	80,884,960
<b>Total</b>	<b>\$ 587,576,468</b>	<b>\$ 588,845,402</b>	<b>\$ 577,061,167</b>	<b>\$ 514,345,091</b>