

KELLY COMMUNITY FEDERAL CREDIT UNION

ANNUAL REPORT 2022



ANNUAL BUSINESS MEETING



APRIL 12, 2023 - GRANDE BRANCH LOBBY

Quorum	Michael Barr
Invocation	Michelle Small
Minutes of the Last Meeting	Michael Barr
CEO Financial Report	Michelle Small
Supervisory Committee Report	Chris Antal
Old Business None Submitted	Michael Barr
New Business None Submitted	Michael Barr
Elections	Michael Barr
Adjournment	Michael Barr

SUPERVISORY COMMITTEE REPORT



The National Credit Union Administration (NCUA) charges the Supervisory Committee in Part 715 of the NCUA Rules and Regulations with the responsibility of examining the affairs of the Credit Union. This includes an annual audit of its financial records and a report to the membership. Along with the financial supervision, the Supervisory Committee sees to the maintenance of proper conduct by all officers, directors, members of committees and employees in carrying out the business of the Credit Union.

According to the Federal Credit Union Act, the Supervisory Committee is responsible for scheduling the annual audit. The audit firm Harold Antao & Company, LLC performed the 2022 Other Supervisory Committee Audit for the period ending September 30, 2022. They reviewed both the financial condition and the internal audit controls for compliance with federal and state laws and internal credit union policies as established by the Board of Directors. All exceptions were noted and responded to by the Senior Management Team.

The Credit Union is responsible to adhere to NCUA's Rules and Regulations and operate within the scope of the Federal Credit Union Act. It is the opinion of this Supervisory Committee that Kelly Community Federal Credit Union operates within the sphere of its responsibility and that the financial statements present a true and accurate report of its financial condition.

Respectfully Submitted,

Chris Antal
Supervisory Committee Chairman

Other members of the Supervisory Committee are Rae Champagne, David Falls, Derwin Ford, and Tina Mauch.

2022 ANNUAL BUSINESS MEETING MINUTES



APRIL 21, 2022*

**The 59th Annual Business Meeting was announced and scheduled for Wednesday, April 13th, 2022, at 6:00 p.m. in the Grande lobby. At 6:00 p.m. Ms. Small shared with Mr. Barr that we could start the meeting; however, because we did not have a quorum, we could not vote on anything. There were seven members in attendance: Henry M. Francis, Anetha D Frances, J.D. Richardson, Mike Barr, James Stovall, Sylvia Stovall and Michelle Small. At 6:30 p.m. Ms. Small asked if anyone had any questions. No one had any questions. Because there was not a quorum the annual meeting was rescheduled for April 21, 2022. The new day and time for the annual meeting was posted.*

I. As this is a special meeting per bylaws a quorum is not needed. Board chairman, Michael Barr, called this year's Annual Business Meeting to order at 12:03 p.m.

II. INVOCATION

CEO Michelle Small gave the invocation.

III. MINUTES

Mr. Barr presented the minutes. Howard Harris made a motion that Adam Thomas seconded to approve the minutes for the 2020 Annual Meeting's Minutes. Motion carried.

IV. REPORTS

The Balance Sheet, Income Statement, and Supervisory Committee report were all printed in the Annual Report that was distributed at the meeting. Howard Harris made a motion that Lynza Roberson seconded to dispense with the presentation of reports; motion carried. The Report of Directors was not given due to the motion above. The Report of financial officer or chief management official was not given due the motion above. The Report from the Credit Committee was not given as there was no Credit Committee in 2021. The Report from the Supervisory Committee was not given; due to the motion above.

V. OLD BUSINESS

None.

VI. NEW BUSINESS

New business was asked for in writing. None submitted.

VII. NOMINATING COMMITTEE REPORT

The nominees to be re-elected for another term are Mike Barr and James Stovall. Gary Green made the motion to re-elect the nominees for another term as Directors. Adam Thomas seconded the motion. The motion carried. As no one was running against elect.

VIII. ADJOURN

There being no further business, the 59th Annual Business Meeting adjourned at 12:08 p.m.

Michael Barr

Michael Barr, Board Chairman

Harold Sweat

Harold Sweat, Board Secretary

INCOME STATEMENT



AS OF 12/31/2022

INTEREST INCOME

Income from 1st Mortgage Loans	1,957,518.99
Income from Unsecured Loans	332,157.32
Income from New Vehicle Loans	481,887.57
Income from Used Vehicle Loans	1,426,020.86
Income from Contra-Auto Referral Co	(13,425.00)
Income from Other Real Estate	70,475.14
Income from All Other Loans	219,149.53
Income from Credit Card Loans	22,195.38
Total Loan Income	4,495,979.79
Net Loan Income	4,495,979.79
Income from All Other Investments	64,437.19
Income from Government Obligations	239,299.07
Income from Overnight Funds	59,323.83
Total Investment Income	363,060.09
Total Interest Income	4,859,039.88

INTEREST EXPENSE

Dividends - Regular Shares	74,529.12
Dividends - Christmas Savings	665.46
Dividends - Checking Accounts	22,510.93
Dividends - Regular Certificates	151,144.47
Dividends - IRA Shares	17,083.89
Dividends - IRA Certificates	60,585.07
Dividends - Money Market	200,984.16
Dividends - Non Member Certificates	30,979.26
Interest on Borrowed Money	2,045.62
Total Interest Expense	560,527.98
Net Interest Income	4,298,511.90
Provision For Loan Loss Expense	266,878.45
Net Interest Income after Provision	4,031,633.45

OPERATING EXPENSES

Salaries	2,322,438.49
401K	96,886.01
Employee Benefits	388,613.76
Travel & Conference	41,807.44
Miscellaneous Dues	55,452.16
Office Occupancy	303,172.70
Office Operations	1,318,747.84
Education & Promotion	222,187.03
Loan Servicing	95,152.27
Professional & Outside Services	390,155.20
Supervisory Audit Fees	38,447.00
Cash Over/Short	360.07
Annual Meeting	1,118.75
Misc. Operating Expense	20,713.35
Depreciation Expense - Building & Lea	278,387.69
Depreciation Expense - FFA	338,713.41
Total Operating Expenses	5,912,353.17

OTHER OPERATING INCOME

Fees & Charges	1,291,811.70
Miscellaneous Income	1,728,782.66
Total Other Operating Income	3,020,594.36
Net Income	1,139,874.64

BALANCE SHEET



AS OF 12/31/2022

LOANS & CASH

1st Mortgage Loans	53,258,951.01
Unsecured Loans	3,550,312.11
New Vehicle Loans	13,973,163.87
Used Vehicle Loans	28,342,919.22
Other Real Estate	1,165,448.35
All Other Loans	2,929,248.46
Credit Card Loans	563,429.74
Total Loans	103,783,472.76
Allowance for Loan and Lease Loss	(351,089.98)
Net Loans Outstanding	103,432,382.78
Accounts Receivable	149,624.03
Non-Interest Earning Cash	1,477,843.16
CCFCU Accounts	255,322.00
Overnight Funds	1,760,207.69
Total Cash & Cash Equivalents	3,642,996.88

INVESTMENTS

All other Investments	4,281,296.99
Government Obligations	32,750,000.32
Premium/Discount on Investments	170,150.56
Total Investments	39,216,977.56
Net Investments	39,216,977.56

OTHER ASSETS

Prepaid & Deferred Expenses	224,229.56
Fixed Assets (Net of Depreciation)	5,409,084.72
All Other Assets	362,039.55
NCUSIF	1,277,978.59
Total Assets	151,550,159.95

LIABILITIES AND EQUITY

Accounts Payable	1,811,125.65
Notes Payable	1,461,225.68
Dividends Payable	39,607.17
All Other Liabilities	450,963.69
Regular Shares	48,471,689.30
Christmas Savings	135,529.74
Checking Accounts	25,136,933.64
Regular Certificates	11,511,106.56
IRA Shares	3,644,783.04
IRA Certificates	4,568,426.30
Money Market	30,968,494.54
Escrow	363,337.69
Non Member Certificates	3,983,000.00
Total Shares	128,783,300.81
Total Liabilities	132,546,223.00
Undivided Earnings	17,864,062.31
Net Income (from Balance Sheet)	1,139,874.64
Total Equity	19,003,936.95
Total Liabilities and Equity	151,550,159.95

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