Kelly Community
FEDERAL CREDIT UNION

Save More. Earn More. Do More. *Financially*®





CARING FOR MEMBERS LIKE *Family!*

2024 ANNUAL REPORT

PURPOSE

“We exist to help our members Save More. Earn More. Do More. *Financially!* by caring for them like family.”

MISSION

“We care for members like family.”

VALUES

Big Heart | Team Player | Excellence

With an exceptional list of services, a strong legacy, and a dedicated team, Kelly Community Federal Credit Union has proudly served Smith County for over 60 years.

We’ve helped our member-owners save more, earn more, and achieve their financial goals. Our experienced team is here to support you at every stage of your financial journey.

ANNUAL BUSINESS MEETING

MARCH 19, 2025 – GRANDE BRANCH LOBBY

Quorum .... **Michael Barr**
Invocation .... **Michelle Small**
Minutes of the Last Meeting .... **Michael Barr**
Financial Report .... **Michael Barr**
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 2024 Other Supervisory Committee Audit for the period ending September 30, 2024. 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, Derwin Ford, Amber Mink and Jeremy Troyer

2024 ANNUAL BUSINESS MEETING MINUTES

March 28, 2024*

**The 61st Annual Business Meeting was announced and scheduled for Wednesday, March 13, 2024, at 6:00 p.m., in the Grande lobby. At 6:00 p.m. Ms. Small noted that there were no members present and therefore no quorum. Because there was not a quorum, the Annual Business Meeting was rescheduled for March 28, 2024. The new day and time for the annual meeting was posted.*

I. CALL TO ORDER

As this is a special meeting, per bylaws, a quorum is not needed. Acting Board Chairman, James Stovall, called the Annual Business Meeting to order at 12:07 p.m.

II. INVOCATION

Director Chris Antal gave the Invocation.

III. MINUTES

Mr. Stovall presented the minutes. Chris Antal made a motion that Tom McKay seconded to approve the minutes for the 2023 Annual Business 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. Tom McKay made a motion that Lynza Roberson seconded to dispense with the presentation of reports – motion carried.

V. OLD BUSINESS

None.

VI. NEW BUSINESS

New business was asked for in writing. None submitted.

VII. NOMINATING COMMITTEE REPORT

The Nominating Committee nominated David Falls and Tom McKay for a three-year term. Harold Sweat made the motion to accept the recommendation from the nominating committee. Chris Antal seconded the motion. The motion carried as no one was running against motion carried by acclimation.

Acting Board Chairman, James Stovall, thanked the Nominating Committee for their service.

VII. ADJOURN

There being no further business, the 61st Annual Business Meeting was adjourned at 12:12 p.m.

Michael Barr, Board Chairman **Harold Sweat, Board Secretary**

Note: At 12:14 p.m., Mr. and Mrs. Gruenwald arrived. Mr. Gruenwald is a member, but Mrs. Gruenwald is not. Because they came and the Board was still available, the Acting Chair gave permission for the CEO to run through the annual report and answer any questions they might have had. The board thanked the Gruenwald's for their membership and for coming – they left roughly at 12:22 p.m.

INCOME STATEMENT

INTEREST INCOME

Income from 1st Mortgage Loans	2,879,526.34
Income from Unsecured Loans	462,827.98
Income from New Vehicle Loans	805,374.72
Income from Used Vehicle Loans	2,063,636.88
Income from Contra-Auto Referral Co.	(10,955.00)
Income from Other Real Estate	153,546.16
Income from All Other Loans	250,170.94
Income from Credit Card Loans	132,742.32
Total Loan Income	**6,736,870.34**
Net Loan Income	**6,736,870.34**
Income from All Other Investments	452,080.11
Income from Government Obligations	159,794.15
Income from Overnight Funds	664,650.14
Total Investment Income	**1,276,524.40**
Total Interest Income	**8,013,394.74**

INTEREST EXPENSE

Dividends - Regular Shares	58,524.96
Dividends - Christmas Savings	806.69
Dividends - Checking Accounts	22,602.04
Dividends - Regular Certificates	2,536,782.53
Dividends - IRA Shares	10,508.11
Dividends - IRA Certificates	278,325.68
Dividends - Money Market	285,091.40
Interest on Borrowed Money	597.38
Total Interest Expense	**3,193,238.79**
Net Interest Income	**4,820,155.95**
Provision For Loan Loss Expense	613,913.75
Net Interest Income after Provision	**4,206,242.20**

OPERATING EXPENSES

Salaries	2,587,484.17
401K	101,147.17
Employee Benefits	381,096.11
Travel & Conference	49,843.97
Miscellaneous Dues	57,239.96
Office Occupancy	337,381.36
Office Operations	1,639,675.25
Education & Promotion	271,654.61
Loan Servicing	154,548.00
Professional & Outside Services	418,535.78
Supervisory Audit Fees	19,984.55
Cash Over/Short	(88.26)
Annual Meeting	1,632.78
Misc. Operating Expense	9,400.07
Depreciation Expense - Building & Leased A	274,142.20
Depreciation Expense - FFA	214,269.33
Total Operating Expenses	**6,517,947.05**

OTHER OPERATING INCOME

Fees & Charges	1,313,447.03
Miscellaneous Income	1,823,672.33
Total Other Operating Income	3,137,119.36
Net Income	**825,414.51**

BALANCE SHEET

LOANS & CASH

1st Mortgage Loans	62,391,840.72
Unsecured Loans	4,229,726.66
New Vehicle Loans	15,483,140.98
Used Vehicle Loans	30,437,988.50
Other Real Estate	2,409,703.46
All Other Loans	3,487,747.24
Credit Card Loans	1,723,089.55
Total Loans	120,163,237.11
Allowance for Loan and Lease Loss	(608,080.44)
Net Loans Outstanding	**119,555,156.67**

INVESTMENTS

Accounts Receivable	517,534.46
Non-Interest Earning Cash	1,182,582.09
CCFCU Accounts	249,656.75
All other Investments	13,257,829.87
Government Obligations	11,000,000.00
Premium/Discount on Investments	(2,399.10)
Overnight Funds	15,043,528.66
Total Investments	**39,548,616.18**

OTHER ASSETS

Prepaid & Deferred Expenses	177,426.05
Fixed Assets (Net of Depreciation)	4,706,407.30
NCUSIF	1,470,384.69
All Other Assets	547,036.22
Total Assets	**167,705,143.66**

LIABILITIES AND EQUITY

Accounts Payable	210,814.12
Dividends Payable	112,077.22
All Other Liabilities	493,685.02
Regular Shares	38,488,166.01
Christmas Savings	27,266.38
Checking Accounts	24,929,516.88
Regular Certificates	53,779,183.47
IRA Shares	2,142,955.25
IRA Certificates	5,690,355.76
Money Market	21,191,509.01
Escrow	324,302.37
Total Shares	**146,573,255.13**
Total Liabilities	**147,389,831.49**
Undivided Earnings	19,489,897.66
Net Income (from Balance Sheet)	825,414.51
Total Equity	**20,315,312.17**
Total Liabilities and Equity	**167,705,143.66**

At Kelly Community, "We care for members like family." When you're a member, you're family. We'll give you our best financial counsel – just like we would a family member. We'll go out of our way to find solutions that work for you – just like we would a family member.

Since 1963, helping you save more, earn more, and do more financially has been the reason we get out of bed in the morning. Another bonus? As a credit union, we're a not-for-profit financial institution. That means your money goes toward lower rates and community give-back efforts, not to shareholders' pockets.

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