



Ъ Юth Annual Meeting

April 13, 2013

Ъ ЮTH ANNUAL MEETING

KEYSTONE CREDIT UNION BOARD OF DIRECTORS

BARRY PATTERSON.....CHAIRMAN OF THE BOARD
SERVING 1997-2022

JASON ROMANS.....BOARD MEMBER
SERVING 2020-2021

MICHAEL PETERSON.....BOARD MEMBER
SERVING 2014-2021

JOHN PRATER.....BOARD MEMBER
SERVING 1980-2022

KIMBERLY HALE..... BOARD MEMBER
SERVING 2021

CATHY PARKER.....BOARD MEMBER
SERVING 2018-2021

CARL AUVIL.....BOARD MEMBER
SERVING 2018-2022

KEYSTONE CREDIT UNION STAFF

ANGELA POWERS.....PRESIDENT

MINNIE CRAVENS..... VICE PRESIDENT

MARK CHELF..... SENIOR LOAN OFFICER

ETHEL LIVINGSTON..... LOAN OFFICER

EDD CLARK.....REAL ESTATE LENDER

LUANN MASSEY..... REAL ESTATE PROCESSOR

HANNAH NOWLAND..... ACCOUNTING

YOLANDA DURHAM.....COLLECTION OFFICER

KATRINA FLORA..... TELLER

PATTI MEYER.....TELLER

JESSIE STARRTELLER

JENNIFER CROUCH.....TELLER

TERRY NOWLAND.....CONSULTANT

KEYSTONE CREDIT UNION SERVICES

SAVINGS ACCOUNTS

ATM CARD

SPECIAL SAVINGS ACCOUNTS

SAFE DEPOSIT BOXES

CHECKING ACCOUNTS

VISA DEBIT CARDS

INTERNET BANKING

BILL PAY

MOBILE BANKING

DIRECT DEPOSIT SERVICES

PAYROLL DEDUCTION

ACH SERVICES

IRA ACCOUNTS

PERSONAL LOANS

NEW AND USED AUTOMOBILE

MOTORCYCLE / ATV

BOAT / JET SKI

MOTOR HOME

SIGNATURE LOANS

TERM LOANS

STOCK LOANS

FARM EQUIPMENT LOANS

VISA CREDIT CARDS

MORTGAGE LOANS

MOTGAGES

1ST LIEN HOME EQUITY

57TH ANNUAL MEETING

Keystone Credit Union
Saturday, April 2, 2022

CALL TO ORDERBARRY PATTERSON

ACERTAIN QUORUM.....JOHN PRATER

6 DRAWINGS

MINUTES OF LAST MEETING.....BARRY PATTERSON

REPORTS TO SHAREHOLDERS

DIRECTORS REPORT.....MICHAEL PETERSON

6 DRAWINGS

TREASURER.....JASON ROMANS

AUDIT COMMITTEE.....CARL AUVIL

6 DRAWINGS

CREDIT COMMITTEE.....CATHY PARKER

COMMENTS FROM THE MEMBERSHIP

6 DRAWINGS

REPORT FROM NOMINATING COMMITTEE FAYE PETTIGREW
KEVIN FOWLER
TERRY NOWLAND

ELECTION OF DIRECTORS
2 DRAWINGS

OTHER BUSINESS
3 DRAWINGS

56th Annual Meeting Minutes Keystone Credit Union April 17, 2021

The 56th Annual Meeting of Keystone Credit Union was held April 17, 2021 at 10:00 am at the Sharon Shirners Center on Hwy 31 East..

Barry Patterson called on John Prater to ascertain if a quorum was present. John replied that a quorum of the membership was present.

Barry Patterson, Chairman of the Board, presided over the meeting in which there were 100 members and 14 guests attending. The invocation was given. Barry Patterson introduced the Board of Directors and the credit union staff. The minutes of the previous annual meeting were presented in writing in the program and on a motion and second from the floor the minutes were approved as presented.

Barry Patterson called on Michael Peterson for the Directors Report. Michael stated that the Directors report was on pages 7 of the program. The report stated the credit union had paid \$176,321 in dividends on accounts, a decrease of \$76,848. Total loans stand at \$27,311,365 a decrease of \$ 5,761,715.

Barry Patterson called on Jason Romans for the Treasurer's Report. Jason stated that the Treasurer's Report was on pages 8-9 of the program and it reflected the financial standing for the year. Jason stated that after paying all expenses the credit union still paid average dividends. The credit union was able to add to undivided earnings.

Barry Patterson called on Carl Auvil for the Audit Committee Report. Carl stated that the Audit Committee Report was on page 10 of the program. The program stated that the credit union was examined in 2020, by the State Credit Union Department Examiners and by Ferrell and Associates. The independent firm, Ferrell & Associates had been retained to conduct a complete review of the financial records, bank secrecy act program, and patriot act of the credit union for the year ending December 31, 2020. A copy of Mr. Ferrell's report was also presented on page 11. Additionally, each month the audit committee of the credit union reviews the financial statements and the delinquent list. The Audit Committee then presents their report to the Board of Directors.

Barry Patterson called on Cathy Parker for the Credit Committee Report. Cathy stated that the Credit Committee Report was on page 12 of the program. The report stated that the amount of loans outstanding is \$10,931,483. The report also stated that out of approximately \$373 million in loans we have had to write off only \$3,651,191.40 and of this,

we have collected \$514,343.71.

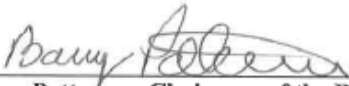
Barry Patterson stated that the Board of Directors consists of seven members, two of who are up for re-election this year for a three-year term. A nominating committee was appointed to select nominees to serve on the Board. At this point Barry then gave the names of the nominating committee: Faye Pettigrew, Kevin Fowler, and Terry Nowland.

Terry Nowland took the floor. Where upon Terry then read the submitted names suggested by the nominating committee, Michael Peterson, Jason Romans, and Laura Alvey.

Barry Patterson then opened the nominations to the floor. Hearing no nominations, Barry asked the members to elect the members the nominating committee had suggested by acclamation. There was a first and second. Barry conducted the vote and he stated the eyes have it, Michael Peterson, Jason Romans, and Laura Alvey.

Door prizes were given away totaling \$1,200.

There being no further business and on a motion duly made and seconded the meeting was adjourned.



Barry Patterson, Chairman of the Board


John Prater, Secretary

Directors Report

The Board of Directors consists of seven members whose names appear below. Directors meet each month in regular session and if necessary, call special meetings. The Board of Directors had one special meeting during 2021. Duties of Directors are to approve new members, to approve expense items, to approve loans to officials and directors and credit union employees, set up any special regulations or By-Laws, to set dividend rates and take care of any other business that comes before the board. These duties are performed on a voluntary basis without pay.

Our records indicate that we had a better than average year in 2021. Interest rates on certificates of deposit remained extremely low in 2021; therefore, we had to pay below our average dividend rates.

The credit union paid \$131,951 in dividends on shares, deposit accounts, IRA accounts, and share draft accounts in 2021. This is a decrease of \$44,370. The credit union's loans stand at \$25,453,227. This indicates that loans have decreased \$1,858,138.

The Board of Directors would like to issue a special thanks to committee members, credit union personnel, and members for their continued support.

Carl Auvil

Cathy Parker

Barry Patterson

Michael Peterson

Jason Romans

John Prater

Kimberly Hale

Keystone Credit Union
POST CLOSING STATEMENT OF FINANCIAL CONDITION
DECEMBER 31, 2021

	DECEMBER 2021	DECEMBER 2020
ASSETS		
Loans To Members	\$ 25,453,228.51	\$ 27,311,365.01
Allowance for Loan Loss	(185,622.78)	(207,064.85)
Receivables	(1,427.17)	(536.17)
Cash	6,458,563.36	7,790,972.79
Investments	7,108,017.76	2,980,127.56
Prepaid Expenses & Deferred Charges	67,781.11	73,394.34
Fixed Assets	633,432.41	549,167.52
Accrued Income	49,943.28	45,925.75
Deposit in NCUSIF	276,347.75	254,662.58
Other Assets	.00	.00
TOTAL ASSETS	\$ 39,860,262.23	\$ 38,798,014.53
LIABILITIES & EQUITY		
Accounts Payable	\$ (372.98)	\$ 626.66
Notes Payable	.00	.00
Dividends Payable	1,038.87	1,009.96
Taxes Payable	.00	.00
Accrued Expenses	65,676.12	70,305.37
Other Liabilities	(15,343.85)	58,176.93
TOTAL LIABILITIES	\$ 50,998.16	\$ 130,118.92
MEMBER EQUITY		
Regular Shares	\$ 22,572,010.69	\$ 21,334,733.51
Share Drafts	2,170,134.01	2,066,562.25
I.R.A.'s	2,974,404.40	3,532,504.69
Share Certificates	.00	.00
Other Shares	1,145,891.96	1,167,558.53
TOTAL MEMBER EQUITY	\$ 28,862,441.06	\$ 28,101,358.98
RESERVES AND UNDIVIDED EARNINGS		
Regular & Legal Reserves	\$ 2,088,754.46	\$ 2,088,754.46
Other Reserves	.00	.00
Undivided Earnings	8,858,068.55	8,477,782.17
TOTAL CAPITAL	\$ 10,946,823.01	\$ 10,566,536.63
TOTAL LIABILITIES & EQUITY	\$ 39,860,262.23	\$ 38,798,014.53

We certify to the best of our knowledge and belief, this statement and related statements are true and correct and present fairly the financial position and results of operations for the periods covered.

TREASURER _____

OFFICER _____

Angela Powers

Keystone Credit Union
MONTHLY STATEMENT OF INCOME AND EXPENSES
FOR THE PERIOD ENDING DECEMBER 31, 2021

	<u>December 2021</u>	<u>QTR-TO- DATE</u>	<u>YEAR-TO-DATE</u>
Income:			
Income from Loans	\$ 95,640.43	\$ 284,145.59	\$ 1,195,171.97
Investment Income	6,571.25	8,170.95	14,276.89
Fees & Charges	9,941.40	33,814.30	129,999.04
Miscellaneous Income	649.42	4,588.50	18,508.90
Total Income:	\$ 112,802.50	\$ 330,719.34	\$ 1,357,956.80
COST OF FUNDS:			
Dividends on Accounts	\$ 10,346.05	\$ 30,382.09	\$ 131,951.08
Cost of Borrowed Money	0.00	0.00	0.00
Total Cost of Funds:	\$ 10,346.05	\$ 30,382.09	\$ 131,951.08
EXPENSES:			
Employee Compensation and Benefits	\$ 47,663.35	\$ 159,972.58	\$ 599,733.38
Travel and Conferences	(2,332.85)	(3,375.26)	8,238.70
Association Dues	913.83	2,741.49	11,549.51
Office Occupancy	8,805.60	24,874.26	92,186.33
Office Operations	10,975.45	35,868.96	130,037.42
Educational & Promotional	(2,556.92)	(3,800.19)	8,122.75
Loan Servicing	2,726.88	5,859.84	20,193.11
Professional & Outside Services	22,758.49	53,259.47	156,875.42
Provision for Loan Losses	(4,676.36)	(4,676.36)	28,858.23
Member Insurances	-	-	-
Miscellaneous Expenses	1,243.98	5,567.01	29,468.42
Total Operating Expenses:	\$ 85,521.45	\$ 276,291.80	\$ 1,085,263.27
NET OPERATING INCOME (LOSS)	16,935.00	24,045.45	140,742.45
NET OPERATING INCOME (LOSS)	\$ -	\$ -	\$ -
Gain/(Loss) on Sale of Investments	2,000.00	2,000.00	239,543.93
Gain/(Loss) on Sale of Fixed Assets	-	-	-
Other Non-Operating Gains or (Losses)	-	-	-
Total Non-Operating Expenses:	\$ 2,000.00	\$ 2,000.00	\$ 239,543.93
NET INCOME	\$ 18,935.00	\$ 26,045.45	\$ 380,286.38

Audit Committee

Keystone Credit Union is examined by the state credit union Department examiners, the National Credit Union Administrators (Federal) examiners, and the Ferrell and Associates. The credit union is operated according to state rules and regulations. An independent auditing firm, Ferrell and Associates, has been retained to conduct a complete audit of the financial records of the credit union for the year ending December 31, 2021. A summary of this audit can be found on the next page. Additionally, each month the audit committee reviews the financial statement and delinquency list and presents its report to the Board of Directors. The review process includes a complete review of all delinquent loans, Bank Secrecy Act Program, Patriot Act, balance sheets, related statements of income, member equity, changes in financial position, and results of operation for the credit union for the past year ended December 31, 2021.

Based on the results of examination by the Texas State Credit Union Department, The National Credit Union Administration (NCUA), and Ferrell and Associates, the Audit Committee believes that the financial statements of the credit union present fairly the financial position and results of operation for the year ended December 31, 2021.

Management is to be commended for maintaining a financially sound credit union. The current success can be directly attributed to the dedicated people who serve in their various capacities.



FERRELL

&

ASSOCIATES

903/769-1901

SUPERVISORY
COMMITTEE REVIEWS
CREDIT UNION CONSULTING

C.W. FERRELL, JR.
P. O. BOX 1100
HAWKINS, TX 75765-1100

23 February 2022

Board of Directors

KEYSTONE CREDIT UNION

P.O. Box 4970

Tyler, TX 75712-4970

The comprehensive review of the books and records of your credit union for the period December 31, 2020 through December 31, 2021 was performed in accordance with requirements set forth by the Texas Credit Union Department and included any additional procedures deemed necessary.

Accounting records and other supporting evidence were examined or tested including a general review of the system of internal controls. A summary of the procedures and resulting comments and recommendations are included in the written report.

You and your staff are working diligently to maintain Keystone Credit Union working to provide financial services to its membership.

The Credit Union's staff's cordiality and helpfulness during the review were most appreciated.

Credit Committee Report

The Credit Committee consists of five committee members who meet as needed to make decisions about perspectives loans. The Credit Committee many consider a members credit score, the value of collateral offered, length of employment, debt ratio, and other factors. The credit union does try to protect our Members' money by making sound loans.

During the year 2021, the credit union made 578 loans in the amount of \$11,812,098. Based on 52 weeks, the credit union averaged about 13 loans per week. Throughout our history, the credit union has made 145,305 loans for approximately \$385 million. However, we have only had to write off \$3,700,479.38; of this amount we have collected \$523,719.64.

As of December 31, 2021, the credit union has \$25,453,226.51 in outstanding loans. The credit union has loans for all of your personal needs.

As the above figures indicate, 2021 was an average year for the credit committee. We appreciate all of the committee's efforts in making 2021 a successful year.

Mark Chelf

Angela Powers

Minnie Cravens

Yolanda Durham

Ethel Livingston