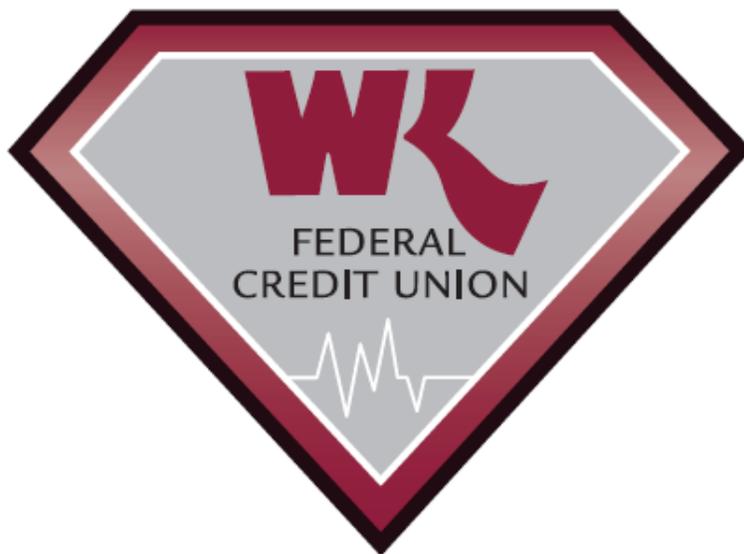




# ANNUAL REPORT 2019



United For  
Healthcare  
Heroes

## **Report of the Chairman and CEO**

The Board of Directors and Senior Management are pleased to report a year of growth and a strong financial performance for YOUR Credit Union in 2019.

Here are some highlights of what we accomplished in 2019:

- Welcomed 751 new members reaching 7,893 total members
- Produced 1,555 new loans for a total of \$8,007,595
- Added 438 new checking accounts
- Ended 2019 with a net worth ratio of 15.92% (more than double the regulator's requirement to be well-capitalized)
- Controlled delinquency at 0.79%
- Ended 2019 with a 0.71% Return on Assets
- Continue to offer competitive loan interest rates and deposit dividend rates
- Increased Internet Teller and Mobile App usage to 3,605 members – 46% of the membership
- Implemented chip cards for our debit card users
- Continued to promote Shazam Bolt\$ as a way to help mitigate debit card fraud for our members
- Implemented Remote Deposit Capture as a convenience to our members
- Made some cosmetic upgrades to the Shreveport Branch and repaired the Loan Center drive and parking lot
- Our Credit Union employees were involved in making our community a better place to live by volunteering time and donating money to various causes

We are excited to continue the following plans to strengthen your credit union in 2020.

- Continue to provide our members with the best possible products and services through the difficult times of 2020
- Consider e-Signature and on-line loans for lending
- Consider a rewards program for both our debit cards and credit cards

On behalf of the Board of Directors, Management, and each of our employees, we would like to extend our most sincere appreciation for your continued trust and loyalty. Willis-Knighton Federal Credit Union remains safe and strong and we continue to serve you in new and exciting ways. We continue our commitment to be the answer for your financial needs and to provide you exceptional service with every interaction. **WE ARE HERE FOR YOU!**

Today – we celebrate YOU – our Superhero Members! Thank you for being our member!

Jaf Fielder, Chairman-Board of Directors  
Courtney Barrett, CEO

Balance Sheets  
December 31, 2019 and 2018

Assets

	<u>2019</u>	<u>2018</u>
Cash and cash equivalents	\$8,450,055	\$4,397,994
Time Deposits	1,943,000	1,993,000
Loans receivable, net of allowance for loan losses of \$90,332 and \$81,833	21,585,602	23,942,723
Capital share deposits in corporate credit unions	63,292	63,292
Property and equipment, net of Accumulated depreciation	577,430	575,090
Accrued interest receivable	46,741	35,245
NCUSIF deposit	257,577	236,015
Other assets	<u>138,336</u>	<u>125,430</u>
Total Assets	<u>\$33,062,033</u>	<u>\$31,368,789</u>

Liabilities and Members' Equity

Members' share accounts	\$27,620,098	\$26,043,028
Official checks outstanding	117,091	209,137
Accrued interest payable	37,272	31,184
Accounts payable and other liabilities	<u>25,333</u>	<u>42,586</u>
Total Liabilities	<u>27,799,794</u>	<u>26,325,935</u>
Regular reserve	464,674	464,674
Undivided Earnings	<u>4,797,565</u>	<u>4,578,180</u>
Total members' equity	<u>5,262,239</u>	<u>5,042,854</u>
Total Liabilities and Members' Equity	<u>\$ 33,062,033</u>	<u>\$31,368,789</u>

Statements of Income  
Years Ended December 31, 2019 and 2018

	<u>2019</u>	<u>2018</u>
Interest Income		
Loans	\$1,096,221	\$1,043,366
Investments	110,041	42,759
Total interest income	<u>1,206,262</u>	<u>1,086,125</u>
Interest Expense		
Members' share accounts	185,053	125,984
Other borrowed funds	0	10,021
Total interest expense	<u>185,053</u>	<u>136,005</u>
Net interest income	1,021,209	950,120
Provision for loan losses	<u>95,000</u>	<u>45,000</u>
Net interest income after provision for loan losses	<u>926,209</u>	<u>905,120</u>
Non-interest Income		
Share account fees	335,563	345,412
Other fees and income	<u>231,152</u>	<u>248,667</u>
Total non-interest income	<u>566,715</u>	<u>594,079</u>
General and administrative expenses		
Compensation and benefits	682,442	693,342
Occupancy and maintenance	125,238	115,860
Office and operations	<u>465,859</u>	<u>493,044</u>
Total general and admin exp	<u>1,273,539</u>	<u>1,302,246</u>
Net Income	<u>\$219,385</u>	<u>\$196,953</u>

## **Report of the Supervisory Committee**

The Supervisory Committee is appointed by the Board of Directors, but works independently of the Board for the purpose of ensuring accurate records and protection of members' funds. We ensure that a quality system of checks and balances is maintained. The committee also utilizes the support of management to review selected areas of the credit union operations on an on-going basis.

The Supervisory Committee acts as a guardian of the credit union by ensuring that operations are conducted in accordance with governing rules and regulations and assets are properly administered. The committee retained the services of a professional outside Certified Public Accountant firm - Silas Simmons LLP - to perform a comprehensive annual audit. Additionally, the National Credit Union Administration, our regulatory agency, has conducted a thorough examination of the credit union's operations.

Based on the Supervisory Committee's interaction with the Board of Director and management of the credit union, it is the opinion of the Supervisory Committee that Willis-Knighton Federal Credit Union is conducting its affairs in a safe manner and that the financial statements presented in this annual report fairly represent the condition of Willis-Knighton Federal Credit Union at yearend 2019.

Todd Barnes – Supervisory Committee Chairman

## **Report of the Nominating Committee**

The Board of Directors of Willis-Knighton Federal Credit Union appointed Todd Barnes, Terri Smith, and Brandon Marrs to serve as the Nominating Committee for the elections to be held at the Annual Meeting on September 17, 2020. Mr. Barnes served the committee as Chairperson.

The Nominating Committee is placing into nomination the following individuals to serve a three-year term expiring 2023:

Jerry A. Fielder, II  
Aljay Foreman  
Lou Trosclair

## **Minutes of the 66th Annual Meeting**

The 66th Annual Meeting of Willis-Knighton Federal Credit Union took place at the WKFCU Loan Center on May 7, 2019.

The Annual Meeting was an Open House event, but a quorum was present.

The minutes of the 2018 Annual Meeting were presented in the Annual Report for review.

The Annual Report included statistics about the credit union, several officers' reports, our 2018 accomplishments as well as our 2019 goals.

The Nominating Committee placed in nominations for three-year terms to expire in 2021 the following: Stacy Alexander and Sharon Marshall. All nominees were accepted by acclamation.

Door prizes were given out at the end of the event.