

Statement of Financial Condition
December 31, 2021

ASSETS

Loans to Members.....	\$6,773,492
Less Allowance for Losses.....	\$(21,077)
Net Loans to Members.....	\$6,752,415
Cash and Cash Equivalents	\$11,096,641
Investments.....	\$9,558,483
Repossessed Assets	\$0
Other Fixed Assets.....	\$13,782
NCUSIF.....	\$224,331
All Other Assets.....	\$83,654
Total Assets.....	\$27,729,306

LIABILITIES & EQUITY

Dividends Payable	\$4,620
Other Liabilities	\$36,338
Shares.....	\$14,881,310
IRAs.....	\$1,097,580
Club Accounts.....	\$1,156,135
Checking Accounts	\$4,988,806
Health Savings Accounts.....	\$2,621,635
Certificates	\$376,394
Regular Reserve.....	\$498,224
Undivided Earnings.....	\$2,068,264
Total Liabilities & Equity.....	\$27,729,306

Respectfully Submitted,
Karen Marriot, Treasurer

Statement of Operations
December 31, 2021

INTEREST INCOME

Interest on Loans.....	\$311,399
Income on Investments	\$114,832

INTEREST EXPENSE

Dividends.....	\$26,073
Interest on Borrowed Funds.....	\$0
Provision for Loan Losses	-\$15,490
Net Interest Income.....	\$415,648

NON INTEREST INCOME

Fees	\$114,058
Misc. Operating Income	\$158,405
Gain/Loss on Investments	\$0
Gain/Loss Sale of Assets	-\$8,526
Total Non-Interest Income.....	\$263,937

NON-INTEREST EXPENSE

Salaries & Benefits.....	\$369,646
Educational Expense.....	\$3,451
Office Occupancy.....	\$27,308
Office Operations	\$154,551
Loan Servicing Expense	\$37,067
Marketing/Member Education.....	\$21,103
Professional & Outside Services	\$137,337
NCUA Operating Fees	\$5,517
Misc. Operating Expenses	\$4,653
Total Non-Interest Expense	\$760,633

Net Income (Loss) **-\$81,048**

The Credit Union

Dillard's Federal Credit Union is a not for profit organization owned by the members, which are made up of employees of various Select Employee Groups and individuals from our community. All expenses are paid out of income from loans and investments, and after necessary reserves required by law are set aside, the remaining income is returned to the members in the form of dividends.

The affairs of the Credit Union are administered by the Board of Directors, who are elected from the membership at the annual meeting, and by the Supervisory Committee who are appointed by the Board of Directors.

The Credit Union is located inside Dillard's Corporate Office in Little Rock, Arkansas.

The Board of Directors

The Board of Directors is responsible for the general direction of the Credit Union. It is composed of seven members elected by the general membership at the annual meeting. Each Board member serves for a period of 3 years, and the terms are staggered so that some are elected each year.

Board of Directors:

Daryl Bailey – Chairman
Lloyd Kassler – Vice Chairman
Michele Hardy - Secretary
Karen Marriot- Treasurer
Lanette Bryant
Michele Allgood
Aaron Bailey

The Supervisory Committee

The Supervisory Committee is appointed by the Board of Directors and is responsible for the annual audit of the books of the Credit Union.

Supervisory Committee:

Kermie Gladstone
Melissa Wirges
Shawn Berry

Credit Union Staff

President/CEO:	Tammy Brooks
Vice President/COO:	Tammie Sneed
Loan Officers:	Candice Gray
Loan Processor:	Kim Felker
Accounting:	Amy Jackson

2021 Annual Report



2021

56th

Annual Report

1600 Cantrell
Little Rock, AR 72201

P.O. Box 3335
Little Rock, AR 72203

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Financial and Operating Highlights

	2021	2020	2019	2018	2017
Assets	27,729,306	25,297,584	24,786,356	25,644,100	26,252,856
Shares	25,121,860	22,607,273	22,214,875	23,138,569	23,739,094
Loans (net)	6,752,415	7,844,172	9,206,421	10,066,412	10,951,923
Income	679,585	936,149	999,206	937,959	897,393
Expenses	760,633	764,810	872,114	872,875	855,068
Reserves & Undivided Earnings	2,566,488	2,647,535	2,523,299	2,462,087	2,462,045
Expenses* to Income Ratio	112%	82%	87%	93%	95%
Net Income (Loss)	-81,048	124,236	61,213	42	2,642
Members	3,996	4,458	4,844	5,195	5,774
Dividends Paid	26,073	47,103	65,879	61,618	57,309
Dividend Rates	0.5%-0.35%	0.5%-0.45%	0.5%-1.05%	0.5%-1.05%	0.5%-1.05%



**Dillard's Federal Credit Union
Minutes of Annual Meeting
April 26, 2021**

The meeting was called to order via Zoom at 5:38 pm by Daryl Bailey, Chairman. Board Members present were Michele Allgood, Lanette Bryant, Karen Marriott, Lloyd Kassler, and Aaron Bailey. Kermie Gladstone, Supervisory committee chairman, and Shawn Berry were present. Tammy Brooks, CEO and Tammie Sneed, COO was also present.

Ms. Bailey asked if there was a quorum present. Seventeen (17) members were present in person or virtually.

Ms. Bailey asked if there were any corrections to the 2020 Annual meeting minutes as printed in the annual report. There were no corrections. The minutes stand approved.

The members heard the director's report given by Daryl Bailey. Ms. Bailey spoke about what a challenging year we have had at the credit union and with COVID-19. She spoke about how the credit union is continuing to improve sponsor company relationship. She spoke about how on-site store visits were not possible due to limitations of staff and COVID-19. Payment deferrals were put into place for our members impacted by COVID-19. A policy change allowed for Virtual Annual Meetings for the safety of our members and staff.

Karen Marriott, Treasurer, gave a report on the financials.

Kermie Gladstone gave the supervisory committee report.

Ms. Bailey asked if there was any old business. There was none. She asked if there was any new business. There was none.

Members were informed of two expiring

positions on the Board of Directors. The nominating committee submitted Daryl Bailey and Lanette Bryant as nominees. Each nominee had presented their qualifications and expressed a willingness to serve. There were no nominations by petition. When we have the same number of nominees as open positions, they may be declared elected by general consent or acclamation. With there being no objections, Daryl Bailey and Lanette Bryant were elected by acclamation to the DFCU Board of Directors.

A drawing was held for door prizes. Prizes were awarded to several mail-in entries and members present.

There being no further business, the meeting was adjourned at 5.50 pm.

Daryl Bailey Chairman	Michele Hardy Secretary
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Chairman's Report

In 2021 we continued to be challenged with the COVID pandemic which kept us all engaged and working to find new ways to reach our members and improve our services. With lobby safety precautions put into place, the doors never closed! Even with the challenges we had in 2021 we were able to add 117 new members. This past year we did not see the loan growth we needed, so for the first time in 4 years we have ended the year in the negative. The Board and management and staff are committed to moving the credit union forward in 2022. We continue to offer low interest rates on credit cards, car loans and signature loans. With these lower rates we are working to increase our loans!

In my last Chairman's report, I mentioned that we were researching services and products that would better serve the needs of our members and save the credit union money in the process.

I am excited about the changes and enhancements made this past year. Our core processing

upgrade allowed the addition of on-line services, that included Lenders Pro Pay, where members can make their loan payments on-line. Signix was also added to allow members to sign membership and loan documents electronically. The redesign of our website allows members the ability to apply for membership and loans on-line. We hired a new marketing company that gives a fresh new approach to marketing to our members. Additional savings came from changing providers for credit union forms and disclosures.

As board members of DFCU we value your input on how we can make DFCU your "go to" for all your financial needs. The board members are very grateful for our credit union management, staff and members.

Remember to visit our web site at WWW.mydfcu.com, LIKE our Facebook page, Dillard's Federal Credit Union or reach out to any staff or board members for more information.

THANK YOU for being a part of YOUR credit union and we appreciate you and your support.

Thank You
Daryl Bailey
Chairman

Supervisory Committee Report

To Dillard's Federal Credit Union Members: The Supervisory Committee is elected by the membership to establish practices and procedures to independently evaluate the safety and soundness of the credit union's operations and activities, and ensure that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles (GAAP).

The committee meets regularly and carries out the following responsibilities:

- Protecting members' funds and interests
- Safeguarding of assets
- Ensuring compliance with regulations,

- policies and procedures
- Maintaining the reliability of financial records

The Supervisory Committee is comprised of volunteer members and functions independently of Credit Union management. As an independent body, the Supervisory Committee also investigates members' complaints not resolved to their satisfaction by management.

Members can report perceived Credit Union rule or policy violations, unethical behavior, and complaints not resolved by management directly to the Supervisory Committee by mailing a letter to the following address:

**Dillard's Federal Credit Union
Supervisory Committee
P.O. Box 2763
Little Rock, AR 72203**

All member communications are handled with the utmost confidentiality.

The Supervisory Committee retained a certified independent accounting firm, Sullivan & Company, to perform the 2021 annual financial audit and issue certified financial statements relating to the overall financial condition of Dillard's Federal Credit Union.

Based on the results of the 2021 annual audit performed by Sullivan & Company, the Supervisory Committee concludes that Dillard's Federal Credit Union has adequate financial control, is financially sound, and that no corrective actions are required.

Kermie Gladstone, Supervisory Committee Chair



Shawn Berry, Supervisory Committee Member

