

SUPERVISORY COMMITTEE REPORT

Operating as your credit union representative, the Supervisory Committee is the only standing committee in the credit union. It is required under our charter and members are appointed by the Board Chair. It is a powerful committee and can even call for the removal of a Director for failure to perform his/her duty.

It is accountable for determining that each area of the credit union is carrying out the plans, policies, and procedures for which it is responsible. The Supervisory Committee is commonly known as the "member's watchdog."

Every year, the Supervisory Committee hires a credentialed auditor (CPA) to examine the books, records and general operation of the credit union. Our annual audit was performed by *Sullivan & Company P.A.* in 2021. That exam in conjunction with the examination conducted by *NCUA (National Credit Union Administration)*, our Federal Examiners, demonstrates that UPFCU is in compliance with applicable federal regulations, has adequate financial control and is in sound financial condition.

The Supervisory Committee fulfills its responsibilities by attending board meetings and performing audits of the operations, accounting records, and internal controls at UP Arkansas Federal Credit Union.

Just as a reminder, you can and should always notify the Credit Union or your Supervisory Committee if you should ever note any errors or discrepancies on your account statements, or with any suggestions to the following address:

**UPFCU
PO BOX 841
NLR, AR 72115**

Respectfully submitted,
**Jimmy Ruple, Chairman
Supervisory Committee**

BOARD OF DIRECTORS

John Paul Bailey, Chairman
Dan Yates, Vice Chairman
Linda F Hall, Treasurer
Stuart Williamson, Secretary
Louis Taylor, Director
James (JR) Rochelle, Director
Jennifer Hay, Director

CREDIT COMMITTEE

Todd Jackson, Chairman
Ulysses Grant, Member
Lee Modlin, Member

SUPERVISORY COMMITTEE

Jimmy Ruple, Chairman
Dan Onstott, Member
Colby Hamilton, Member

STAFF

Karyn Davis, President/CEO
Jennifer Webb, Vice President
Sherri Patrom, Branch Manager
Terry Keith, Asst. Branch Mgr./Vine
Kati Hendershot, Member Svc. Rep/Pike
Lori Williams, Member Svc. Rep/Pike
Rosalyn Sabbs, PT Teller/Vine
Deborah Armstrong, PT Teller/Pike



FEDERAL CREDIT UNION

ANNUAL REPORT 2021

89 YEARS of SERVICE

CHAIRMAN'S REPORT

89 Years Strong.

In 2022, we celebrate 89 years of continued service. The last two years brought challenges never seen in our lifetime. UP Federal Credit Union committed to serving our members during this time. Our dedication to "people helping people" remains a cornerstone of our mission.

As you see in the Annual Report, UP Arkansas FCU performed well in 2021. Some of the highlights of that report include:

- **Our membership at UP Arkansas FCU now stands at 3260. Our current assets are \$31,061,415.81.**
- As our credit union experiences growth and changes, our primary purpose will remain the same. We promise to offer the services that will provide a better financial life for our members.
- I am very pleased to announce that again this year UP Arkansas FCU is a well-capitalized financial institution, with a **strong net worth ratio of 15.91%**. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our regulators.
- In total, our **3260 members hold more than \$26,078,345 in savings**. In a year of uncertainty, our members were able to increase their savings.
- You, the members and owners of this institution, **have borrowed more than \$12,328,847.06, which added more than 557 new loans totaling \$5,374,081.32 in 2021**. We experienced a decrease in loan balances this year which was expected under our current situation & with increased supply chain issues.
- **Please** pass the word to your family and friends that everyone is eligible to join. And remember, **"Once a member, always a member!"**

As always, if there is anything we can do for you, feel free to call us at (501) 373-2190 or (501) 374-2190. **"UP-lifting our Community!"**

Best Regards,
John Paul Bailey, Chairman
Board of Directors

CREDIT COMMITTEE REPORT

The Credit Committee is pleased to report that members saw the benefits of borrowing from their credit union and made 557 loans totaling over \$5,374,081.32 in 2021. The credit committee met 16 times and working in conjunction with the loan officers, they reviewed 67 loan applications, approving 4 extension requests.

You elect the Credit Committee, who has the responsibility of overseeing and evaluating loans. Regardless of the type of loan or collateral, each applicant is afforded individual consideration. Qualification is simple! A member must have job stability, an established good payment record with all creditors and have sufficient funds to repay obligations. The majority of loans made by UPFCU are secured by collateral, such as automobiles, boats or cash on deposit. In many instances, we have been able to approve a loan that would have been denied elsewhere. We want to make loans!

The total loans on the books for December 31, 2021 were \$12,328,847.06. This means that of the \$26,078,345.01 deposit, we lent back over 47% of every dollar that was deposited by our membership.

Please be sure to check with your credit union first for all your financial needs. We can help you purchase vehicles, boats, homes, and assist with other needs you may have. As always, thank you for investing your trust, money and faith in UPFCU. We will continue to help as many members as we can, so that we will live up to the credit union motto of **"People helping people."**

Respectfully submitted,
Todd Jackson, Chairman Credit Committee

TREASURER'S REPORT

It is my pleasure to provide this financial summary and highlights of the past year to you. We maintain a strong capital position of 15.91%, which is well above the 7% required by the National Credit Union Administration. We will continue to operate in a fashion which places the utmost importance on safety, security, and soundness.

I respectfully submit the following Financial Report for year 2021 as of December 31, 2021.

FINANCIAL REPORT

December 31, 2021

ASSETS

Loans to Members	\$12,328,847.06
Less Allowance for Loan Losses	-\$45,727.07
Cash on Hand and in Bank	\$3,065,039.48
Invested Funds	\$13,875,783.00
NCUA Share Insurance	\$236,730.54
Fixed Assets	\$232,302.59
Other Assets	\$1,368,440.21

Total Assets \$31,061,415.81

LIABILITIES AND CAPITAL

Accounts Payable	\$35,310.61
Accrued dividends/interest payable	\$6,583.20
Shares (all types)	\$26,078,345.01
Reserves (Reg. & Special)	\$535,853.02
Undivided Earnings	\$4,405,323.97

Total Liabilities and Capital \$31,061,415.81

COMPARATIVE BALANCES

Year	Savings	Assets
2021	\$26,078,345	\$31,061,416
2020	\$23,731,179	\$28,575,935
2019	\$21,857,388	\$26,553,496
2018	\$22,123,074	\$26,732,100
2017	\$22,868,774	\$27,376,658
2016	\$22,601,356	\$27,138,242
2010	\$16,110,680	\$19,886,407
2000	\$10,096,036	\$12,333,116
1990	\$4,187,478	\$4,840,084

12/31/20 12/31/21 Net Change

	12/31/20	12/31/21	Net Change
Shares	\$23,731,179	\$26,078,345	\$2,347,166
Loans	\$15,365,319	\$12,328,847	-\$3,036,772
Dividends	\$168,238	\$105,025	-\$63,213
Assets	\$28,575,935	\$31,061,416	+\$2,485,481
Total Members	3,484	3,260	-224

Linda F. Hall, Treasurer
Board of Directors