



**58<sup>th</sup> Annual Meeting**  
**April 1, 2023**

# KEYSTONE CREDIT UNION BOARD OF DIRECTORS

CARL AUVIL.....CHAIRMAN OF THE BOARD  
SERVING 2018-2023

JASON ROMANS.....BOARD MEMBER  
SERVING 2020-2024

MICHAEL PETERSON.....BOARD MEMBER  
SERVING 2014-2024

JOHN PRATER.....BOARD MEMBER  
SERVING 1980-2023

KIMBERLY HALE..... BOARD MEMBER  
SERVING 2021-2025

CATHY PARKER.....BOARD MEMBER  
SERVING 2018-2024

KYLE TROMBLEY.....BOARD MEMBER  
SERVING 2023

## 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

RANDI ZUNIGA.....TELLER

JESSIE STARR .....TELLER

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

### E-STATEMENTS

### 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  
FARM EQUIPMENT LOANS

### VISA CREDIT CARDS

### MORTGAGE LOANS

MOTGAGES  
1<sup>ST</sup> LIEN HOME EQUITY

# 58<sup>TH</sup> ANNUAL MEETING

Keystone Credit Union  
Saturday, April 1, 2023



CALL TO ORDER .....	CARL AUVIL
ACERTAIN QUORUM.....	JOHN PRATER
6 DRAWINGS	
MINUTES OF LAST MEETING.....	CARL AUVIL
REPORTS TO SHAREHOLDERS	
DIRECTORS REPORT.....	MICHAEL PETERSON
6 DRAWINGS	
TREASURER.....	JASON ROMANS
AUDIT COMMITTEE.....	KYLE TROMBLEY
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	
OTHER BUSINESS	
5 DRAWINGS	

**57<sup>th</sup> Annual Meeting Minutes**  
**Keystone Credit Union**  
**April 2, 2022**

The 57<sup>th</sup> Annual Meeting of Keystone Credit Union was held April 2, 2022 at 10:00 am at the Sharon Shriners Center in Tyler, Texas.

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 97 members and 3 guests attending. The invocation was given. Barry Patterson introduced the Board of Directors and the credit union staff. Barry introduced Minnie Cravens to give the membership an update on the upcoming computer conversion. Barry then introduced Angela Powers who recognized two credit union employees, LuAnn Massey and Hannah Nowland, for their exceptional service during a particularly trying 1<sup>st</sup> quarter of 2022.

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 page 7 of the program. The report stated the credit union had paid \$131,951 in dividends on accounts, an increase of \$44,370. Total loans stand at \$25,453,227 a decrease of \$ 1,858,138.

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.

Barry Patterson called on Kimberly Hale for the Audit Committee Report. Kimberly stated that the Audit Committee Report was on page 10 of the program. The program stated that the credit union was examined in 2022, 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, 2021. 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 \$25,453,226.51. The report also stated that out of approximately \$385 million in loans the credit union has lent we have had to write off only \$3,700,479.38, and of this, we have collected \$523,719.64.

Barry Patterson stated that the Board of Directors consists of seven members, two of whom 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, Terry Nowland, and Kevin Fowler.

Terry Nowland then read the submitted names nominated by the committee, Barry Patterson for places one and Kimberly Hale for place two. Carl Auvil was also nominated to fill his unexpired term.

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, Barry Patterson, Kimberly Hale and Carl Auvil were elected.

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

No one in attendance failed to receive their \$2 at the door.

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 two special meetings during 2022. The duties of a Director are to approve new members, approve expense items, approve loans to officials, 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 an average year in 2022. Interest rates on certificates of deposit began to improve in 2022; therefore, dividend rates began to increase.

The credit union paid \$256,365.50 in dividends on shares, deposit accounts, IRAs, and share draft accounts in 2022. This is an increase of \$124,414.42. The credit union's loans stand at \$30,844,554.29. This indicates that loans have increased by \$5,391,327.78.

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

John Prater

Michael Peterson

Jason Romans

Kimberly Hale

Kyler Trombley

FINANCIAL AND STATISTICAL REPORT

KEYSTONE CREDIT UNION  
P. O. BOX 4970, TYLER, TEXAS 75712-4970

FOR PERIOD ENDED DECEMBER 31, 2022  
CHARTER NO. 567

ASSETS				LIABILITIES			
701-00	PERSONAL LOANS	NO.	UNPAID BALANCES				
<b>DELINQUENT</b>							
(A)	2 TO LESS THAN 6 MONTHS	23	\$342,433.33	801-00	UNPRESENTED CHECKS		8,392.56
(B)	6 TO LESS THAN 12 MONTHS	1	282.19	801-01	IRA FEES		(102.10)
(C)	12 MONTHS AND OVER	3	55,943.10	801-02	IRA FEE 457		322.06
	<b>SUBTOTAL</b>	<b>27</b>	<b>398,658.62</b>	801-03	A/P VOL DENTAL INS-EMPLOYEE PAY		-
(E)	CURRENT AND LESS THAN			801-04	A/P AFLAC		0.15
	2 MONTHS DELINQUENT	864	28,026,264.03	801-12	A/P CREDIT CARD PAYMENTS		2,198.43
(F)	<b>TOTAL PERSONAL LOANS</b>	<b>911</b>	<b>28,424,922.65</b>	801-13	A/P BILL PAY		-
702-00	CREDIT CARD LOANS		277,732.66	801-19	A/P UNEMP TAX		-
702-01	CREDIT CARD CASH ADVANCE		6,286.00	801-23	A/P MORT EXP		(71.16)
701-05	HOME EQUITY		2,135,612.98	803-00	UNDISTRIBUTED PAYROLL		(10,767.44)
	<b>TOTAL LOANS</b>		<b>30,844,554.29</b>	807-00	A/P CR CD PAYMENT IN PROCESS		-
				817-00	ACH POSTING		-
				817-02	ATM EXCPT.		-
719-00	ALLOWANCE FOR LOAN LOSSES		(173,983.24)	850-00	ACCRUED EXPENSES		881.73
724-01	DISABILITY PREM RECEIVABLE		(1,918.25)	850-01	ANNUAL MEETING		5,752.55
724-02	GAP AUTO PROTECTION		(475.00)	850-02	AUDIT FEES		13,500.00
731-00	VAULT CASH & TELLER CHECKS		291,839.55	850-03	PROMOTIONAL		-
737-15	SOUTHSIDE		10,450.45	850-04	TRAV. & CONF.		-
738-00	KEYSTONE CU APPLE TEST ACCT		11.00	850-05	TAXES		-
738-02	FIS CREDIT CARD RESERVE ACCT		15,148.00	850-06	SALARIES & BEN.		23,912.56
738-03	FISERV DEPOSIT SETTLEMENT ACCT		21,000.00	850-07	INTEREST REFUNDS		17,570.69
744-01	CORPORATE ONE SETTLEMENT		1,196,194.80	850-08	ACCRUED IRA FEES TO CSG		1,817.47
744-02	CORPORATE ONE MONEY MARKET		804,347.25	850-09	EMPLOYEE MEDICAL DEDUCT		-
745-00	INVESTMENT IN CUSO-1st		3,669.00	850-10	ACCRAUL MISC		-
746-00	CERTIFICATES OF DEPOSITS		5,481,000.00	850-11	ACCRAUL TRAVEL		-
751-00	MEMBERS CAPITAL		375,778.44	850-12	ACCRUED IMPROVEMENTS/RENT/REPA		-
751-001	CORP ONE FCU MEMBERSHIP 1st		5.00	852-00	EMPLOYEES BENEFITS		7,626.04
751-002	CATALYST CORP FCU PCC ESCROW		573.03	854-00	DIVIDENDS PAYABLE		1,038.87
766-01	PREPAID SURETY BOND PREMIUM		5,752.68	870-10	UNAPPLIED DP/SHARE DRAFT EXPT		-
766-02	PREPAID LEAGUE DUES		476.24	870-01	DRAFTS PAYABLE		115,755.60
766-03	PREPAID INVESTMENT EXPENSE		10,060.54				
766-04	PREPAID OPERATING FEE		1,551.00	901-00	SHARES		23,001,686.53
766-05	PREPAID DATA EQUIP. MAINTENANCE		188,391.66	902-00	ESCROW		42,703.90
766-06	PREPAID STAMPS		12,028.82	904-00	SPECIAL DEPOSIT ACCOUNTS		963,850.40
766-07	PREPAID OAK TREE LOAN FORMS		5,531.22	906-00	IRA SHARES		2,933,417.56
766-08	PREPAID COPIER USAGE		147.05	901-09	SHARE DRAFT ACCOUNTS		1,896,902.85
766-09	PREPAID SUPPLY		516.79				
769-01	AUTO		1.00				
771-00	LAND		86,495.82				
772-00	BUILDING		368,042.03	931-00	RESERVE FUND		2,088,754.46
774-00	FURNITURE & FIXTURES		71,642.90	940-00	UNDIVIDED EARNINGS		8,900,124.24
775-00	IMPROVEMENT AND REPAIRS		18,673.83				
781-00	ACCRUED INTEREST		57,910.21				
782-00	ACCRUED INVESTMENTS		14,059.75				
790-00	NATIONAL, CU INS. FUND (NCUSIF)		284,485.53	960-00	GAIN OR LOSS		4,502.11
					KNOWN COMPUTER OUTAGE		11.28
<b>TOTAL ASSETS</b>			<b>\$40,019,761.37</b>	<b>TOTAL LIABILITIES</b>			<b>40,019,761.37</b>

CERTIFIED CORRECT

*Angela Powers*



**FINANCIAL AND STATISTICAL REPORT**

**KEYSTONE CREDIT UNION**  
**P. O. BOX 4970, TYLER, TEXAS 75712**

**FOR PERIOD ENDED December 31, 2022**  
**CHARTER NO. 567**

ACCT. NO.	INCOME	CURRENT	PERIOD TO DATE	YEAR TO DATE
111-00	INTEREST ON PERSONAL LOANS	\$ 107,031.56	\$ 315,550.19	\$ 1,140,145.13
111-01	LATE FEE ON MORTGAGE	\$ 104.98	\$ 448.64	\$ 3,634.66
111-02	LATE FEE ON CONVENTIONAL LOANS	\$ 1,207.25	\$ 4,076.66	\$ 15,919.18
111-03	SKIP A MONTH FEE	\$ -	\$ -	\$ -
111-04	APPLICATION FEE, REAL ESTATE & HOME	\$ 300.00	\$ 1,500.00	\$ 9,717.00
115-00	CREDIT CARD & INTEREST INCOME	\$ 1,487.38	\$ 4,633.12	\$ 18,782.51
119-00	CREDIT CARD REBATE	\$ (1,553.98)	\$ (4,661.94)	\$ (18,647.76)
121-00	INCOME FROM INVESTMENTS	\$ 12,978.38	\$ 35,390.69	\$ 79,537.76
122-00	CORPORATE INCOME	\$ 11,430.58	\$ 12,459.80	\$ 18,679.99
131-00	FEES & CHARGES	\$ 2,498.30	\$ 7,391.30	\$ 18,877.11
131-02	SHARE DRAFT ABATEMENT	\$ 33.87	\$ 100.61	\$ 229.20
131-03	IPAY INCOME	\$ -	\$ -	\$ 0.40
131-04	ATM FEE INCOME	\$ 3,189.01	\$ 8,944.83	\$ 28,620.83
131-06	CHECK CASHING FEES	\$ -	\$ -	\$ 74.16
131-08	SAFE DEPOSIT BOX FEES	\$ 1,260.00	\$ 1,260.00	\$ 1,000.25
131-10	SHARE DRAFT FEES	\$ 1,932.00	\$ 5,152.62	\$ 23,959.54
151-00	INS. ADM. FEES	\$ 510.08	\$ 3,005.06	\$ 10,096.54
153-00	MISCELLANEOUS INCOME	\$ 429.00	\$ 1,309.00	\$ 6,548.79
	<b>TOTAL INCOME</b>	<b>\$ 142,838.41</b>	<b>\$ 396,560.58</b>	<b>\$ 1,357,175.29</b>
	<b>EXPENSES</b>			
212-00	SALARIES	\$ 42,568.81	\$ 144,083.12	\$ 538,990.06
222-00	FICA - EMPLOYER	\$ 4,371.63	\$ 10,619.72	\$ 40,999.88
223-00	FED/ST UNEMPLOYMENT TAX	\$ (468.58)	\$ (446.97)	\$ 592.15
224-01	EMPLOYEE BENEFITS - MED INSURANCE	\$ 2,413.28	\$ 7,015.40	\$ 29,229.15
224-02	EMPLOYEE BENEFITS - RETIREMENT	\$ 934.70	\$ 2,806.78	\$ 11,784.00
231-00	TRAVEL & CONFERENCES	\$ 2,054.40	\$ 6,163.22	\$ 16,097.26
240-00	ASSOCIATION DUES	\$ 964.88	\$ 2,883.48	\$ 12,067.82
252-00	MAINTENANCE	\$ 292.28	\$ 1,667.06	\$ 6,798.01
253-00	UTILITIES	\$ 3,550.92	\$ 12,174.70	\$ 42,919.87
254-00	DEPRECIATION OF BUILDING	\$ 1,744.03	\$ 5,232.09	\$ 20,928.33
256-00	REAL ESTATE TAXES	\$ 1,036.86	\$ 3,741.96	\$ 18,578.93
261-00	COMMUNICATIONS	\$ -	\$ -	\$ -
262-00	POSTAGE	\$ 1,833.73	\$ 3,621.73	\$ 13,903.97
264-00	SUPPLIES & MISCELLANEOUS	\$ 909.31	\$ 3,287.62	\$ 19,702.73
265-00	OTHER INSURANCE	\$ -	\$ -	\$ -
265-01	SURETY BOND PREMIUM	\$ 2,876.35	\$ 8,629.05	\$ 34,534.41
266-00	DEPR. OF FURNITURE, FIXTURES, & EQUIPMENT	\$ 1,664.72	\$ 5,094.30	\$ 14,273.42
267-00	DEPRECIATION OF AUTO	\$ 1,137.56	\$ 3,185.78	\$ 12,343.13
268-00	IRA FEES TO CSG	\$ 182.53	\$ 547.59	\$ 1,810.58
269-00	BANK SERVICE CHARGE	\$ 1,728.16	\$ 5,122.28	\$ 20,543.72
269-02	SHARE DRAFT EXPENSES	\$ 318.47	\$ 1,900.80	\$ 12,379.36
269-04	ATM EXPENSE	\$ 1,940.10	\$ 5,187.57	\$ 39,872.03
270-00	PROMOTIONAL	\$ (1,476.70)	\$ (4,430.10)	\$ 1,912.00
280-00	LOAN SERVICE EXPENSE	\$ 1,167.19	\$ 3,213.67	\$ 12,038.28
280-01	LOAN EXPENSE CREDIT CARDS	\$ 301.25	\$ 1,565.17	\$ 2,306.58
281-00	OPERATING FEE	\$ 775.50	\$ 2,326.50	\$ 7,382.68
292-00	AUDIT FEES	\$ 1,083.00	\$ 3,249.00	\$ 13,500.00
292-01	PROFESSIONAL SERVICES -ATTORNEY	\$ -	\$ 1,212.26	\$ 2,790.76
293-00	DATA PROCESSING	\$ 6,659.24	\$ 17,859.18	\$ 78,346.55
294-00	INVESTMENT EXPENSE	\$ 303.04	\$ 909.12	\$ 3,636.45
299-00	OTHER PROFESSIONAL & OUTSIDE SERVICES	\$ 1,449.40	\$ 2,364.25	\$ 6,279.30
300-00	PROVISION FOR LOAN LOSSES	\$ 12,808.08	\$ 12,808.08	\$ 14,739.96
312-00	LIFE SAVING INSURANCE	\$ -	\$ -	\$ -
330-00	CASH OVER & SORT	\$ (5.00)	\$ 15.00	\$ 229.21
330-02	NEG ACCTS & NSF	\$ -	\$ -	\$ 20,622.06
350-00	ANNUAL MEETING EXPENSE	\$ -	\$ -	\$ 3,333.15
370-00	MISCELLANEOUS GENERAL EXPENSE	\$ 2,060.53	\$ 2,410.59	\$ 3,756.07
370-01	ARMOR MOTOR SERVICES	\$ 276.52	\$ 553.04	\$ 1,692.39
371-00	AUTO	\$ 137.85	\$ 557.79	\$ 3,936.21
371-05	AUTO EXP BOARD MEETING	\$ 155.03	\$ 441.71	\$ 1,838.82
372-00	IMPROVEMENTS/RENT/REPAIRS	\$ 487.44	\$ 2,112.32	\$ 9,215.74
373-00	OTHER MEETING EXPENSE	\$ 261.24	\$ 750.53	\$ 3,215.27
380-00	DIVIDEND EXPENSE	\$ 37,629.28	\$ 111,623.08	\$ 256,365.50
	<b>TOTAL EXPENSES</b>	<b>\$ 136,127.03</b>	<b>\$ 392,058.47</b>	<b>\$ 1,355,485.79</b>
	<b>NET EARNINGS</b>	<b>\$ 6,711.38</b>	<b>\$ 4,502.11</b>	<b>\$ 1,689.50</b>
420-00	EXTRA ORDINARY INCOME	\$ -	\$ -	\$ 42,868.30
440-00	NON-OPERATING INCOME/EXPENSE	\$ -	\$ -	\$ 2,000.00
	<b>TOTAL NET EARNINGS</b>	<b>\$ 6,711.38</b>	<b>\$ 4,502.11</b>	<b>\$ 46,557.80</b>

## **Audit Committee**

Keystone Credit Union is examined by the Texas Credit Union Department examiners, the National Credit Union Administrators (Federal) examiners, and 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, 2022. 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, 2022.

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, 2022.

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

&amp;

ASSOCIATES

SUPERVISORY  
COMMITTEE REVIEWS  
CREDIT UNION CONSULTINGC.W. FERRELL, JR.  
P. O. BOX 1100  
HAWKINS, TX 75765-1100

02 March 2023

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, 2021 through December 31, 2022 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. Ms. Angie Powers can be congratulated on a job well done as she has taken on the duties of manager.

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 perspective loans. The Credit Committee may consider a member's credit score, employment history, the value of collateral offered, a member's debt ratio, and other factors. The credit union does try to protect our members' money by making sound loans.

During the year 2022, the credit union made 802 loans in the amount of \$14,097,2871.70. Based on 52 weeks, the credit union averaged about 15 loans per week. Throughout our history, the credit union has made 145,305 loans for approximately \$402 million. However, we have only had to write off \$3,733,437.71; of this amount we have collected \$523,719.64.

As of December 31, 2022, the credit union has \$30,844,554.29 in outstanding loans.

As the above figures indicate, 2022 was an average year for the credit committee. We appreciate all of the committee's efforts in making 2022 a successful year.

Mark Chelf                      Angela Powers                      Minnie Cravens

Yolanda Durham      Ethel Livingston