



2022 ANNUAL REPORT

The 70th Annual Membership Meeting
For the period ending December 31, 2022

— *Members Helping Members Since 1954* —

Board of Directors

Chairman Wallace Dorning*
Vice-Chairman..... Ronnie Dodson*
Secretary/Treasurer Gary Sparks
Director Larry Smith
Director Ron McLeroy
Director Lesley Easter
Director John “Doc” Holladay*
Director Vince Dauro
Director Tenya Green

Supervisory Committee

Committee Chairman Jim Smith
Committee Secretary Janis Swaim
Committee Member Jane Brewer

President/CEO

Stephanie Moore

* Incumbent directors whose terms of office
expire with this meeting and who have
chosen to seek re-election

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Huntsville, AL 35805
(256) 533-0541
www.rocketcityfcu.org

Rocket City Federal Credit Union 70th Annual Membership Meeting Agenda

Call to Order Wallace Dorning
Invocation..... Larry Smith
Ascertain a Quorum Present..... Gary Sparks
Minutes of Previous Meeting..... Gary Sparks
Chairman's Report Wallace Dorning
President/CEO's Report.....Stephanie Moore
Supervisory Committee Report Jim Smith
Nominating Committee Tom Dozier
Old Business
New Business
Adjournment

Minutes of the 69th Annual Membership Meeting Held March 14, 2022

The meeting was called to order by the Board Vice Chairman, Ronnie Dodson, virtually at 2200 Clinton Ave, Huntsville, AL at 6:00 pm on March 14, 2022. This was the third virtual annual meeting held due to the continued impact of the COVID-19 pandemic.

The following directors were present physically: Ronnie Dodson, Lesley Easter, Doc Holladay, Ron McLeroy, Larry Smith, Gary Sparks.

The following directors were present via Zoom: Vince Dauro and Tenya Green.

The following Supervisory Committee members were present physically: Jane Brewer

Others present included: Stephanie Moore, Credit Union President/CEO

cont. on next page

Minutes of the 69th Annual Membership Meeting (cont.)

Larry Smith gave the invocation.

Ronnie Dodson asked Gary Sparks, Board Secretary/Treasurer, to ascertain that a quorum was present. The by-laws require a minimum of 15 members be present to constitute a quorum. Mr. Sparks advised the Board Vice Chairman that a quorum was present.

- Motion was made by Ronnie Dodson and seconded by Gary Sparks to dispense with the reading of the minutes from the previous meeting and to approve as presented. Motion carried unanimously.

The following pre-recorded reports were presented to the membership:

Board Chairman's report – Pre-recorded by Wallace Dorning, Board Chairman.

President's report – Pre-recorded by Stephanie Moore, President/CEO.

Supervisory's Committee report – Pre-recorded by Jim Smith, Supervisory Committee Chairman.

Ronnie Dodson asked Tom Dozier of the nominating committee, to address the membership. The nominating committee consisted of Tom Dozier, Tally Fanning and Gary Bradford. Tom Dozier reported that three (3) openings existed on the

Board of Directors. All were for the existing term expirations of Gary Sparks, Lesley Easter, and Vince Dauro. Mr. Dozier further advised that no other petitions for election were received other than from the existing Board members.

- Motion was made by Tom Dozier and seconded by Doc Holladay to accept and approve the nominations of Gary Sparks, Lesley Easter, and Vince Dauro for the open positions on the Board of Directors. Motion carried unanimously with Gary Sparks, Lesley Easter, and Vince Dauro abstaining.

- Gary Sparks, Lesley Easter, and Vince Dauro were elected to fill the open positions on the Board through acclamation.

There was no old business to discuss.

New Business

Door prizes were drawn from everyone registered for the meeting. Winners were contacted by email and the funds were deposited into the winner's share account. Winners were as follows:

- Grand Prize winner of \$500.00 was Mary Parks.
- Nine \$100.00 cash prizes won by Jessica Carter, Janice Crumrine, Bethany Edwards, James Hargrove, Mark Hastings, Pearlean Myhand, Sophia Parks, Leslie Stone and (Minor) Vandiver.

- Five \$50.00 cash prizes won by Ashlie Cothren, Mark Hardiman, (Minor) Hardiman, Preston Hudson, and Janis Swaim.

- One \$50.00 Texas Roadhouse gift card prize (donated by American Income) won by Kathy Appel.

- One \$50.00 Applebee's gift card prize (donated by American Income) won by Sam McCord.

- Ten \$25.00 cash prizes won by Tyler Callahan, Irene Charles, Amy Collier, Tom Dozier, Jennifer Evans, Rebecca Hopkins, Tammy Mahaffey, Patrice Mathis, Mike Nazario and David Osborne.

- Motion was made by Larry Smith and seconded by Doc Holladay to adjourn the meeting.

Motion carried unanimously.

The meeting was adjourned at 6:24 pm.

There were 19 members in person registered at this meeting.

There were 14 members via zoom/phone registered at this meeting.

President/CEO's Report

Stephanie Moore, CEO

Rocket City Federal Credit Union has been in existence since 1954 and this is all thanks to the dedication of our members and Select Employer Groups. If you have visited the branch lately, you may have noticed our family has grown. We have an awesome teller frontline ready to assist you in your personal banking needs. Our Loan Officers work hard to ensure you receive the best rates in the market and what's most suitable for your financial outlook. Next, our Executive Team, Leslie Stone our Chief Financial Officer, holds a plethora of financial accounting knowledge, experience and ensures the Credit Union maintains a sound financial outlook in accordance to GAAP standards. Our Chief Operations Officer, Cindy Nazario, has safeguarded the Credit Union's daily operations and has proven to be essential for over 25 years. She upholds the Credit Union operations to the rules and regulations set forth by NCUA.

While we all survived the pandemic that loomed over us for couple of years, we have now been faced with rising costs through inflation to fluctuating rates in the market. With dedication and commitment to serve you, Rocket City Federal Credit Union works diligently to ensure the ever changing market does not affect you by continuing to offer the lowest rates to obtain loans in our market. Although we were faced with the multiple challenges of 2022, it has brought us a new sense of community, which includes the credit union community. The industry has seen a growth in assets at a rate of 5.2% and we contributed to this growth.

For the fiscal year ending December 31, 2022, the Credit Union continued to show a strong and secure financial statement. In the past year, we had an increase in loan volume by almost 10% but a slight decrease in shares of 1%. With these changes, there was zero effect on our total assets. Our delinquency rate is a low 1.11%, which is reflective of the diligence and loyalty of our members in repaying their loans. The NCUA defines a well-capitalized credit union as one having a net worth ratio of 7% or higher. As of December 31, Rocket City's net worth ratio was 13.11%, so we are very financially sound according to the NCUA's standards.

Membership increased and we would like to extend a warm welcome to all new members.

In 2022, we strategically partnered with mortgage loan service companies specific to the credit union industry and we are proud to announce we now offer up to 30 year mortgages. Please see one of our loan officers for more details.

We, at Rocket City Federal Credit Union, are looking forward to more exciting changes going forward and the continued success of our Credit Union and its members.



Supervisory Report

Jim Smith, CPA, Chairman

Supervisory Committee

The Supervisory Committee of the Rocket City Federal Credit Union would like to thank the Board of Directors for their ongoing support during 2022 and ensure the members that the credit union continues to be financially secured. Results of audits performed during the year by the Supervisory Committee, the League of Southeastern Credit Unions, Kudulis, Reisinger, and Price Law Firm, and the NCUA all support this statement.

Our primary responsibility and concern is to safeguard the assets of the credit union. Examinations including cashier activities, new and closed accounts, cash reconciliation, vault logs, credit card transactions, delinquent loans, verification of member accounts, dormant account activity, corporate statements, and other items revealed little or no abnormalities. By the performance of these activities, and especially by the results noted, the credit union membership can be assured that their funds, loans and other financial instruments are being handled in an excellent manner by the credit union staff and management.

The Supervisory Committee appreciated being allowed to be involved in monthly board meetings in 2022. We experienced that board members and credit union management are fully supportive and aggressive in improving member services and increasing membership in the credit union without compromising existing member benefits. We also saw that credit union management is committed to overseeing development in the pursuit of excellence.

The Supervisory Committee looks forward to a prosperous and productive 2023 and expects that the credit union's financial strength; member services and membership will continue to grow not only during 2023, but also well into the future.

Chairman's Report

Wallace Dorning, Chairman

Board of Directors

Welcome to the 70th Annual Membership Meeting of Rocket City Federal Credit Union.

As Chairman of the Board, I greatly appreciate the members for their loyalty to this credit union. Any financial institution is only as good as the people who use its services. I believe that the sponsor groups of Rocket City Federal Credit Union are among the finest in the Huntsville area.

Your Board of Directors meets monthly to discuss the progression of the credit union. This group is made up of volunteers voted for by the members to represent them in making sound business decisions. In regards to approving policy and procedure, guidelines are established by the National Credit Union Association, the Consumer Financial Protection Bureau, and other government entities. Our best interest is to continue to approve financial and technical solutions to better serve our members within our permissible guidelines.

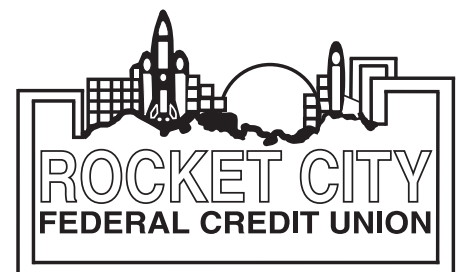
Audits that were performed during 2022, provided confirmation of the credit union's safety and soundness. Management and employees are to be highly commended for continuing to receive clean audits.

The credit union had steady membership growth in 2022. I challenge each of you to talk to family members and co-workers who are not members of Rocket City FCU and encourage them to come join us. We can help make dreams come true.

I encourage each of you to contact any board member, at any time with concerns or suggestions you may have.

The Board of Directors, along with the Supervisory Committee and the Executive Team of Rocket City Federal Credit Union, looks forward to an ever growing, bright, and successful future.

As a final note, to better service your needs, we have expanded our hours and are now open all day on Wednesday's.





ROCKET CITY FEDERAL CREDIT UNION

Financial Statements (Snapshot)

COMPARATIVE BALANCE SHEET

<u>ASSETS</u>	<u>12/31/22</u>	<u>12/31/21</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
Loans	\$22,356,071.46	\$20,558,975.49	\$1,797,095.97	9%
Allowance for Loan Losses	(80,115.47)	(118,765.15)	38,649.68	-33%
Cash	678,248.63	565,209.08	113,039.55	20%
Investments	39,891,783.05	42,155,798.46	(2,264,015.41)	-5%
Accounts Receivable	497.36	1,216.72	(719.36)	-59%
Prepaid and Deferred Expense	62,517.23	68,946.99	(6,429.76)	-9%
Fixed Assets	2,438,909.78	2,507,486.78	(68,577.00)	-3%
Other Assets	608,679.07	531,949.27	76,729.80	14%
NCUSIF Deposit	577,319.77	542,494.63	34,825.14	6%
Total Assets	\$66,533,910.88	\$66,813,312.27	(\$279,401.39)	0%
<u>LIABILITIES AND CAPITAL</u>				
Other Liabilities	759,481.98	956,483.31	(197,001.33)	-21%
Shares	57,909,873.11	58,331,206.26	(421,333.15)	-1%
Other Comprehensive Income	(855,357.04)	(917,601.04)	62,244.00	-7%
Regular Reserves	1,353,276.36	1,353,276.36	0.00	0%
Undivided Earnings	7,317,986.23	7,062,264.37	255,721.86	4%
Net Income	48,650.24	27,683.01	20,967.23	76%
Total Liabilities & Capital	\$66,533,910.88	\$66,813,312.27	(\$279,401.39)	0%
	\$0.00	\$0.00	(\$0.00)	

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

	<u>01/01/22 to 12/31/22</u>	<u>01/01/21 to 12/31/21</u>	<u>Increase (Decrease)</u>	<u>Percent Change</u>
<u>OPERATING INCOME</u>				
Interest on Loans	\$1,290,139.25	\$1,291,899.82	(1,760.57)	0%
Income from Investments	416,873.72	208,128.46	208,745.26	100%
Other Operating Income	849,952.24	799,363.90	50,588.34	6%
Total Operating Income	2,556,965.21	2,299,392.18	257,573.03	11%
<u>OPERATING EXPENSE</u>				
Employee Compensation & Benefits	895,715.05	851,399.42	44,315.63	5%
Association Dues	17,026.37	16,155.95	870.42	5%
Office Occupancy & Operations	728,567.02	682,739.96	45,827.06	7%
Loan Servicing	183,720.74	171,197.64	12,523.10	7%
Professional and Outside Services	174,925.73	163,712.49	11,213.24	7%
Member' Insurance	10,511.83	11,953.89	(1,442.06)	-12%
Provision for Loan Loss	(21,527.00)	11,931.87	(33,458.87)	-280%
Other Expenses	194,160.34	195,309.53	(1,149.19)	-1%
Total Operating Expense	2,183,100.08	2,104,400.75	78,699.33	4%
Net Income Before Dividends	373,865.13	194,991.43	178,873.70	92%
Non-Operating Income	0.00	0.00	0.00	0%
Cost of Funds	97,176.04	111,481.49	(14,305.45)	-13%
Net Income	\$276,689.09	\$83,509.94	\$193,179.15	231%