

### **CONTENTS**

- 2 2023 Meeting Agenda
- **3** 2022 Meeting Minutes
- **5** Chair and CEO's Joint Report
- **7** Dover Federal Big Wins of 2022
- 9 Board of Directors

- **10** Governance Committee
- **11** Executive Team
- **12** Supervisory Committee
- 13 Condensed Balance Sheet
- 14 Condensed Statement of Income

## THE DOVER FEDERAL WAY

Members are our priority.

Excellence is our past, present, and future.

## **2023 MEETING AGENDA**

- I. Call To Order
- II. Pledge of Allegiance
- III. Introductions
- IV. Recording Secretary Appointment
- V. Parliamentarian Appointment
- **VI.** Ascertainment that a Quorum is Present
- VII. Motion Announcement
- VIII. Minutes of the 2022 Annual Meeting
  - **IX.** Message from Chair
  - **X.** Message from President
  - **XI.** Report of the Supervisory Committee
- **XII.** Unfinished Business
- XIII. New Business
- **XIV.** Report of the Board Governance Committee
- **XV.** Adjournment



# **2022 MEETING MINUTES**

- Minutes of the 64th Annual Membership Meeting held on June 14, 2022, at Dover Federal Credit Union Corporate Office via live stream hosted in Dover, Delaware.
- Cory Thomas, Chair, welcomed all credit union members present to the Annual Membership Meeting of Dover Federal Credit Union and called the meeting to order at 6:03 p.m.
- The Pledge of Allegiance was led by the Chair, Cory Thomas.
- Cory Thomas introduced those present at the meeting.
- The Chair appointed Donise Cottman to be the Recording Secretary and Staff Attorney, Myfanwy Bonilla, as the Parliamentarian for this year's meeting.
- The Secretary, Donise Cottman, reported that a quorum was present. 15 members constitute a quorum with 31 total members were present online and in-person.
- The chair then announced a consideration of a motion to suspend the rules and to approve the minutes of the last annual meeting without reading. A motion to approve the minutes without reading was made by Edward Jewell, seconded by Amber Startt. Motion carried.

- Report of the Directors was made by Chair of the Board, Cory Thomas.
- Report of the President was made by Chaz Rzewnicki.
- Supervisory Committee report was presented by John Van Tine.
- Michelle Mack-Williams, Chair of the Board Governance Committee, reported the following members have been nominated by the Board Governance Committee to serve on the Board of Directors:

Anthony DeMarco Mark Harvey Jeannette Schuler

 Cory Thomas declared the Business meeting adjourned at 6:21 p.m.



### **CHAIR AND CEO'S JOINT REPORT**



**Cory Thomas**Chair,
Board of Directors



Janell Upton
President/
Chief Executive Officer

#### To Our Members,

Since chartered in 1958, Dover Federal Credit Union's mission has been to focus on people rather than profits. Throughout the Credit Union's 65 years, it has remained true to its original purpose of providing members a source for low-cost credit and a safe place to save. Today, we serve over 44,000 members, encompassing the military, Delaware families, and over 500 workplace partners. The Credit Union operates eight branches across New Castle and Kent County as well as a Member Resource Center. In 2022, Dover Federal delivered another strong year of financial success. This is especially meaningful in consideration of the challenges other financial institutions have faced in the current economic landscape.

As a result of major shifts in consumer expectations and preferences over the past several years, Dover Federal has followed suit and focused efforts and resources on digital transformation while continuing to enhance member experience through the branch and resource center delivery channels. These efforts continued to pay off and in 2022, the Credit Union processed 15.4M transactions, increased deposits by \$12.9M and booked over \$231.5M in new loans. While the year included significant challenges including threat of recession, major changes in workforce participation, and surging inflation, the Credit Union remained financially strong and at year-end, assets totaled \$641.6M with net worth of 7.93%. Dover Federal remains agile to ensure we can successfully navigate through a rapidly changing operating environment and to further ensure individuals and small businesses are able to acquire the things they need.

Dover Federal is committed to serving our communities. Throughout 2022, the Credit Union contributed to numerous nonprofit organizations across Delaware who share in the "people helping people" philosophy. While financial support is incredibly important to the cooperative mission of the Credit Union, the Dover Federal team members also volunteered hundreds of hours supporting events and organizations they are passionate about across the areas we live and serve.

As we continue to develop new structures and programs, we embed Diversity, Equity and Inclusion (DEI) into everything we do. Numerous products were added during the year designed to better serve our members, including new shares, certificates of deposit, and loan offerings. In 2022, this included the launch of a down payment assistance program which offers the opportunity to realize the dream of homeownership to members with low to moderate incomes. Additionally, the Credit Union continued to provide financial literacy training with Dover Air Force Base and through various schools in our communities to assist members and non-members alike in financial wellness.

In December 2022, the Board concluded their CEO search with the selection of Janell Upton. Janell's solid reputation and vast financial services background, including over 20 years in Credit Unions and a track record of success in growth strategies, made her the Board's top choice. This new partnership between the Board and the CEO is one of strength and unity. Our shared common goals and beliefs will take Dover Federal Credit Union into the future through modern operating practices, dynamic team development, and a passion to serve our communities in new and unprecedented ways.

We thank the dedicated Dover Federal team for their extraordinary efforts across the year. The Credit Union exists to serve its members, but we cannot effectively perform that function without each of our talented and valuable employees. We also want to thank the volunteer officials for their unwavering service to the membership and substantial contributions across 2022.

At Dover Federal Credit Union, we look forward to the future and are rooted in the communities we serve while growing with purpose into communities underserved. We're honored to be on this journey with you and sincerely thank our membership for their ongoing support and participation in the Credit Union.

Sincerely Yours,

**Cory Thomas** 

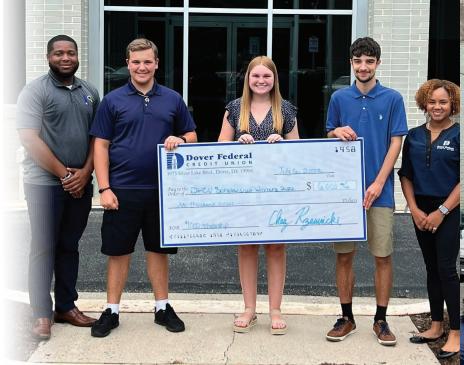
Chair, Board of Directors

Janell Upton
President/Chief Executive Officer

# **DOVER FEDERAL BIG WINS 2022**









# 2022 DOVER FEDERAL PRODUCTS

- Oeployed ATMs at Dover Air Force Base:
  - Commissary
  - Thunder Over Dover 2022
- Added Two New Rewards Checking Accounts
- High Yield Savings
- **Youth Checking and Savings**
- FLEX Rate Certificates
- Implemented Credit Snap for Auto & Credit Card Products
- **OEI Products:** 
  - Mortgage
  - Commercial Loan
  - Lowered Secured Credit Card to \$250 to Increase Member Access
- Indirect Lending Hit Over \$100 Million for the 1st Time in our History



- Your Choice First State Award
- **OE Small Business Chamber Best in Community Award**
- Central DE Chamber of Commerce Large Employer of the Year
- Stars of Delaware Best Credit Union
- Stars of Delaware Best Mortgage Lender
- Stars of Delaware Best Bank
- Central Delaware Habitat for Humanity Sponsor of the Year





### **BOARD OF DIRECTORS**

Our elected Board of Directors are a group of volunteer members who oversee the organization's operations. They are responsible for overseeing the CEO's performance and guiding the Credit Union's strategy, managing its finances, and ensuring it follows laws and regulations. They meet regularly to discuss Dover Federal's performance and make key decisions. Their main goal is to make sure the Credit Union serves our members well.

#### **CHAIR**

**Cory Thomas** 

#### 1<sup>ST</sup> VICE CHAIR

Jeannette Schuler

#### **2<sup>ND</sup> VICE CHAIR**

LaShawne Pryor

#### SECRETARY/TREASURER

Lee Rideout

#### **DIRECTORS**

Lenore Brock

Kim Hicks

Mary Parker

Sandra Taylor

Shawn Tyre

#### **ASSOCIATE DIRECTOR**

**Andrew Mensack** 

#### **DIRECTOR EMERITUS**

Russell McCready

## **GOVERNANCE COMMITTEE**

Lenore Brock, Kim Hicks, Mary Parker and I form the Governance Committee. We were fortunate once again to have many submitting their applications seeking election to the Board. We reviewed the list and interviewed many impressive candidates. There are three board seats up for election. To fill those positions, the Governance Committee hereby nominates:

- Cory Thomas
- LaShawne Pryor
- Sandra Taylor

The Governance Committee is continually looking for qualified candidates to serve on the Board. Our environment continues to evolve and seems to do so more quickly with the pace of business accelerating. We appreciate the dedication and willingness to serve our Dover Federal Credit Union Board.

I want to thank my fellow committee members for their commitment and ensuring we nominate the most qualified candidates to advance Dover Federal Credit Union for our members. **Jeannette Schuler Governance Committee Chair** Dover Federal CREDITY UNION

## **EXECUTIVE TEAM**

#### PRESIDENT/CHIEF EXECUTIVE OFFICER

Janell Upton

#### **CHIEF FINANCIAL & RISK OFFICER**

Donna Kiscaden

# **EXECUTIVE OFFICE & FACILITIES MANAGER**

**Donise Cottman** 

# CHIEF TECHNOLOGY & SECURITY OFFICER

Travis Frey

#### **CHIEF LENDING OFFICER**

Joyce Dew

#### **VP MEMBER EXPERIENCE**

**Todd Wilson** 



### **SUPERVISORY COMMITTEE**

The Supervisory Committee's primary function is to ensure financial soundness and stability in order to safeguard our members' assets.

This is accomplished through ongoing reviews and audits to ensure that records are maintained properly, honestly and accurately and to verify adherence to policies established by law and by the Dover Federal Credit Union (DFCU) Board of Directors. The Committee meets on a monthly basis to review and discuss internal controls as well as auditing matters. We also serve as a direct resource for reviewing and resolving member complaints that cannot be resolved through normal channels. To assist in accomplishing our goals and objectives, the Supervisory Committee engages the services of an audit company. It is the role of the audit company to conduct reviews and issue reports by performing agreed upon procedures which are approved by the Committee and conducted in accordance with the attestations and standards established by the American Institute of Certified Public Accountants. For 2022, RKL LLP conducted the Financial Audit and the Committee is pleased to report that no major findings were reported. The Supervisory Committee also engaged RKL LLP to audit and express an opinion on DFCU's financial statements. The firm has reported that in their opinion, the financial statements of the DFCU for the year ending December 31, 2022, presented fairly, in all material respects, the results of its operations and cash flows for the period in conformity with accounting principles generally accepted in the United States of America.

DFCU also has an Internal Auditor on staff to ensure daily functions are in compliance with policies and internal controls. The Internal Auditor provides information, objective analyses, independent appraisals, and recommendations concerning activities reviewed to promote effective internal controls and operational cost savings.

Additionally, DFCU is regulated and examined periodically by the National Credit Union Administration. This examination includes a review of the financial condition, quality of management, risk exposure and areas of regulatory compliance.

The Supervisory Committee is confident that DFCU is a financially sound, well-managed institution and that our members' assets are effectively safeguarded.

We will continue to make every effort to further enhance our oversight of DFCU operations to ensure that the best interests of all members are served.

Respectfully submitted, John Van Tine, Chair Denise Freeman Kim Hicks Rachel Shetzler Kim Warfield-Walker

# **CONDENSED BALANCE SHEET**

### **Assets**

### **Liabilities and Members' Equity**

	December 31	
	2022	2021
ASSETS		
Loans to Members	515,845,900	440,399,020
Less Allowance for Loan Losses	(2,917,027)	(3,099,134)
Net Loans to Members	\$512,928,873	\$437,299,883
Cash on-Hand and in Banks	28,903,373	63,503,642
Cash Equivalents	5,273,644	5,501,708
Total Cash and Cash Equivalents	\$34,177,017	\$69,005,350
Securities Available for Sale	53,848,466	64,413,631
Federal Home Loan Bank Stock (FHLB)	915,227	899,778
National Credit Union Share Insurance Fund Deposit	5,532,355	5,262,521
Accrued Interest Receivable	1,790,530	1,441,903
Property and Equipment, Net	19,915,494	20,316,991
Prepaid Expenses and Other Assets	12,531,773	10,767,666
Total Assets	\$641,639,735	\$609,407,726

	December 31	
	2022	2021
LIABILITIES		
Members' Shares and Savings Accounts	573,254,291	560,326,044
Accrued Expenses and Other Liabilities	4,366,828	3,046,470
Borrowed Funds	20,000,000	-
Total Liabilities	\$597,621,119	\$563,372,514
MEMBERS' EQUITY		
Regular Reserve	4,509,023	4,509,022
Appropriated Undivided Earnings	10,673,944	10,673,944
Unappropriated Undivided Earnings	34,447,069	30,744,819
Accumulated Other Comprehensive Income	(5,611,420)	107,427
Total Members' Equity	\$44,018,616	\$46,035,212
Total Liabilities and Members' Equity	\$641,639,735	\$609,407,726

## **CONDENSED STATEMENT OF INCOME**

	December 31	
	2022	2021
INTEREST INCOME		
Interest on Loans	19,650,156	18,339,036
Interest on Investment Securities and Cash Equivalents	1,489,840	867,657
Total Interest Income	\$21,139,996	\$19,206,693
INTEREST EXPENSE		
Dividends on Members' Shares and Savings Accounts	1,228,800	1,505,076
Interest on Borrowed Funds	207,199	-
Total Interest Expense	\$1,435,999	\$1,505,076
Net Interest Income Before Provision for Loan Losses	\$19,703,997	\$17,701,617
Provision for Possible Loan Losses	914,315	671,061
Net Interest After Provision for Loan Losses	\$18,789,682	\$17,030,556

These condensed financial statements do not constitute a complete presentation. The complete set of audited financial statements, including the statements of cash flows and changes in members' equity, and notes to the financial statements, are available at the Credit Union office during normal hours of operation.

	Decem	December 31	
	2022	2021	
NON-INTEREST INCOME			
Share Draft Fees	2,574,169	2,032,232	
Card Services	4,022,134	3,942,045	
Miscellaneous Income	2,262,205	2,544,632	
Insurance Fees	435,842	460,079	
(Loss) on Sales of Investments	(126,581)	-	
Total Non-Interest Income	\$9,167,769	\$8,978,988	
NON-INTEREST EXPENSES			
Compensation and Benefits	10,710,234	9,960,584	
Occupancy	1,376,814	1,309,546	
Operations	3,778,589	3,674,364	
Professional and Outside Services	4,497,493	3,641,859	
Promotion	980,151	760,227	
Collection and Loan Administration	1,605,002	1,469,912	
Other	1,306,917	844,883	
Total Non-Interest Expenses	\$24,255,200	\$21,661,375	
NET INCOME	\$3,702,251	\$4,348,169	













