

# 2022

**ANNUAL  
REPORT**

Providing Solid Solutions  
for the Ever-changing  
Financial Environment



**AgFed**  
**Credit Union**  
*Your Partner for Life*

# **AGRICULTURE FEDERAL CREDIT UNION** **88<sup>th</sup> Annual Meeting Agenda**

**April 26, 2023 | 11:00 am – 12:00 pm**

## **CALL TO ORDER**

Elard J. Phillips, Chairperson

## **QUORUM PRESENT**

## **APPROVAL OF THE APRIL 27, 2022 ANNUAL MEETING MINUTES**

## **CHAIRPERSON'S REPORT**

Elard J. Phillips, Chairperson

## **TREASURER'S REPORT**

John Link, Treasurer

## **CEO REPORT**

Margie Click, President/CEO

## **FOUNDATION REPORT**

## **CYBERSECURITY REPORT**

Adam Rosenthal, CIO

## **NOMINATING COMMITTEE REPORT**

## **QUESTIONS AND ANSWERS**

## **ADJOURNMENT**



# Chairperson's and President/CEO's Report

Reflecting on 2022, we are proud to say AgFed persevered and continued to give the membership value. As many companies faced challenges, AgFed rallied and provided service with passion and enthusiasm to assist the membership as our branches reopened. At the same time, we improved our remote services by increasing staff and providing them with additional tools to assist the membership in a better and more streamlined manner.

We spent 2022 continuing to provide solid solutions for the ever-changing environment. However, 2022 did not pass without challenges. Inflation and rising interest rates affected all of us. Looking into 2023, we know many still feel economic uncertainty and the sting of inflation. Families have seen rent, gas, and grocery prices spike, and numerous businesses in our surrounding communities have been forced to make the difficult choice to pass those higher costs to the customers.

Although paying more for less is always painful, remember that the economy will bounce back, and so will our membership. During AgFed's 88-year history, members have recovered from tough times, such as wars, economic depressions, recessions, natural disasters, terrorism, and pandemics.

AgFed has a long track record of weathering storms and helping our members to do the same. That is what we do and who we are. AgFed intends to stand beside you, bringing the right services to allow you to monitor and manage your finances. Additionally, the AgFed team is always available to help you find your best way forward as you continue working toward your financial goals.

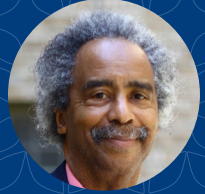
Our roots are deep and strong. AgFed has been acknowledged by its regulators and independent auditors as being financially safe and sound. It was also recently recognized as one of the top credit unions in Washington, DC, by WalletHub.

As costs continued to increase, AgFed increased its rates, giving a better value to the membership and lowered or eliminated many of its fees. As a result, we continue to help more members realize their dreams. We also provided the membership with more accessible and affordable access to funds by lowering auto loan rates and providing low-cost loans to individuals throughout the country.

Rest assured that AgFed is well prepared to face the ongoing economic challenges. AgFed ended 2022 with a net worth of 10.90%, significantly higher than the well-capitalized standard



**Margie Click**  
President/CEO



**Elard J. Phillips**  
Chairperson

of 7% set for credit unions. We welcomed 2,728 new members and ended the year with assets at over \$365 million. AgFed will remain measured and methodical in approaching any upcoming economic turbulence, just like we weathered the 2008 Recession and the COVID-19 pandemic. We will continue to keep our members' needs at the forefront.

As we reflect on the past and look to the future, we are excited to continue to help our members work toward their financial goals. We hope you will continue to look to us as a resource and shelter from whatever storm comes. Thank you for trusting us as your financial institution, and we remain committed to being Your Partner For Life. 🌱

# Treasurer's Report



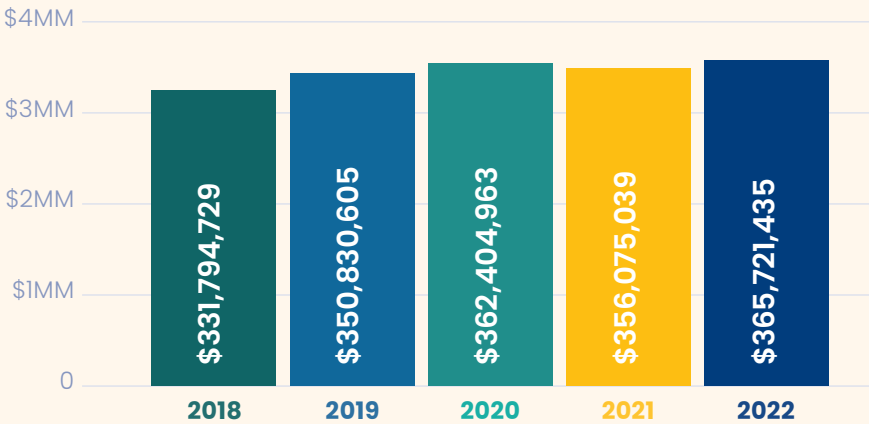
Agriculture Federal Credit Union ended the year in a fiscally sound position with a capital-to-assets ratio of 10.90%. This ratio indicates excellent financial strength and is significantly higher than the regulatory well-capitalized standard of 7% set for credit unions.

The credit union experienced strong loan growth, with loans increasing by over \$38.1 million, while member deposits grew by nearly \$15 million. Our asset size ended the year at over \$365 million, and we experienced a good return on assets of 0.31% for the year.

I am happy to report that our credit union remains fiscally sound, and AgFed looks forward to continuing this well into the future. 🌱

*John Link*  
Treasurer

## Assets



# Income and Expenses

Years Ended December 31,

	2022	2021
<b>Interest on Revenue</b>		
Interest on Loans	\$ 8,854,864	\$ 7,674,391
Interest on Investments	\$ 1,263,969	\$ 1,259,961
	<b>\$ 10,118,833</b>	<b>\$ 8,934,352</b>
<b>Interest Expense</b>		
Dividends on Shares	\$ 1,206,754	\$ 1,007,398
<b>Net Interest Income</b>	<b>\$ 8,912,079</b>	<b>\$ 7,926,954</b>
Provision for Loan Losses	\$ 407,522	\$ -191,163
Net Interest Income After Provision	\$ 8,504,557	\$ 8,118,117
Other Operating Income	\$ 2,287,190	\$ 2,354,718
Operating Expenses	\$ 9,693,965	\$ 9,354,073
Non-Operating Losses (Gains)	\$ 0	\$ 15,270
<b>Net Income</b>	<b>\$ 1,097,782</b>	<b>\$ 1,103,492</b>

# Financial Condition

As of December 31,

	2022	2021
<b>Assets</b>		
Net Loans	\$ 259,300,209\$	221,158,769
Net Cash & Investments	\$ 88,588,273 \$	115,727,878
Other Assets	\$ 17,832,953 \$	19,188,392
<b>Total Assets</b>	<b>\$ 365,721,435\$</b>	<b>356,075,039</b>
<b>Liabilities and Equity</b>		
Shares	\$ 331,178,027\$	316,210,457
Other Liabilities	\$ 1,790,010 \$	1,496,109
Reserves	\$ 32,753,398\$	38,368,473
<b>Total Liabilities and Equity</b>	<b>\$ 365,721,435\$</b>	<b>356,075,039</b>



# AgFed Credit Union Foundation

## ACTIVITY FOR 2022

The AgFed Credit Union Foundation continued its mission in 2022 and added new members. In addition, the Foundation received over \$10 thousand in donations. This allowed it to assist more entities.

### The 2022 accomplishments:

- Awarded four \$1,000 scholarships to individuals attending college or trade school
- Awarded twenty seven \$100 grants to teachers in the DC metro area
- Awarded a \$1,500 scholarship to the Tuskegee Airmen in honor of former Board member, Preston Davis
- Donated \$2,500 to charities aiding those affected by Hurricane Ian
- Donated nearly \$5,000 to the following DC metro area charities to provide much-needed assistance:
  - Bread for the City
  - Children's National Hospital

The Foundation Board of Directors sincerely appreciates your generous contributions and seeks new ways to help the community. We encourage you to donate so that the Foundation may enrich many more lives in the future.

If you want to donate to the AgFed Credit Union Foundation, you may donate online at [www.agfedcufoundation.org](http://www.agfedcufoundation.org) or mail a check to AgFed Credit Union Foundation, P.O. Box 523383, Springfield, VA 22152. If you have any questions, feel free to contact us at [director@agfedcufoundation.org](mailto:director@agfedcufoundation.org).

Thank you for supporting schools, students, and charities in your community.



AgFed Credit Union Foundation  
Board Chairman

### OUR BOARD

**John Link,**  
Chairman  
of the Board

**Margie Click,**  
Secretary  
of the Board

**Elard J. Phillips,**  
Treasurer  
of the Board

**Theodora  
Ezekwerre,**  
Board Member

**Patricia  
O'Connell,**  
Board Member

**Carolyn Parker,**  
Board Member

# Supervisory Committee Report

AgFed's supervisory committee is comprised of 3-5 volunteer members. Members are appointed by the AgFed's board of directors and normally serve 3-year staggered terms. Committee officers (chair and secretary) are elected annually by the committee following the annual membership meeting. The committee safeguards member assets by ensuring that the AgFed's board of directors' policies and operating procedures are executed promptly, efficiently, and effectively. The committee's primary activities involve hiring and oversight of AgFed's independent auditing CPA firms for internal controls and financial statements, verifying and maintaining the accounts of the members at least once every two years, branch audit reports by AgFed's CFO, reviewing the performance of credit union officials and employees, intermediating between AgFed members, staff, and the National Credit Union Administration (NCUA), and making recommendations to the board of directors for improving operations within AgFed. The committee's election year 2022 (EY 2022) activities and accomplishments ensure the adequacy of AgFed's internal controls and financial reporting. **During EY 2022, the AgFed supervisory committee:**

- Held monthly and special meetings using Zoom technology; filed monthly meeting minutes with the board of directors; attended monthly board meetings; participated in board planning sessions; reviewed board and committee annual expenditures for travel & training; and responded to AgFed members' concerns.
- Met with representatives of Doeren Mayhew CPAs and Advisors, official auditors for AgFed's financial statements and member account verifications, to review their findings for the year ending 3/31/2022.
- Reviewed and discussed findings in periodic internal audit controls procedural reports (IAPs) performed by AgFed's internal controls auditor Yount, Hyde, & Barbour CPAs and Consultants (YHB).
- Approved and signed three-year engagement letters for independent auditing CPA firm services by: (1) Doeren Mayhew (financial statements); and (2) YHB (internal controls).
- Reviewed internal controls audits, financial statements audits, member verification findings, annual branch audit report, and NCUA examination results; followed up on findings and recommendations.
- Attended the 2022 meetings of AgFed members and the National Association of Credit Union Supervisory and Audit Committees (NACUSAC).
- Completed training in: (1) Bank Secrecy Act/Anti-Money Laundering; (2) 2022 Regulatory Compliance; (3) Financial Literacy Training; (4) Training Seminar for Credit Union Supervisory & Audit Committee Members; (5) NCUA's 2023 Supervisory Priorities; and (6) Selecting an Independent Auditor.

  
Theodore D. Corey  
Chairperson  
AgFed Supervisory Committee

# AgFed

## Board of Directors

AgFed Credit Union is the financial home to more than 25,000 members. AgFed operates 4 branches in Washington, D.C. and Maryland, and serves members in all 50 states through a network of over 5,000 shared branches, online and mobile banking and a robust offering of services at [www.agfed.org](http://www.agfed.org).



**Elard J. Phillips**  
Chair



**Patricia O'Connell**  
Vice-Chair



**Carolyn Parker**  
Secretary



**John Link**  
Treasurer



**Iris Carter**  
Board Member



**Sederis Fields**  
Board Member



**David Lewis**  
Board Member



**Lynn Moaney**  
Board Member



**Christian Obineme**  
Board Member

“  
I always felt  
financially secure  
and that my funds  
were in good hands  
at AgFed.”





# 87<sup>th</sup> Annual Meeting Minutes

## April 27, 2022



The 87th Annual Meeting of the Agriculture Federal Credit Union (AgFed) was called to order by Mr. Elard J. Phillips, Chairperson of the Board, at 12:00 p.m. on Wednesday, April 27, 2022. The meeting was held virtually.

The meeting moderator determined that a quorum was present.

### CHAIRPERSON REPORT

Mr. Phillips reported that as the country defines the new normal, AgFed branches began to reopen as the core sponsor continues to return to the office. While AgFed's products and services continue to be offered virtually, the credit union provides industry-standard security technology to ensure members' accounts and personal information are safe and secure.

### CEO REPORT

Ms. Click stated that despite the continuing challenges presented by the COVID-19 pandemic, AgFed persevered and ended the year in a good position with income of over \$1.1 million. Loan growth was strong at 3.15% and Net Worth was very strong at 10.89%. Despite the economic challenges of 2021, the credit union opened over 2,000 memberships and originated over \$37 million in mortgage loans and \$41 million in vehicle loans.

Ms. Click highlighted the accomplishments since the April 28, 2021 Annual Meeting.

- Contactless credit cards were implemented
- Zelle, a popular person-to-person payment application, was launched in March of 2021
- AgFed engaged in conversations with other industry leaders in lending artificial intelligence to leverage Fintech partnerships to expand into new product lines and grow the membership

### FOUNDATION REPORT

Mr. Phillips reported that the AgFed Credit Union Foundation received over \$9,000 in donations. It awarded four (4) \$1,000 scholarships to students in college or trade school as well as established a \$1,500 scholarship for the East Coast Chapter of the Tuskegee

Airmen to honor the legacy of Retired Lt. Colonel Preston A. Davis. The Foundation donated to Bread for the City and Children's National Hospital.

### TREASURER'S REPORT

Mr. Phillips reported that the Credit Union ended 2021 in a solid financial position with a Capital to Assets Ratio of 10.89%, which is significantly higher than the well-capitalized standard of 7% set by the National Credit Union Administration (NCUA). The loan portfolio grew over 5%, while deposits remained steady at \$316.2 million. The credit union received excellent results from the external auditor as well as its financial regulator, NCUA.

### NOMINATING COMMITTEE REPORT

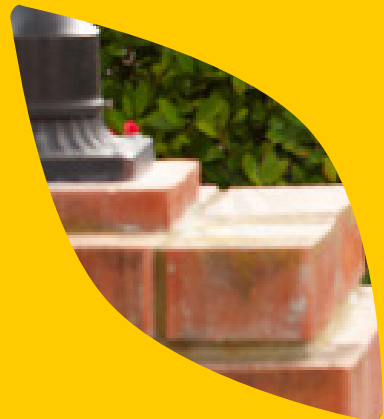
Mr. Phillips, reported that Carolyn Parker, Patricia O'Connell and Elard J. Philips were reappointed to the Board of Directors by acclamation. He thanked Christian Obineme, John Link and Iris Carter for serving on the Nominating Committee.

Mr. Phillips turned the meeting over to Ms. Click to address member inquiries. Ms. Click addressed member inquiries.

The moderator adjourned the meeting. 🍌

“

**AgFed is truly family-oriented and definitely working on your behalf to ensure you receive all the benefits the credit union has to offer.”**



We're proud to say that we're  
"Your Partner for Life."

**IT'S MORE THAN OUR MOTTO.**

It's our promise to give you the financial tools you need for a richer tomorrow. When you bank with us, you are not just a number. You're a member and part-owner of a community that believes in your financial well-being.



# We make banking simple

Online at [www.agfed.org](http://www.agfed.org)

## **24/7 Member Services/Loans**

(202) 479-2270 or (888) 451-LOAN (5626)

[members@agfed.org](mailto:members@agfed.org)



## LOCATIONS

### **WASHINGTON, DC**

#### **USDA South Building Branch**

1400 Independence Ave., SW  
Room SM2  
Washington, DC 20250

#### **Cafeteria Branch**

1400 Independence Ave., SW  
Wing 2, Room 1210  
Washington, DC 20250

### **MARYLAND**

#### **Riverdale Branch**

4700 River Rd., RM 1C09  
Riverdale, MD 20737

#### **Carver Center Branch**

5601 Sunnyside Ave.  
Rm 1-1180  
Beltsville, MD 20705

**Credit union service centers are available nationwide.**

To locate a Credit Union Service Center near you,  
please visit [www.agfed.org](http://www.agfed.org).



Federally Insured by NCUA

♻️ Printed on recycled paper with soy ink  
designed & printed by visions, ink. 411474 04/23