

**Statement of Financial Condition
December 31, 2019**

ASSETS

Loans to Members	\$9,282,082
Less Allowance for Losses	\$(75,662)
Net Loans to Members	\$9,206,420
Cash and Cash Equivalents	\$1,536,824
Investments	\$13,714,060
Repossessed Assets	\$0
Other Fixed Assets	\$31,915
NCUSIF	\$226,975
All Other Assets	\$70,162
Total Assets	\$24,786,356

LIABILITIES & EQUITY

Dividends Payable	\$10,149
Other Liabilities	\$38,032
Shares	\$13,254,293
IRAs	\$1,318,258
Club Accounts	\$845,457
Checking Accounts	\$3,917,296
Health Savings Accounts	\$2,438,132
Certificates	\$441,440
Regular Reserve	\$498,224
Undivided Earnings	\$2,025,075
Total Liabilities & Equity	\$24,786,356

Respectfully Submitted,
Karen Marriott, Treasurer

**Statement of Operations
December 31, 2019**

INTEREST INCOME

Interest on Loans	\$450,734
Income on Investments	\$361,033

INTEREST EXPENSE

Dividends	\$65,879
Interest on Borrowed Funds	\$0
Provision for Loan Losses	\$76,325
Net Interest Income	\$669,563

NON INTEREST INCOME

Fees	\$145,492
Misc. Operating Income	\$41,947
Gain/Loss on Investments	\$0
Gain/Loss Sale of Assets	\$0
Total Non Interest Income	\$187,439

NON INTEREST EXPENSE

Salaries & Benefits	\$351,017
Educational Expense	\$1,490
Office Occupancy	\$28,514
Office Operations	\$192,981
Loan Servicing Expense	\$50,630
Marketing/Member Education	\$23,829
Professional & Outside Services	\$124,348
NCUA Operating Fees	\$6,909
Misc. Operating Expenses	\$16,071
Total Non Interest Expense	\$795,789

Net Income (Loss)\$61,213

Financial and Operating Highlights

	2019	2018	2017	2016	2015
Assets	24,786,356	25,644,100	26,252,856	26,946,606	26,658,698
Shares	22,214,875	23,138,569	23,739,094	24,438,322	24,354,174
Loans (net)	9,206,421	10,066,412	10,951,923	12,215,800	14,165,816
Income	999,206	937,959	897,393	864,506	838,739
Expenses	872,114	872,875	855,068	848,738	892,375
Reserves & Undivided Earnings	2,523,299	2,462,087	2,462,045	2,459,402	2,509,381
Expenses* to Income Ratio	87%	93%	95%	98%	107.00%
Net Income (Loss)	61,213	42	2,642	-49,979	-62,474
Members	4,844	5,195	5,774	5,853	6,299
Dividends Paid	65,879	61,618	57,309	56,354	57,627
Dividend Rates	0.5%-1.05%	0.5%-1.05%	0.5%-1.05%	0.5%-1.05%	0.5%-1.05%

The Credit Union

Dillard's Federal Credit Union is a not for profit organization owned by the members, which are made up of employees of various Select Employee Groups and individuals from our community. All expenses are paid out of income from loans and investments, and after necessary reserves required by law are set aside, the remaining income is returned to the members in the form of dividends.

The affairs of the Credit Union are administered by the Board of Directors, who are elected from the membership at the annual meeting, and by the Supervisory Committee who are appointed by the Board of Directors.

The Credit Union is located inside Dillard's Corporate Office in Little Rock, Arkansas.

The Board of Directors

The Board of Directors is responsible for the general direction of the Credit Union. It is composed of seven members elected by the general membership at the annual meeting. Each Board member serves for a period of 3 years, and the terms are staggered so that some are elected each year.

Board of Directors:

Daryl Bailey – Chairman
Lloyd Kassler – Vice Chairman
Michele Hardy – Secretary
Karen Marriott – Treasurer
Lanette Bryant
Michele Allgood
Rebecca Duty

The Supervisory Committee

The Supervisory Committee is appointed by the Board of Directors and is responsible for the annual audit of the books of the Credit Union.

Supervisory Committee:

Kermie Gladstone
Melissa Wirges
Shawn Berry

Credit Union Staff

President/CEO:	Tammy Brooks
Vice President/COO:	Tammie Sneed
Loan Officer:	Candice Gray
Loan Processor:	Kim Felker
Member Service Rep:	Jasmine Wingo
Accounting:	Brandi Roberts

2019 Annual Report



2019

54th

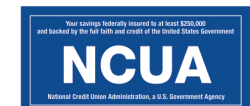
Annual Report

1600 Cantrell
Little Rock, AR 72201

P.O. Box 3335
Little Rock, AR 72203

501-340-2300 or 1-800-643-1139
FAX 501-340-2385

www.mydfcu.com



**Dillard's Federal Credit Union
Minutes of Annual Meeting
March 25, 2019**

The meeting was called to order at 5:53 pm by Daryl Bailey, chairman. Board members present were Michele Hardy, Michele Allgood, Lanette Bryant, Karen Marriott, Rebecca Duty, and Lloyd Kassler. Kermie Gladstone, supervisory committee chairman, Melissa Wirges and Shawn Berry were present. Tammy Brooks, CEO and Tammie Sneed, COO were also present.

Ms. Bailey asked if there was a quorum present. Thirty eight (38) members were present which constitutes a quorum.

Ms. Bailey asked if there were any corrections to the 2018 Annual meeting minutes as printed in the annual report. There were no corrections. The minutes stand approved.

The members heard the director's report given by Ms. Bailey. Ms. Bailey spoke about what an exciting and challenging year the credit union had. She spoke about membership growth, distribution center, and internet store visits. The credit union completed a major credit card processor conversion, converting from mastercard to visa. The Board of Directors and Management remains committed to reaching out to our potential members.

Karen Marriott, Treasurer, gave a report on the financials.

Kermie Gladstone gave the supervisory committee report.

Ms. Bailey asked if there was any old business. There was none. She asked if there was any new business. There was none.

Members were informed of three expiring positions on the Board of Directors. Karen Marriott, Michele Hardy and Lloyd Kassler were submitted as nominees. Each nominee has presented their qualifications and expressed a willingness to serve. There were no nominations from the floor or by petition. When we have the same number of nominees as open positions, they may be declared elected by general consent or acclamation. There being no objections, Karen Marriott, Michele Hardy and Lloyd Kassler were elected by acclamation to the DFCU Board of Directors.

Drawings were held for door prizes. Prizes were awarded to several mail-in entries and members present.

There being no further business, the meeting was adjourned at 6:21pm.

Daryl Bailey
Chairman

Michele Hardy
Secretary

Chairman's Report

As DFCU continues to grow, we gained 176 new members this past year. Your board members and staff continue to work together to build the relationship with our supporting company and reaching out to potential members.

Once again, we ended the year in positive earnings, which makes it 3 years in a row! This is due to the outstanding job of our DFCU Management and staff.

Off site visits were very limited this past year due to staffing, but we were able to hold an event in the Bistro. Your DFCU staff and board are working together to plan more events this year.

I would like to just touch on a few of the new services we have available for our members.

Remote Deposit capture is a service we offer our members that allows you to deposit checks into your personal account without visiting the credit union or ATM. Mobile deposits can be done anywhere with the use of your smartphone.

We have teamed with Servion Mortgage to offer Home Mortgage services to our members nationwide. Whether you're ready to move into your dream home, or you want to explore refinancing your existing mortgage, Servion offers a variety of loan programs along with personalized service to help you choose the loan that best fits your needs.

IT's back...the CHRISTMAS CLUB ACCOUNT! We launched a new campaign for this account in December 2019. This account is designated to help members save for Christmas expenses through weekly payroll deduction. The savings will add up by the end of the year. If you don't have your account yet, contact the credit union staff to help get it started!

The mission of Dillard's Federal Credit union is to be the financial institution of choice for the members we serve. DFCU is dedicated to the philosophy of people helping people. We have the best management, staff, and board members working together to make us the best we can be!

Remember to LIKE our DFCU Facebook page and visit our web site at www.mydfcu.com for all your financial needs.

We, the board, want to say thank you for your continued support. We are looking forward to an awesome 2020!

Thank You
Daryl Bailey
Chairman

Supervisory Committee Report

March 30, 2020

To Dillard's Federal Credit Union Members:

The Supervisory Committee is elected by the membership to establish practices and procedures to independently evaluate the safety and soundness of the credit union's operations and activities, and ensure that management implements sound internal controls and maintains practices and procedures that adhere to generally accepted accounting principles (GAAP).

The committee meets regularly and carries out the following responsibilities:

- Protecting members' funds and interests
- Safeguarding of assets
- Ensuring compliance with regulations, policies and procedures.
- Maintaining the reliability of financial records

The Supervisory Committee is comprised of volunteer members and functions completely independently of Credit Union management. As an independent body, the Supervisory Committee also investigates members complaints not resolved to their satisfaction by management.

Members can report perceived Credit Union rule or policy violations, unethical behavior, and complaints not resolved by management directly to the Supervisory Committee by mailing a letter to the following address:

Dillard's Federal Credit Union
Supervisory Committee
P.O. Box 70157
Little Rock, Arkansas 72201

All members communications are handled with the utmost confidentiality.

The Supervisory Committee retained a certified independent accounting firm, Sullivan & Company, to perform the 2018 annual financial audit and issue certified financial statements relating to the overall financial conditions of Dillard's Federal Credit Union.

Based on the results of the 2018 audit performed by Sullivan & Company, the Supervisory Committee concludes that Dillard's Federal Credit Union has adequate financial control, is financially sound, and that no corrective actions are requested.


Kermie Gladstone, Supervisory Committee Chair


Melissa Wirges, Supervisory Committee Member


Shawn Berry, Supervisory Committee Member