



ANNUAL REPORT

52ND ANNUAL MEETING-JUNE 14, 2002



1320 S Lewis Avenue | Tulsa, Oklahoma 74104 | 918.430.3500

AGENDA

10:00 am Virtual Lobby Opens

10:15 am 52nd Annual Meeting Call to Order

- Welcome
- Ascertain Quorum
- Approval of 2021 Minutes
- Chairman's Report
- President's Report
- Treasurer's Report
- Supervisory Committee Report
- Old Business
- New Business
- Elections

Adjournment

MINUTES

ENCENTUS FEDERAL CREDIT UNION

51ST Annual Meeting Minutes

April 24, 2021

In accordance with the provision of the by-laws of the Credit Union, the 51st Annual Meeting of the members was held on April 24, 2021 at Credit Union location virtually.

Call to Order:

At 10:15 AM, Jana Hallman, called the meeting to order, welcoming all present and expressing appreciation for their attendance.

Quorum Established:

The final attendance of the membership established that 16 members present. Jana Hallman stated that a quorum was established.

Appointment of Recording Secretary:

Shelley Ramsey motioned to appoint Kim Patrick as Recording Secretary. Hannah Jones seconded. Motion carried.

Appointment of Parliamentarian:

LaShawna Brown motioned to appoint Shelley Ramsey as Parliamentarian. Clara Brown seconded. Motion carried.

Minutes:

Jana Hallman announced that the minutes of the previous Annual Meeting were published in the Annual Report that was posted on the Credit Union Website. Jana Hallman called for a motion to approve the minutes of the previous meeting. Ashley Ramsey moved the minutes be approved as presented. Tony Chambers seconded. Motion carried.

Annual Report:

Jana Hallman acknowledged the published reports of the Board Chairperson, Treasurer, Supervisory Committee Chairperson, and the President. Ashley Ramsey made a motion to approve all reports as presented. Clara Brown seconded. Motion Carried.

Old Business: None

New Business: None

Election of Officers:

Jana Hallman confirmed the election segment of the meeting with the Chair of the Nominating Committee. Jana Hallman explained the voting rights to the membership and introduced the Candidates for the Board of Directors: Becky Brown, Clara Brown and Jana Hallman. Jana Hallman explained that ballots were accepted through Monday, April 19th at 5:00 pm. The ballot provided a line from write-in candidates.

Jana Hallman made three calls for nominations from the floor. No additional nominations were made. LaShawna Brown made a motion to approve the Becky Brown, Clara Brown and Jana Hallman elected via acclamation. Christina Williams seconded. Motion carried.

Adjournment:

At approximately 10:19 am, there being no further business to present before the membership Jana Hallman called for a motion to adjourn the 51st Annual Meeting of Encentus FCU. LaShawna Brown made a motion. Clara Brown seconded. Motion Carried.

CHAIRMAN'S REPORT

On behalf of the rest of the Board of Directors, I would like to welcome you to the 52nd Annual Meeting of Encentus Federal Credit Union.

2020 and 2021 was a challenge for a large portion of our membership that worked tirelessly to help those contracted COVID-19. We are so thankful for your service!

In 2021, the country began opening back up and we too opened our lobby to the membership. The transition back to "normal" was fraught with challenges. Many of those that had been working from home or not working were not ready to return working with the public again, which made hiring one of our greatest challenges.

As I mentioned last year, planning for the future is our greatest opportunity. We want to serve our member's needs in the most efficient way, while also providing our staff new opportunities for growth. We will continue our commitment to focus on improving our members financial well-being.

In closing, I would like to thank our volunteers for their leadership and commitment to representing the best interests of our members. I am grateful to our members for trusting us with your financial needs. I know this has been a tough year and you have many choices in the market, we are glad you chose us. Finally, I am thankful for loyal employees who work tirelessly to improve the lives of our members.

Jana Hallman
Chairman, Board of Directors

PRESIDENT'S REPORT

As President/CEO it is my privilege to deliver this report to you on behalf of the management and staff of Encentus Federal Credit Union.

On Arbor Day of 2021 we opened our lobby again, providing free trees to our members. The closing of the lobby was difficult on staff and membership. Staff enjoys that face-to-face interaction with our membership.

Last year we updated our online banking platform, added Shared Branching and added several new ways to communicate with the membership. This year we are replacing our Pop Money, person-to-person payments to Zelle. Members should start hearing about this in the 3rd quarter. We also added a Certified Financial Counselor to assist members, providing the tools to help them with their financial well-being.

As Chairman Hallman mentioned, hiring has been one of our challenges. The economy, childcare and increase in consumer goods have led to some employees leaving the labor market, others have chosen to seek a different path. We continue to expand our employee development programs, providing them with continued education and growth opportunities with the end goal being a more stable staff.

Although it does not seem like it at this time, the transition to the new normal is our greatest opportunity. We have moved our focus internally, focusing on member needs and having the best staff on site to serve those needs. Change will continue to happen here as we continue to grow and develop into the top healthcare services credit union in the state.

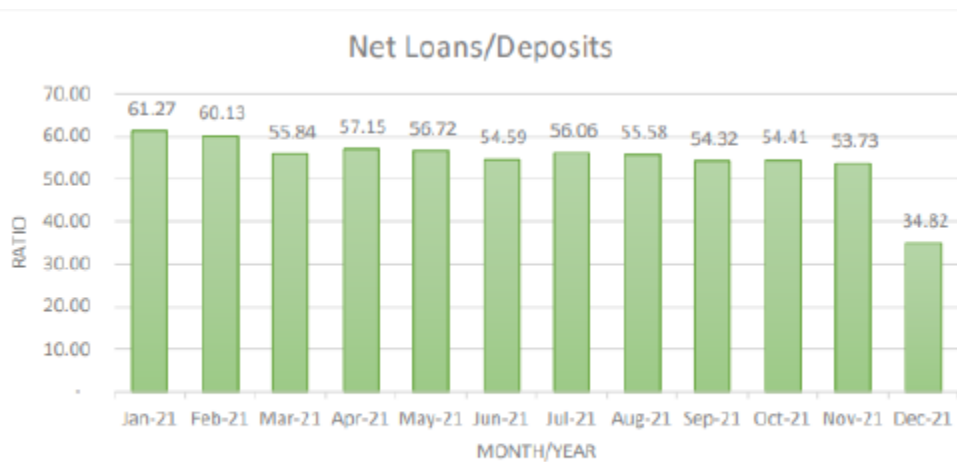
It has been an honor and pleasure to assist the over 5,000 credit union members. Speaking on behalf of the staff, we appreciate your patience and understanding. Thank you for your loyalty, support and for allowing us to be your financial partner.

Kim Patrick
President/Chief Executive Officer

TREASURER'S REPORT

Prior to the COVID-19 Pandemic, the United States economy was healthy and improving at a rate that had far exceeded the rate in previous years. The pandemic threw a curve into the growing US economy resulting in consumer spending shrinking (taking out fewer loans) while saving more disposable income (increasing savings). Encentus members are following that same trend as shown in the Fiscal Year End financial comparison below.

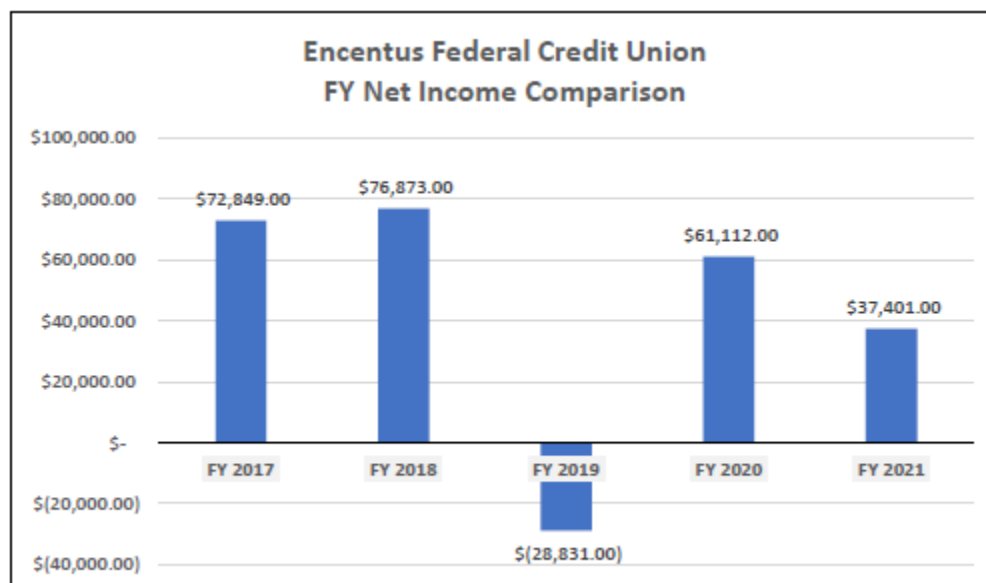
Encentus FCU - FY Comparison History						
	FY 2018	FY 2019	FY 2020	FY 2021	% Change 2018 - 2021	% Change 2020 - 2021
Total Assets, Liabilities & Equity	\$ 27,944,870	\$ 27,602,040	\$ 30,457,149	\$ 30,203,705	8%	-1%
Total Interest Income	\$ 906,705	\$ 1,079,970	\$ 999,117	\$ 838,926	-7%	-16%
Total Non- Interest Income	\$ 815,698	\$ 868,756	\$ 744,545	\$ 796,186	-2%	7%
Total Non- Interest Expenses	\$ (1,415,638)	\$ (1,431,987)	\$ (1,343,582)	\$ (1,352,153)	-4%	1%
Member Shares/Deposits	\$ 24,232,515	\$ 23,104,892	\$ 26,103,126	\$ 26,287,398	8%	1%
Loans	\$ 23,625,883	\$ 21,401,767	\$ 16,534,361	\$ 13,687,981	-42%	-17%
Cash	\$ 1,288,493	\$ 2,006,858	\$ 2,646,084	\$ 1,666,226	29%	-37%
Investments	\$ 129,175	\$ 1,229,175	\$ 8,388,316	\$ 11,915,889	9125%	42%



Net Loans to Share Ratio illustrates Encentus is well positioned to offer loans



Negative Loan Growth illustrates the weakened demand for loans in 2021



Positive Net Income - Fiscal Year 2021

The pandemic has emphasized that *'member financial well-being'* is at the heart of members' demand for financial services. Encentus continues to enhance and adapt service offerings. Access to credit is now part of a broader set of personal financial challenges; from dealing with income and expense volatility, to saving, investing, and wealth management. It is these challenges that motivate consumers to engage financial services providers.

Encentus ended Fiscal Year 2021 with a positive net income of \$37,400 and is proven as a financially sound, trusted partner readily able to support the many elements that contribute to member financial well-being.

The Encentus Board of Directors, management, and staff are proud of the continued successes we have experienced and shared with our members during a very unprecedented period in the global economy.

Respectively,
Michael Conner
Treasurer – Board of Directors

SUPERVISORY COMMITTEE REPORT

Appointed by the Board of Directors, the Supervisory Committee ensures that a comprehensive audit program for the credit union is established and implemented in accordance with all credit union rules and regulations. The committee is also responsible for ensuring that management adheres to policies established by the Board of Directors and maintains a strong internal control system.

During 2021, under the supervision of the Supervisory Committee and Agreed Upon Procedure, ACH, Bank Secrecy Act and OFAC audits were completed by Tommy Partain, CPA. The Supervisory Committee has continued to be very active in 2022 meeting regularly to review internal audits. The Committee has also hired an external auditor to perform quarterly financial and lending audits, to ensure your credit union runs smoothly and within the law.

The Supervisory Committee wishes to thank the membership for the opportunity to serve this past year. We also wish to acknowledge the excellent support of the credit union's President and Board of Directors. The year 2021 was a difficult and challenging time for many of us. As we look ahead to the remainder of 2022 we would like to thank you for being a part of our family. We would not be here without you.

JoAnn Rushenberg
Chairman, Supervisory Committee

NOMINATING COMMITTEE REPORT

The Nominating Committee identified three (3) nominees for the available three (3) board positions who are agreeable to the placement of their names in the nomination and will serve if elected. The current open positions are three (3) terms of three (3) years. The nominees are familiar with Encentus FCU and express a sincere desire to guide our credit union into the future.

The ballots were distributed to the membership via electronic, website and in person, if requested. The ballots were available on June 14, 2022 with a deadline to turn in completed ballots by Friday, June 17, 2022. Members were asked to select three (3) individuals.

Shelley Ramsey

Chairman, Nominating Committee

Encentus Federal Credit Union Consolidated Balance Sheet (in USD)

As of: 12/31/2021

	Balance	
LOANS		
Consumer Loans	1,593,427.14	
CUDL Auto Loans	3,702,581.12	
Mortgage Loans	3,807,956.83	
Direct Auto Loans	4,286,143.64	
Member Business Loans	122,248.04	
Credit Cards	213,643.44	
Collateral in Process of Liquidation	268,596.63	
Net Loan Participations Purchased	0.00	
Allowance for Loan Loss	(306,616.25)	
NET LOANS	13,687,980.59	
CASH & INVESTMENTS		
Cash on Hand	797,051.87	
Cash on Deposit	869,174.56	
ATM Cash	0.00	
Accounts Receivable	0.00	
Catalyst Membership Shares	20,175.00	
Certificates of Deposit	6,152,000.00	
All Other Investments	5,743,714.00	
TOTAL CASH & INVESTMENTS	13,582,115.43	
FIXED & OTHER ASSETS		
Land & Building (net)	1,969,350.28	
FF& E and Leasehold Improvements (Net)	211,869.80	
Accrued Income	36,759.62	
NCUSIF	261,295.44	
Prepaid & Deferred Expenses	59,427.67	
All Other Assets	394,906.75	
TOTAL FIXED & OTHER ASSETS	2,933,609.56	
TOTAL ASSETS	30,203,705.58	
LIABILITIES		
Accounts Payable	321,349.82	
Notes and Interest Payable	0.00	
Dividends Payable	135.03	
Suspense	0.00	
All Other Liabilities	50,212.42	
TOTAL LIABILITIES	371,697.27	
SHARES		
Regular Shares	15,154,685.42	
Share Drafts	5,359,947.39	
IRA Shares	2,648,519.32	
Share Certificates	3,052,744.95	
Club Accounts	46,010.29	
Escrow Accounts	25,490.28	
TOTAL SHARES	26,287,397.65	
Regular Reserve	679,493.33	
Undivided Earnings	2,865,117.33	
Net Income	0.00	
TOTAL EQUITY	3,544,610.66	
TOTAL LIABILITIES AND EQUITY	30,203,705.58	

Encentus Federal Credit Union Consolidated Income Statement (in USD)

As of: 12/31/2021

	MTD December-2021	QTD December-2021	YTD December-2021
CONSUMER LOAN INTEREST	13,497.58	28,055.77	295,058.44
CUDL INTEREST	14,379.80	45,650.39	213,650.03
MORTGAGE INTEREST	15,664.05	49,302.00	207,616.24
DIRECT AUTO LOAN INTEREST	18,343.54	66,014.77	66,014.77
BUSINESS LOAN INT	576.01	1,720.66	9,348.93
MASTERCARD INTEREST	1,653.98	4,931.81	19,596.98
INT ON LOAN PART PURCH	0.00	0.00	3,741.07
Investment Income	1,714.20	14,306.27	23,899.66
TOTAL INTEREST INCOME	65,829.16	209,981.67	838,926.12
Dividend Expense	6,271.97	18,628.48	97,591.20
Interest on Borrowed Funds	2.01	8.01	12.17
TOTAL INTEREST EXPENSE	6,273.98	18,636.49	97,603.37
Provision for Loan Loss	0.00	0.00	77,938.40
NET INTEREST INCOME AFTER PLL	59,555.18	191,345.18	663,384.35
Share Draft & Other Fee Income	2,967.08	9,076.32	39,956.03
NSF Income (net)	39,246.88	113,733.49	426,382.01
Loan Late Fees	1,781.43	4,920.44	21,313.25
Other Loan Fees	1,160.00	2,575.00	8,892.55
Commission Income	957.88	4,443.13	24,605.52
Misc Operating Income	298.24	964.17	82,245.33
Transfund Interchange Income	16,083.48	46,810.28	192,791.69
TOTAL NON-INTEREST INCOME	62,494.99	182,522.83	796,186.38
Employee Compensation & Benefits	93,896.63	186,181.24	568,587.12
Travel & Conference	352.18	1,080.95	2,832.50
Office Occupancy	9,219.64	28,156.81	104,069.88
Office Operations	33,194.21	107,696.52	417,556.68
Marketing	2,941.21	8,103.96	25,664.42
Loan Servicing	1,568.78	5,719.67	33,449.00
Professional & Outside Services	9,956.25	50,018.58	179,641.95
Miscellaneous Expenses	1,518.67	5,588.64	20,352.07
TOTAL NON-INTEREST EXPENSE	(152,647.57)	(392,546.37)	(1,352,153.62)
NET OPERATING INCOME	(30,597.40)	(18,678.36)	107,417.11
Non-Operating Income/Expense	(70,016.00)	(70,016.00)	(70,016.00)
NET INCOME	(100,613.40)	(88,694.36)	37,401.11

BOARD OF DIRECTORS

Chairman	Jana Hallman
Vice Chairman	Shelley Ramsey
Secretary	Aaron Woodhead
Treasurer	Michael Conner
Members	Becky Brown
	Clara Brown
	Heather Korgan
	Julie Mobley
	JoAnn Rushenberg

SUPERVISORY COMMITTEE

Chairman	JoAnn Rushenberg
Members	Heather Korgan
	Dawn Yasseri

ENCENTUS STAFF

President	Kim Patrick
Operations Manager	Tony Chambers
Lending Manager	Clint Barnes
Accountant	Paula Upchurch
Member Services Supervisor	Christina Williams
Member Solutions Representative	Taneesha 'Tan' Bell
Member Service Representative	Ian Tharp
	Hope Swarer
	Ceci Nadeem