



51st ANNUAL MEETING ANNUAL REPORT 2021

Encentus Federal Credit Union

1320 S Lewis Ave

Tulsa, OK 74104 | 918.430.3500



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Values: "Honesty, Integrity, Efficiency, Accuracy, Member and Employee Focus"

AGENDA

April 24, 2021

10:00 am Virtual Lobby Opens

10:15 am 51st Annual Meeting Called to Order

- Welcome
- Ascertain Quorum
- Approval of 2020 Minutes
- Chairman's Report
- President's Report
- Treasurer's Report
- Supervisory Committee Report
- Old Business
- New Business
- Elections

Adjournment

50TH ANNUAL MEETING MINUTES

Encentus Federal Credit Union
50th Annual Meeting Minutes
July 18, 2020

In accordance with the provision of the by-laws of the Credit Union, the 50th Annual Meeting of the members was held on July 18, 2020 at Credit Union location virtually.

Call to Order:

At 10:01 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 was established 15 members present. Jana Hallman stated that a quorum was established.

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. Mike Ramsey made a motion to approve all reports as presented. Ashley Ramsey 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: Julie Mobley, Shelley Ramsey, Aaron Woodhead, Becky Brown and JoAnn Rushenberg. Jana Hallman explained that ballots would be accepted through Monday, July 20th at 5:00 pm. The ballot provided a line from write-in candidates.

Adjournment:

At approximately 10:06 am, there being no further business to present before the membership Jana Hallman called for a motion to adjourn the 50th Annual Meeting of Encentus FCU. Mike Ramsey made a motion. Mathias Andrews seconded. Motion Carried.

CHAIRMAN'S REPORT

On behalf of the rest of the Board of Directors, I would like to welcome you to the 51st Annual Meeting of Encentus Federal Credit Union.

2020 was the year COVID-19 changed our lives. While most of America was quarantining, the Healthcare industry was working overtime and with little rest. We cannot thank you enough for your hard work and sacrifice. We are proud to serve the Heroes!

We are very thankful to our membership for their understanding in the temporary closing of our lobby and the efforts we put in to protect the members and staff from COVID-19. A third of our staff did contract COVID-19, but we were able to control the spread.

We are proud to Serve the Heroes!

As I mentioned last year, COVID-19 served as a wake-up call. We added shared branching, giving members another 200 locations in Oklahoma to conduct most of their credit union business. We updated the website to make it easier to navigate. Added options to our mobile banking platform that gives you options in the palm of your hand.

Planning for 2021 and beyond required us to plan for what the future of banking looks like. The Board provided the management team with several initiatives that included communications, member engagement, marketing, and member focused products and services. We also renewed 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.

As Chairman Hallman mentioned in her report, 2020 was the year of COVID-19, which offered unprecedented challenges and required an adaptive business model. Early in 2020, management and the Board, decided to temporarily close the lobby of the credit union. This was done for the safety of staff and members.

During the last year, management worked to find new and innovative ways to serve the membership. We focused initially on communication methods, utilizing text messaging and optional virtual visits. We updated our website adding payment options. We also expanded resources available in our mobile app which included applying for a loan, making your loan payment and the Shared Branch locator. This was done with the member in mind.

This year has been a challenge financially, we did end the year with a profit, even though income was down in 2020 and expenses remained stable. We have tested our disaster recovery plan several times this last year, responding to a third of the staff contracting COVID-19, weather related closures and out-of-state power outages causing online and mobile banking outages.

We are aware that most of you miss having our lobby open, our staff misses visiting with you. We are working on plans to safely open the lobby soon.

Exciting product roll outs will be coming during 2021. We are in the process of expanding our debit cards offerings, going from three to over 20 design choices-even a create your own card. Later this summer we will be migrating to a new Online banking platform that will provide more functionality and ease for users. We have also added a Credit Union Certified Financial Counselor on staff, Tony Chambers, that will be available to help members work on budgeting, credit building and setting financial goals.

This is the second year of having a virtual Annual Meeting, which again was done for the safety of our staff and members. I realize this is a change from the large events we have held in the past. By reallocating the costs of those events, we have been able to use the funds to improve our services.

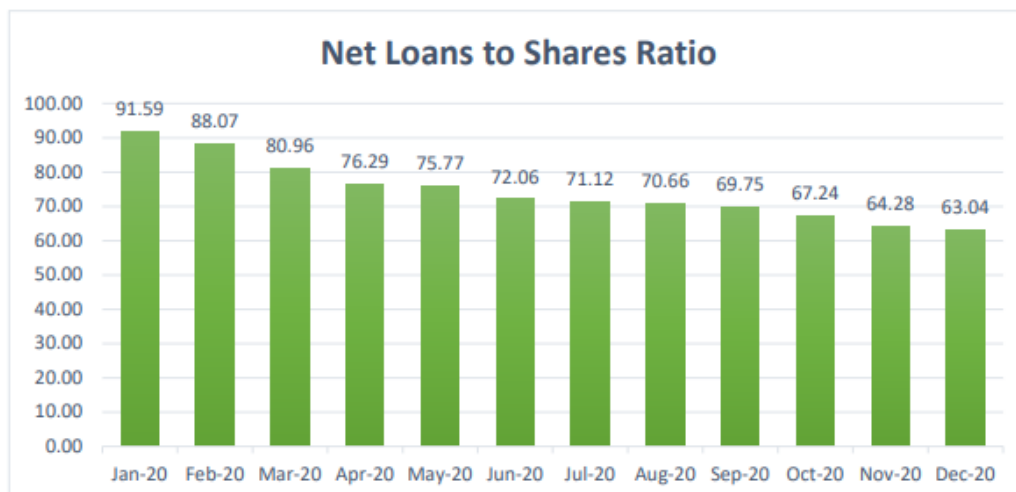
It has been an honor and pleasure to assist the over 5,000 credit union members through this challenging year. We appreciate your patience and understanding, closing the lobby was not an easy choice. We look forward to the time when we can have you walk into our lobby and serve you personally. I speak for our entire staff as I thank you for your loyalty, support and for allowing us to be your financial partner.

Kim Patrick
President/CEO

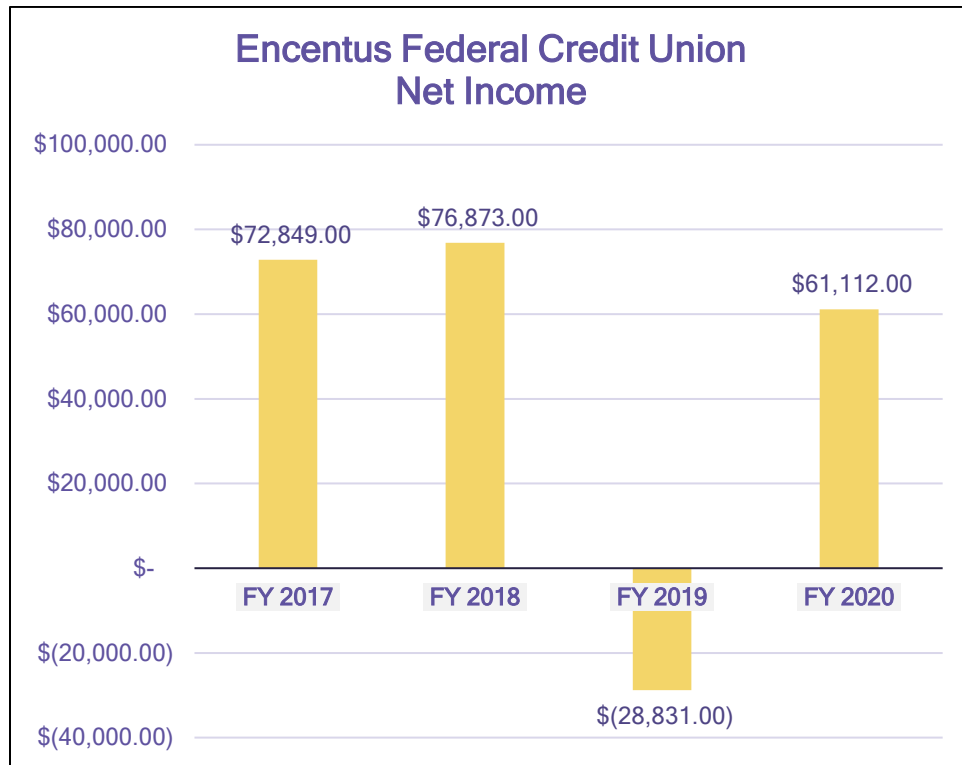
TREASURER'S REPORT

2020 presented the world and Encentus an environment that could never have been forecast. Consumer loans, the 'backbone' of credit union income, significantly declined. Members delayed major purchases while increasing their savings. In the face of the global and local economic downturn our members have become more cautious. In the face of a very trying 2020, Encentus ended the year with a positive net income and maintained a Net Worth of 11.5% to remain above the NCUA industry benchmark of 7%. Our credit union remains resilient, well-funded, and ready to move forward to meet the needs of our members as financial demands return.

Encentus FCU - FY Comparisons					
	FY 2018	FY 2019	FY 2020	% Change from 2018 to 2020	% Change from 2019 to 2020
Total Assets, Liabilities & Equity	\$ 27,944,870	\$ 27,602,040	\$ 30,457,149	9%	10%
Total Interest Income	\$ 906,705	\$ 1,079,970	\$ 999,117	10%	-7%
Total Non-Interest Income	\$ 815,698	\$ 868,756	\$ 744,545	-9%	-14%
Total Non-Interest Expenses	\$ (1,415,638)	\$ (1,431,987)	\$ (1,343,582)	-5%	-6%
Member Shares/Deposits	\$ 24,232,515	\$ 23,104,892	\$ 26,103,126	8%	13%
Loans	\$ 23,625,883	\$ 21,401,767	\$ 16,534,361	-30%	-23%
Cash	\$ 1,288,493	\$ 2,006,858	\$ 2,646,084	105%	32%



Net Loans to Share Ratio illustrates the demand for loans decreased each month in 2020.



Positive Income - Fiscal Year 2020

Despite the challenges 2020 brought, our Credit Union succeeded. This success was due to the commitment of the Board of Directors, the hard-working Management Team & front-line staff, and you our valued members. Together we move forward, always reaching for a better way and continuing our story of financial success. You can trust your credit union to provide a wide range of present-day loan and deposit products to help you achieve your financial goals.

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 2020, our regulatory authority, the National Credit Union Administration (NCUA) conducted an annual examination of the credit union. Also, in 2020, under the supervision of the Supervisory Committee an Agreed Upon Procedures Audit, ACH, Bank Secrecy Act and OFAC audits were completed by Tommy Partain, CPA. The Supervisory Committee has continued to be very active in 2021 performing regular spot checks 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 2020 was a difficult and challenging time for many of us. As we look ahead to the remainder of 2021 we would like to thank you for being a part of our family. We would not be here without you.

Cheyenne Freelove
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 Ecentus FCU and express a sincere desire to guide our credit union into the future.

The ballot along with biographies of each nominee were distributed to the membership via electronic, website and in person, if requested. The ballot pamphlets were available on March 23, 2021 with a deadline to turn in completed ballots by Monday, April 19, 2021. Members were asked to select three (3) individuals.

LaShawna Brown
Chairman, Nomination Committee



Encentus Federal Credit Union Consolidated Balance Sheet (in USD)

As of: 12/31/2020

	Balance	
LOANS		
Consumer Loans	5,831,193.72	
CUDL Auto Loans	5,664,927.38	
Mortgage Loans	4,447,098.91	
Member Business Loans	272,454.11	
Credit Cards	231,174.60	
Collateral in Process of Liquidation	272,054.34	
Net Loan Participations Purchased	44,571.29	
Allowance for Loan Loss	(229,113.75)	
	16,534,360.60	
NET LOANS		
CASH & INVESTMENTS		
Cash on Hand	800,844.13	
Cash on Deposit	1,845,240.34	
ATM Cash	0.00	
Accounts Receivable	0.00	
Catalyst Membership Shares	20,175.00	
Certificates of Deposit	2,484,000.00	
All Other Investments	5,884,141.00	
	11,034,400.47	
TOTAL CASH & INVESTMENTS		
FIXED & OTHER ASSETS		
Land & Building (net)	2,004,866.44	
FF& E and Leasehold Improvements (Net)	149,604.98	
Accrued Income	45,274.37	
NCUSIF	231,883.31	
Prepaid & Deferred Expenses	61,676.01	
All Other Assets	395,082.50	
	2,888,387.61	
TOTAL FIXED & OTHER ASSETS		
TOTAL ASSETS		
	30,457,148.68	
LIABILITIES		
Accounts Payable	775,131.74	
Notes and Interest Payable	0.00	
Dividends Payable	(1,522.83)	
Suspense	0.00	
All Other Liabilities	73,204.07	
	846,812.98	
TOTAL LIABILITIES		
SHARES		
Regular Shares	14,984,470.19	
Share Drafts	4,086,137.95	
IRA Shares	2,486,642.36	
Share Certificates	4,482,630.84	
Club Accounts	44,806.73	
Escrow Accounts	18,438.08	
	26,103,126.15	
TOTAL SHARES		
Regular Reserve	679,493.33	
Undivided Earnings	2,827,716.22	
Net Income	0.00	
	3,507,209.55	
TOTAL EQUITY		
TOTAL LIABILITIES AND EQUITY		
	30,457,148.68	

Encentus Federal Credit Union
Consolidated Income Statement
For Year End 2019 & 2020

	YTD Dec-2019	YTD Dec-2020
Consumer Loan Interest	364,121.41	338,574.01
CUDL Interest	290,312.35	266,723.33
Mortgage Interest	338,829.42	297,255.17
Business Loan Interest	18,855.24	14,071.46
Mastercard Interest	28,225.79	21,980.42
Interest on Loan Participations	5,480.55	2,881.80
Investment Income	34,145.98	57,630.85
TOTAL INTEREST INCOME	1,079,970.74	999,117.04
Dividend Expense	245,489.04	225,032.22
Interest on Borrowed Funds	347.31	32.29
TOTAL INTEREST EXPENSE	245,836.35	225,064.51
Provision for Loan Loss	226,902.00	113,903.88
NET INTEREST INCOME AFTER PLL EXP	607,232.39	660,148.65
Share Draft & Other Fee Income	113,342.52	40,914.46
NSF Income (net)	523,173.40	429,834.41
Loan Late Fees	24,851.19	20,223.08
Other Loan Fees	15,065.00	9,710.00
Commission Income	14,692.20	17,969.05
Misc. Operating Income	4,285.59	58,390.67
Transfund Interchange Income	173,346.06	167,503.80
TOTAL NON-INTEREST INCOME	868,755.96	744,545.47
Employee Compensation & Benefits	608,200.05	540,891.88
Travel & Conference	23,607.89	6,778.41
Office Occupancy	100,598.89	103,481.31
Office Operations	451,619.83	456,742.96
Marketing	35,361.02	7,925.13
Loan Servicing	57,767.55	32,393.23
Professional & Outside Services	106,693.28	167,647.97
Miscellaneous Expenses	48,138.33	27,720.82
TOTAL NON-INTEREST EXPENSE	(1,431,986.84)	(1,343,581.71)
NET OPERATING INCOME	44,001.51	61,112.41
Non-Operating Income/Expense	(72,833.40)	0.00
NET INCOME	(28,831.89)	61,112.41

RESOURCES

ATM Locations



Encentus FCU Main Branch
1320 S Lewis Avenue
Tulsa, OK 74104



St John Tulsa Hospital
1923 S Utica Avenue
Tulsa, OK 74104



St John Broken Arrow
1000 W Boise Circle
Broken Arrow, OK 74012



St John Owasso
12451 W 100th Street N
Owasso, OK 74055



Cancer Treatment Centers of America
10109 E 79th Street
Tulsa, OK 74133

Other Resources

Branch@Hand

Mobile Application - apply for a loan, transfer funds, make a loan payment, check your balance or find a Shared Branching location near you.

Virtual Branch

Online banking - gives you an overview of all your accounts, schedule transfers, set up account alerts and check your transaction history.

Shared Branching

Conduct transactions at participating credit unions and stand-alone locations across Oklahoma and nationwide.

Texting

Communicate with our member service, loan, or collection staff through your texting application on your phone. Simply text your message to our main number 918.430.3500.

Financial Counselor

Let Tony Chambers help set you on the path to better financial help. He is here to help with budgeting, credit building and goal setting.

Federally Insured by

NCUA

BOARD OF DIRECTORS

Chairman	Jana Hallman
Vice Chairman	Shelley Ramsey
Secretary	Aaron Woodhead
Treasurer	Mike Conner
Members	Becky Brown
	Clara Brown
	LaShawna Brown
	Heather Korgan
	Julie Mobley

SUPERVISORY COMMITTEE

Chairman	Cheyenne Freelove
Members	JoAnn Rushenberg
	Dawn Yasseri

ENCENTUS STAFF

President	Kim Patrick
Lending Manager	Mark Colley
Operation Manager	Tony Chambers
Accountant	Yer Lee
Internal Auditor/Compliance Specialist	Hannah Jones
Loan Assistant	Phillip Pittman
Member Solutions Representative	Sha'on Edmonson
Head Member Service Representative	Christina Williams
Member Service Representative	Ian Tharp
	Aurora Lee

Mission Statement: "To provide innovative, affordable financial services and expertise."



Encentus Federal Credit Union was chartered on March 5, 1970, as St. John Employee's Federal Credit Union. At that time, our field of membership was limited to employees of St. John's Hospital.

When we expanded our field of membership in 2009, to serve all of Oklahoma, we also changed our name to Encentus FCU.

Our field of membership includes anyone working in the medical field in Oklahoma and immediate family members.