

GROWING



TOGETHER

2023 ANNUAL REPORT

OKLAHOMA'S
→ **CREDIT UNION**

Chairman's and President's Report

Oklahoma's Credit Union faced unprecedented changes to the economic landscape prior to 2022. The 2020 global pandemic and the government's fiscal policy that followed produced large amounts of cash into the system, causing consumer deposits and demand for goods to skyrocket in 2021. The excess stimulus funds created an inflationary spiral not experienced in four decades.



*OKCU is committed to our mission of **Helping Oklahomans Do More with Their Money.***



In 2022, to combat this inflation, the Federal Reserve proceeded to raise interest rates at a faster speed than any time in its history. With the effective funds rate near zero in March of 2022, the Federal Reserve proceeded to increase rates a total of 425 basis points, a 1700% increase in less than a year.

However, the Credit Union's balance sheet was well positioned for the rate hikes in 2022. We were able to meet members' needs for loans and savings through this unprecedented year of increasing rates and inflation. We are also preparing for another year of uncertainty as the Federal Reserve continues to raise rates to combat inflation and a possible economic recession.

Oklahoma's Credit Union also hit another milestone in 2022 with our assets hitting over \$750 million. This could not have been achieved without the support of members using our products and services.

OKCU is committed to our mission of "Helping Oklahomans Do More with Their Money". We are constantly striving to provide our members with the

financial services that they need to make their lives financially secure and have peace of mind.

We invested significantly in our online and digital banking services as that is how most members prefer to do business with us. Our mobile app is rated higher than the large national banks. Another milestone in 2022 was the installation of our first 24-hour digital teller machines at three of our locations. This allows member to make deposits, withdrawals and many other transactions any time, day or night. We are excited to offer this expanded teller service to our members.

Thank you for your continued support. We appreciate our dedicated board and staff for their commitment to giving exceptional member service and living our core values: We Care, We Make It Easy, and We Hold Ourselves Accountable.



Mike Patterson

Chairman of the Board



Luann Schmiedel

President/CEO



Loan Committee Report

The credit union's robust loan portfolio continued to see success in 2022. I am excited to report over 88% of deposits were loaned out in 2022 to help members purchase vehicles, purchase and refinance their homes and support their businesses.

During 2022, the credit union provided customized and competitive solutions for business owners. We established the SBA loan program to provide small businesses flexible and easy lending solutions. The credit union closed two SBA loans in 2022 totaling \$435,000.

The real estate industry started 2022 strong, but the momentum slowed as interest rates increased. The credit union reintroduced Adjustable Rate Mortgages to help attract home purchases. We also introduced a fixed-rate home equity line of credit (HELOC), which was a popular product with our members.

Our Indirect lending program continued to see impressive growth. This area grew 24% and \$30 million respectively, closing 2022 at \$165 million in loans. 2022 continued a strong 24-month trend with an average of \$8 million funded every month. An important piece for indirect lending is the Preferred Dealer network, which grew from 23 dealerships to 39 in 2022.

The performance of our portfolio remained strong in 2022. Delinquent loans to total loans ended the year at .18%, and net charged-off loans to total loans was at .12%.



Ronda Bailey
Chief Lending Officer

	YEAR END BALANCE	DOLLAR CHANGE	PERCENT CHANGE
Credit Cards	\$18,703,136	\$2,609,615	4.78%
Consumer Loans	\$120,882,373	(\$4,903,654)	-8.98%
Home Loans	\$106,773,095	\$4,951,036	9.06%
Business Loans	\$99,954,985	\$17,646,887	32.31%
Indirect Auto Loans	\$204,914,441	\$34,320,230	62.83%
TOTAL	\$551,228,030	\$54,624,114	100.00%

	OKCU	PEER
Delinquent Loans to Total Loans	0.18%	0.44%
Net Charge Offs to Loans	0.12%	0.20%

Treasurer's Report

I am pleased to report that OKCU finished 2022 in excellent financial condition. Our net income was \$6.9 million, representing a return on asset of 0.93% with a capitalized net worth ratio of 12.32%. The Financial Statement shows the detailed results for 2022.

In the face of high inflation and rising interest rates, OKCU has stayed true to our core values: We Care. We Make it Easy. We Hold Ourselves Accountable.

OKCU was able to continue to Grow Okies in all major areas. Our assets increased 8.20%, deposits increased 10.27% and loans increased 11.00%

Our goal is to provide a safe and sound credit union to our members while enhancing the value of your membership as we all continue to adjust to an ever-changing financial landscape.

We remain committed to our mission of Helping Oklahomans Do More with Their Money. The more we take advantage of the products and services at OKCU, the greater the overall benefit to each other. Thank you to our members for your continued support in OKCU's success.



Nico Gomez
Secretary/Treasurer

Supervisory Committee Report

The Supervisory Committee's role is to oversee that the credit union operates within the regulations governing credit unions. We do this through several different avenues.

First, we engage a certified public accounting firm to conduct an annual financial audit for the period ending June 30, 2022, with the report issued in September 2022.

Management is responsible for the financial statements and the financial reporting process, including internal controls.

In fulfilling its oversight responsibilities, the Supervisory Committee discussed the financial statements with management, including a discussion of the quality, not just the acceptability, of the accounting principles, the reasonableness of significant judgments and the clarity of disclosures in the financial statements.

Second, for more complex areas that require certain expertise, we outsource these audits. These include IT security and information, complex business loans, BSA and ACH.

Finally, OKCU's internal Risk Management Department also performs ongoing audits to ensure all areas of the credit union are complying with policies and procedures as required by regulatory agencies.

As always, thank you to the committee members and the staff for their time and commitments to OKCU's strength and stability.



Kelly Smith
Chair

Financial Statement

ASSETS	2021	2022
Total Net Loans	\$491,598,239	\$545,621,773
Cash and Equivalents	\$2,111,823	\$2,867,165
Total Net Investments	\$205,762,330	\$209,411,543
Land and Building	\$13,335,053	\$12,952,842
Other Assets	\$8,545,253	\$9,632,870
TOTAL ASSETS	\$721,352,698	\$780,486,193

LIABILITIES & EQUITIES	2021	2022
Total Borrowing	\$54,500,000	\$70,500,000
Accounts Payable	\$8,309,617	\$7,083,117
Savings and Deposits	\$570,458,905	\$629,056,733
Total Reserves	\$88,084,176	\$73,846,342
TOTAL LIABILITIES & EQUITIES	\$721,352,698	\$780,486,192

INCOME EARNED	2022
Interest on Loans	\$23,695,945
Interest on Investments	\$3,579,761
Fees and Charges	\$7,857,704
TOTAL INCOME EARNED	\$35,133,410

INCOME DISTRIBUTIONS	2022
Interest Expense	\$5,775,471
Operating Expense	\$21,066,056
Allowance for Loan Loss	\$1,345,611
Contribution to Reserves	\$6,946,272
TOTAL INCOME DIST.	\$35,133,410

LOAN PRODUCTS	2022
Credit Cards	\$18,703,136
Consumer Loans	\$120,882,373
Home Loans	\$106,773,095
Business Loans	\$99,954,985
Indirect Auto Loans	\$204,914,441
TOTAL LOAN PRODUCTS	\$551,228,030

DEPOSIT PRODUCTS	2022
Certificates	\$253,217,279
IRAs	\$4,974,249
Money Markets	\$45,460,031
Checking	\$84,406,761
Savings	\$240,998,413
TOTAL DEPOSIT PRODUCTS	\$629,056,733

Board of Directors and Volunteers

Board of Directors

Mike Patterson
CHAIRMAN OF THE BOARD

Justin Jones
VICE CHAIRMAN

Nico Gomez
SECRETARY/TREASURER

Julie Bowers
Anthony Delce, ABM
Eddie Foreman
Todd Griffin
Gary Parsons
Paul Rachel
Randle White

Supervisory Committee

Kelly Smith
CHAIR

Jessica Clayton
Anthony Delce
Chelley Hilmes
Nikki Kennedy

Election Committee

Robert Case
CHAIR

Kelly Smith
David Streb



Volunteer Service Milestones

15 Years

Chelley Hilmes
Nikki Kennedy
Kelly Smith

40 Years

Mike Patterson



Employee Service Milestones

5 Years

Elias Dominguez
Ryan Sheldon

10 Years

Red Carruth
Lori Ford
Brian Gibbs

15 Years

Melissa Chavers
Brent Clemmens
Jennifer Lown
Sarah Straughn

40 Years

Jacky Armstrong

