

**Federal  
Credit  
Union**

[www.oufcu.com](http://www.oufcu.com)

# 2020 ANNUAL MEETING

# GOAL MISSION PHILOSOPHY

## Our Goal

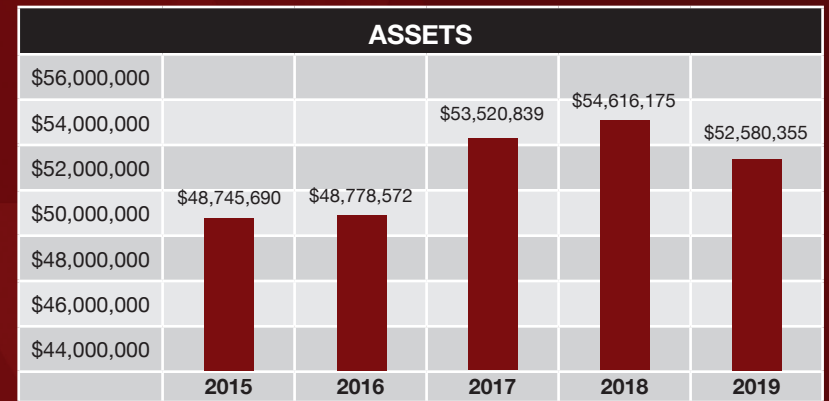
To help our members achieve financial success.

## Our Mission

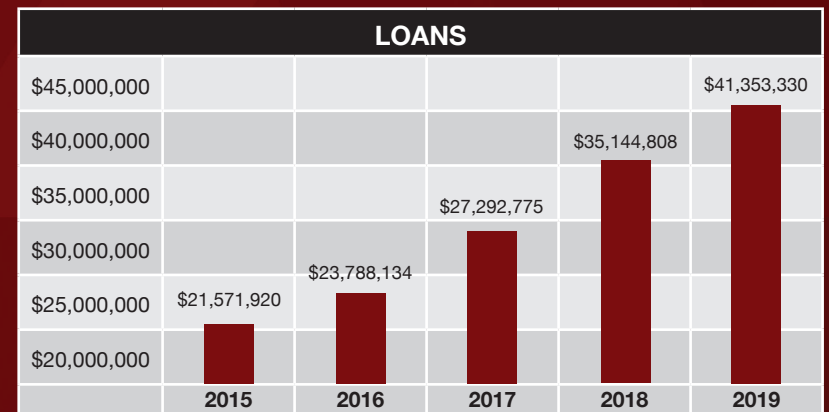
To provide our members quality financial services including an opportunity to accumulate savings, establish credit, and enhance their financial well-being.

## Our Philosophy

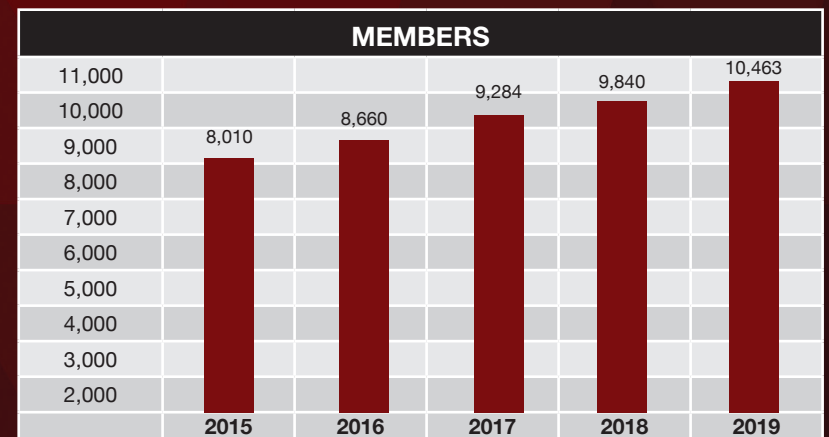
To serve our members in a courteous and professional manner. To offer them a variety of competitively priced products and services that not only meets but anticipates their needs. And to make these product offerings available through a channel of convenient and cost effective delivery options.



■ Assets



■ Loans



■ Members



# 2019 ANNUAL MEETING MINUTES

Michele Nabonne, Chairperson for the Board of Directors, called the meeting to order at 6:00pm after noting that a quorum was present.

## **Approval of Minutes**

Chairperson Nabonne called for a motion to approve the minutes of the 2018 Annual Meeting as presented. A motion was made by President/CEO Shannon Hudzinski, seconded by Director Kevin Blake and passed unanimously.

## **Report of the Chairperson, Treasurer, Supervisory Committee & President**

Chairperson Nabonne directed the members to review the Chairperson and Supervisory Committee reports in the Annual Meeting program. Chairperson Nabonne extended the Board's appreciation to the staff for their hard work in achieving the vision, mission and goals of the credit union.

## **Unfinished Business**

There was no unfinished business.

## **New Business**

President/CEO Hudzinski reported on the successes of 2018, including \$11.5M in loan growth, 6% membership growth, a new online banking system, the launch of the in-house credit card and a strategic partnership with DocuSign®. The financial strength of the credit

union will make it possible to offer new dividend bearing checking accounts, launch a full mortgage loan program and enhance the member support team. President/CEO Hudzinski thanked the staff and the Board for all they have done to support the growth of the credit union.

## **Nominating Committee Report**

Director Kevin Blake introduced the board members up for election: Robin Davis, Linda Holt, Michele Nabonne and Judy Smith and asked for nominations to the Board from the floor. Hearing none, Director Blake asked for a motion to approve the four candidates presented for appointment to three years terms on the OU Federal Credit Union's Board of Directors.

A motion was made by Vice President Kayla Wilham, seconded by Supervisory Committee Chairperson Joyce Cummins and passed unanimously.

## **Open Discussion**

There was no open discussion.

## **Adjournment**

Chairperson Nabonne called for a motion to adjourn. Vice President Kayla Wilham made a motion to adjourn that was seconded by Board Secretary Justin Davis and approved unanimously.



Michele Nabonne  
Chairperson



Judy Smith  
Vice-Chairperson



Linda Holt  
Treasurer



Justin Davis  
Secretary



Robin Davis  
Director



Vincent Deberry  
Director



David Shirley  
Director



Greg Kunesh  
Director Emeritus



Paul Wilson  
Director Emeritus

## BALANCE SHEET\*

ASSETS	2018	2019
Total Cash & Equivalents	\$750,361	\$713,688
Loans to Members	\$35,144,808	\$41,353,330
Allowance Loan Loss	\$348,816	\$434,680
Total Investments	\$17,098,509	\$9,011,265
Fixed Assets	\$1,051,000	\$995,213
Other Assets	\$920,313	\$941,539
<b>Total Assets</b>	<b>\$54,616,175</b>	<b>\$52,580,355</b>
Total Savings	\$29,361,346	\$2,984,277
Total Checking	\$16,948,839	\$17,118,492
Total Money Market	\$2,739,906	\$2,080,407
Total Share Certificates	\$391,228	\$512,763
<b>Other Liabilities**</b>	<b>\$414,340</b>	<b>\$625,237</b>
Total Shares & Deposits	\$49,441,319	\$46,695,939
Total Equity	\$4,760,516	\$5,259,179
<b>Total Liabilities</b>	<b>\$54,616,175</b>	<b>\$52,580,355</b>

## INCOME STATEMENT\*

	2018	2019
Interest on Loans	\$1,590,878	\$1,947,044
Interest on Investments	\$333,327	\$242,536
Interest Expense	\$6,091	\$44,369
<b>Net Interest Income</b>	<b>\$1,918,114</b>	<b>\$2,145,211</b>
<b>LIABILITIES</b>	<b>2018</b>	<b>2019</b>
Non-Interest income	\$1,225,570	\$1,225,192
Operating Expenses	\$2,214,505	\$2,402,446
Provision for Loan Loss	\$354,146	\$432,863
<b>Net Income</b>	<b>\$440,615</b>	<b>\$501,208</b>

## HIGHLIGHTS

Members	9,840	10,463
Regular Shares	10,038	10,634
Lil Boomer	199	193
Sooner Teen	149	150
Savings Accounts	11,370	11,992
Checking Accounts	7,174	7,723
Certificates	18	23
# of Loans	2,194	2,475

## ASSETS, LOANS AND MEMBERS\*

	2015	2016	2017	2018	2019
Assets	\$48,745,690	\$48,778,572	\$53,520,839	\$54,616,175	\$52,580,355
Loans	\$21,571,920	\$23,788,134	\$27,292,775	\$35,144,808	\$41,353,330
Members	8,010	8,660	9,284	9,840	10,463

\*Data as of December 31.

\*\* Includes accumulated unrealized losses from AFS.



# SUPERVISORY COMMITTEE REPORT

OU Federal Credit Union's Supervisory Committee is a volunteer group comprised of three credit union members who are appointed by the Board of Directors. The committee assists the Board with overseeing the integrity of the credit union's financial statements. In addition, the committee participates in overseeing internal controls, internal and external auditors and compliance with legal and regulatory requirements.

The Supervisory Committee engaged Clifton Larsen Allen, LLC. to perform minimum supervisory committee procedures set forth in Appendix A of the Supervisory Committee Guide for Federal Credit Unions, in accordance with Part 715 of the National Credit Union Administration Rules and Regulations. The results of the annual Supervisory Committee procedures for the year ended December 31, 2019, presented by the Supervisory Committee to the Board of Directors, indicated that the credit union has complied with the accounting, financial reporting and internal control requirements set forth by Part 715 and Appendix A.

**Joyce Cummins,**  
Supervisory Committee Chairman

# TREASURER'S REPORT

In 2019, OU Federal Credit Union earned \$501,208 versus \$440,615 for year ending 2018 with Net Loan Growth of over \$7.2M. This growth in loans was the strongest contributor to the increased income as was a keen eye on expenses including loan losses and operating fees. The credit union posted strong membership growth of over 6% in 2019 as the credit union celebrated its 65th year of service and surpassed 10,000 members.

OU Federal Credit Union's liquidity position in 2019 remained strong as was the case in 2018, posting consistent gains as the credit union continued to release deposits early as a valued service to its members. OU Federal's Capital ratio ended at 10.00% up from 8.72% at the end of 2018 an increase of nearly 200 BPs. Overall Asset size decreased but loans increased as the credit union's loan to share ratio neared 90%.

OU Federal Credit Union did not increase its investment holdings in bank certificates and mortgage back securities in 2019, preferring to maintain liquid funds in a high yield account that generated above market rates. The credit union increased its dividend rates in 2019 while introducing

several new products, including the Silver Schooner Plus Checking Account and the Silver Schooner Fixed Rate Line of Credit. As the market shows increased volatility, the credit union will monitor liquidity, loans and other key indicators to ensure your credit union remains well capitalized and is prepared for any and all economic and political changes.

Looking forward to 2020, the Management Team and the Board will continue what it has started and per the budget, expect another solid year in profits as well as growth in the lending portfolio. All while introducing newer products and services to our membership.

**Linda Holt**  
*Treasurer*

# CHAIRPERSON/ PRESIDENT REPORT

## A Year to Remember

The report that you are receiving today is very different than the report that was originally drafted when the Annual Meeting was planned earlier this year. As you can see from our Treasurer's report, the credit union had an amazing year in 2019 posting positive income, significant membership and loan growth and huge strides in our technology efforts. We began 2020 with a similar mind set and a determined effort to make our 66th year of service better than ever before.

It wasn't long before the COVID pandemic changed our focus and our efforts as we worked to ensure each and every one of our members had access to the services they needed when they needed them and in a way that kept them safe and feeling secure. To that end, the Board of Directors reduced fees, temporarily closed branches to sanitize and install protective equipment and ensured that the staff and members remained safe during this difficult time. The credit union's loan hardship program has assisted members in deferring their loan payments and kept them in their cars and homes while maintaining their good credit.

Throughout 2020, the credit union has seen membership and lending gains as well as increased usage of all electronic services. The credit union has grown assets by nearly \$10M since year end 2019, consistently maintained a capital ratio well above regulatory recommendations and posted impressive efficiency ratios. As the stewards of your money, each employee understands the importance of serving our members courteously, promptly and with costs in mind. Our online banking system and partnership with DocuSign have made electronic processing simpler while maintaining soundness and security.

OU Federal Credit Union has supported its local community through donations to area schools and the University of Oklahoma as well as the creation of a Financial Literacy Club designed to provide financial literacy resources to everyone. Special modules aimed at surviving the pandemic as well as preparing for major life events, investing in the future and saving for retirement are available to all members.

We know that the situation is far from resolved and we expect more challenges in the days ahead. But what we also know is that without our talented and generous volunteers, our dedicated employees and a little ingenuity and creativity, OU Federal Credit Union will prosper and grow in 2021 and beyond. We sincerely thank you for your membership and unwavering dedication to our vision, mission and goals.

**Michele Nabonne**

Chairperson

**Dr. Shannon Hudzinski**

President/CEO