



Tulsa Federal Credit Union
2018 Annual Report

Federally Insured by NCUA

Chairman's Report

Forrest E. Gene Reeves

Chairman

On behalf of your Tulsa Federal Credit Union Board of Directors, I welcome you to the 76th Annual Meeting of the Membership.

Your Credit Union continues to be successful in many ways, and this year was no exception. In addition to sustained growth in assets, our bottom line also improved over last year, and as a result, our capital position improved as well, providing the financial strength to weather any economic storms that may arise. We have also continued to promote new services and products including the Home Equity Line of Credit (HELOC) program, greater access to Commercial Lending for small businesses, and a new Ready-Check-Go program which makes funds for car loans readily and easily available for automobile purchases. Each of these programs, and many others, illustrate our desire to make life more convenient and efficient for our members.

Your Credit Union also continues to receive high marks from the National Credit Union Administration, our regulator and insurer, regarding our financial safety and soundness. This is a clear indication of your Board's and management's care and due diligence in planning for and operating the Credit Union in difficult economic times while facing continuously increasing competitive pressures.

However, our success is not purely the result of good decisions by the Board and an outstanding staff, but as always, is a function of you, the members and owners of our Credit Union, who remain confident in us and are willing to use our products and services, who enable us to grow and prosper.

I want to thank our Board of Directors, who give themselves faithfully to the betterment of our Credit Union, the management and staff, who serve us all so tirelessly, and again you, our members and owners, for making this year and our Credit Union so successful. With your support, we cannot fail!

Sincerely,

Forrest E. Gene Reeves

Chairman, Board of Directors

Treasurer's Report

Gary Swartzlander

Treasurer

Tulsa Federal Credit Union experienced a strong year financially. Net Income for the year was \$2.6M, based on \$34.9M in Total Income, \$28.4M in Total Expenses (including dividends), and \$3.9M in Provision for Loan Loss. Net Income increased 7.23% over the previous year, which helped produce a Net Worth Ratio of 9.04%, exceeding the Board of Directors' minimum target of 8.50%.

Total Income increased 10.73%. This was mainly attributed to a \$2.8M increase in interest income.

Operating Expenses increased 3.2%. The largest contributors of this increase in were Compensation & Employee Benefits and Office Operations. Management's efforts to ensure that the credit union has a quality loan portfolio have resulted in a Delinquency Ratio (Delinquent Loans/Total Loans) of .79%.

Total Assets of the credit union increased from \$735.6M to \$752.9M. This represents an increase of 2.36%. At the end of 2018, membership grew to 54,057, an increase of 5.42%.

In closing, with focused efforts to increase the credit union's loan portfolio, increasing member deposits and improving the quality of its loans, there is reason to believe that Tulsa Federal will sustain favorable Interest from Loans in the year ahead. I am pleased to report that Tulsa Federal remains in position to have another strong year financially in 2019 and beyond.

Gary Swartzlander

Treasurer

Supervisory Committee

Marcus Huck

Chairman, Supervisory Committee

The Supervisory Committee (SC) members are appointed annually by the Tulsa Federal Credit Union (Tulsa FCU) Board of Directors.

The SC assists the Board of Directors in its oversight responsibilities pertaining to the financial integrity of Tulsa FCU's financial statements, management practices and procedures used to safeguard member assets, and compliance with legal and regulatory requirements.

In that regard, the SC annually engages a Certified Public Accounting firm to perform a financial audit of the Tulsa FCU. This year the SC engaged CliftonLarsonAllen, LLP to audit the financial statements of the Tulsa FCU in accordance with auditing standards generally accepted in the United States. Additionally, the SC engaged BKD, LLP to perform an audit of Tulsa FCU's 401(k) Plan as required by the Department of Labor's Rules and Regulations under the Employee Retirement Income Security Act of 1974.

Additionally, the SC monitors various other audits performed, including those completed by the credit union's internal auditor. During 2018 the SC met regularly with management to discuss the results of these audits and to review their responses to the findings, monitoring all issues through resolution.

I have been honored to serve on the SC and would like to thank my colleagues for volunteering their time and for their hard work during 2018. It's our pleasure to serve the members of Tulsa FCU.

Respectfully submitted,

Marcus Huck

Chairman, Supervisory Committee

2018 Achievements

Tulsa Federal Credit Union Tulsa Run

2018 Beneficiaries

Town and Country School	\$25,000
Ability Resources	\$2,500
Ainsley's Angels	\$2,500
Calliope Youth Circus Foundation	\$2,500
The Center for Individuals with Physical Challenges	\$2,500

65 Tulsa FCU Volunteers donated + 20 hours

This sponsorship continues to make it possible for us to inspire our community by partnering with Tulsa's most iconic footrace. Together, with the Tulsa Sports Commission, we can build awareness for the organizations it supports and make a difference for all those involved.



Notable Numbers

New Accounts

5,369

Credit Cards

747

Mortgage Loan Totals

\$ 35,839,296

Direct Loan Totals

\$ 47,430,540

Assets

	2018	2017
Personal Loans	345,513,585	314,849,747
Real Estate Loans	126,086,416	129,043,381
Member Business Lending	33,987,329	22,942,179
Purchased Loans	62,418,298	55,156,181
Allowance for Loan Loss	-2,839,733	-2,279,073
Cash On Hand and In Banks	47,002,830	65,662,345
Investments	97,061,961	105,235,931
Furniture & Fixtures	4,115,069	3,735,143
Land and Buildings	18,408,550	19,174,055
Other Assets	14,593,512	15,891,950
NCUA Insurance	6,543,747	6,144,400
Total Assets	752,891,565	735,556,241

Liabilities & Equity

	2018	2017
Liabilities	5,377,021	5,624,447
Share Drafts	102,758,952	102,758,952
Member Share Savings	211,624,793	211,624,793
Money Market Account	91,619,858	110,081,500
Member Share Certificates	193,844,624	166,240,717
Non-Member Share Certificates	21,162,414	21,742,201
Individual Retirement Accounts	59,150,893	61,628,004
Reserves	8,259,665	9,497,120
Undivided Earnings	57,273,738	54,655,655
Total Liabilities & Equity	752,891,565	735,556,241

Income

	2018	2017
Interest on Loans	22,702,528	19,924,514
Interest on Investments	3,297,574	3,234,774
Other	8,915,142	8,222,633
Total Income	34,915,244	31,381,921

Expenses

	2018	2017
Employee Compensation & Benefits	12,549,552	12,174,902
Travel & Conferences	370,783	263,747
Office Occupancy	1,471,670	1,533,634
Office Operations	3,767,368	3,527,185
Marketing	743,167	749,317
Loan Servicing	424,556	364,467
Professional & Outside Services	3,087,852	3,198,018
Supervision & Examination	194,275	164,105
Miscellaneous Operating	489,006	407,935
Total Operating Expenses	23,098,228	22,383,310

2018 Distribution of Gross Income

Operating Expenses	23,098,228	66%
Provisions for Loan Loss	3,940,512	11%
Dividends	5,258,420	15%
Undivided Earnings	2,618,083	7%
Total Income	34,917,262	100%



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