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**ANNUAL REPORT
2024**

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FSFCU CORE VALUES

At Fort Sill Federal Credit Union (FSFCU), we take pride in being a non-profit financial institution. As a community of member-owners, we prioritize your needs above all else. Unlike for-profit organizations, we are not accountable to stockholders seeking high returns on their investments. Therefore, our focus is on supporting your financial aspirations through affordable loans, high-yield dividend accounts, and free or low-cost services. We are dedicated to helping you achieve your financial goals.

Ethical Integrity



Builds trust with members, associates, and stakeholders. Contributes to the long-term sustainability of an organization.

Community Driven



Prioritizing the needs and well-being of a community helps to ensure the success of the individuals in that community.

Quality & Professionalism



Builds credibility with members, and leads to increased satisfaction and loyalty.

Diversity & Inclusion



Leads to increased innovation and better decision-making. Improves the success of serving a diverse member base.

Vision Statement



To be the preferred provider of lifetime financial services.

Mission Statement



To improve our members' financial success.

68TH ANNUAL MEETING AGENDA

April 2, 2024

- Call to Order
- Ascertain Quorum
- Appoint Parliamentarian
- Appoint Recording Secretary
- Invocation
- 2023 Annual Meeting Minutes
 - Motion to Approve
- Introductions
 - Board of Directors
 - Supervisory Committee
 - Executive Staff
- Chair and CEO Report
- Treasurer's Report
- Financial Reports
- Supervisory Committee Report
- Unfinished Business
- New Business
- Election
- Adjourn
 - Motion to Adjourn



**THANK YOU FOR BEING ONE
OF OUR VALUED MEMBERS!**

2023 67TH ANNUAL MEETING MINUTES

April 4, 2023

The Chair of the Board, Dennis Porter, called the 67th Annual Meeting of the Fort Sill Federal Credit Union to order at the Great Plains Coliseum, Annex Building, Lawton, OK, at 7:00 P.M.

Ms. Kathy Banks-Monroe gave the invocation.

Mr. Gerald Neuwirth was appointed Parliamentarian and Ms. Tammy Sheive was appointed Recording Secretary.

Board Chair, Dennis Porter, requested the membership accept the minutes of the April 5, 2022 meeting. A motion was made and seconded by the members. The motion carried and the minutes were approved as printed.

Members of the Board of Directors were introduced: Dennis Porter, Board Chair; Jennifer Waters, Vice-Chair; James Apriesnig, Treasurer; Nita Russell, Secretary; Charles Hutchinson, Director; Kathy Banks-Monroe, Director; Denise Taylor, Director and Robert Hopper, Chair Emeritus.

Members of the Supervisory Committee were introduced: Sharyl Lindsey, Chair; Marian Finney, Member; and Sumi McCargo, Secretary.

Mr. Porter introduced the Executive Staff: Jayson Sims, President/CEO; Cindy Collins, Chief Operations Officer; Cheryl Crow, Chief Finance Officer; Greg Steen, Chief Information Officer; Melody Barber, Chief of Growth and Strategy; Danny Lanman, Chief Lending Officer; and Cody Peters, Chief of Human Resources.

Mr. Porter asked the members to review the Chair and President/CEO Report, the Treasurer's Report, the Financial Statements, and the Supervisory Committee Report. All reports were approved and accepted by the members.

Mr. Porter introduced and welcomed Jayson Sims as the new President/CEO of FSFCU. He stated the board is confident Mr. Sims will continue to develop products designed to improve our member's financial success. Mr. Porter recognized and thanked the former President/CEO, Denise Floyd for not only her 21 years of leadership, but also her 40 years at FSFCU.

Mr. Porter asked for any unfinished business from the previous meeting and there was none.

Mr. Porter asked for any new business with the exception of the election and there was none.

Mr. Porter introduced the Nominating Committee: Don Ruth, Chair, Janice Dodd and Joe Joiner.

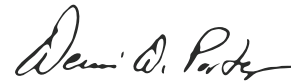
Mr. Ruth stated there are four Board of Director seats to be filled. He introduced the nominees, who are the incumbents, Dennis Porter, Nita Russell, Kathy Banks-Monroe and Denise Taylor. Ms. Waters announced that Dennis Porter, Nita Russell and Denise Taylor are appointed by acclamation for a three-year term. She announced that Kathy Banks-Monroe is appointed by acclamation for a one-year term.

Mr. Porter thanked the FSFCU marketing team as well as the associates for all their work in making the FSFCU 67th Annual Meeting a success.

Mr. Sims also thanked the entire marketing team and several associates for all their hard work and dedication in making sure the event was successful. He stated he is available after the meeting for anyone who has questions or just wants to visit.

Mr. Sims conducted the drawings for prizes totaling \$1,125.00. Miss Harper was presented \$25.00 for her assistance with drawing tickets for the prizes.

Mr. Porter asked if there was any other business. There being none, the meeting adjourned at 7:17 p.m.



Dennis Porter
Chair of the Board



Tammy Sheive
Recording Secretary

FSFCU BOARD OF DIRECTORS

SUPERVISORY COMMITTEE



Dennis Porter
Chair



Jennifer Waters
Vice Chair



James Apriesnig
Treasurer



Sharyl Lindsey
Chair



Nita Russell
Secretary



Charles Hutchinson
Director



Kathy Monroe
Director



Marian Finney
Member



Denise Taylor
Director



Brandi Thomas
Associate Director



Keith Thomas
Associate Director



Sumi McCargo
Member

CHAIRMAN'S & CEO'S REPORT

Our 68th year of service is underway and we would like to extend our gratitude and appreciation to you, the member/owners of Fort Sill Federal Credit Union (FSFCU) for your continued confidence in allowing us to provide solutions to meet your financial needs. As members, you are part owners of this cooperative and contribute to its growth. The credit union philosophy is "People Helping People" and we strive to meet this motto with competitive savings dividends, lower loan rates, enhanced member service, and new products to serve your financial needs. Your success is our success.

Rising interest rates and inflation continued to be a challenge for FSFCU. Unlike 2022, increasing delinquency on loans began to rear its ugly head in 2023. Fortunately, there were many positive outcomes throughout the year; assets increased by \$14,399,056 from the previous year, shares had minimal growth at \$8,970,229, and loans experienced very healthy growth of \$22,431,805. The robust growth in our loan portfolio, in addition to the rising rates directly correlated to a strong year-over-year growth in loan income of \$3,724,705. Investment income had an increase of \$1,671,670 due to the increase in rates throughout the year. The dividends we paid to you, our member/owners, in 2023 totaled \$1,327,272. This was an increase of \$931,615 from 2022. Dedication to service from our Board of Directors, staff, and management resulted in a positive net income of \$3,617,994, as we have navigated through yet another year in an environment of extreme economic uncertainty.

In keeping with our policy of continuous monitoring to ensure safe and effective operations, our Supervisory Committee contracted an independent audit firm to examine FSFCU operating procedures. In addition, The National Credit Union Administration (NCUA) conducted its yearly examination to ensure FSFCU is maintaining accurate records and is in full compliance with the government and the NCUA regulations. All examinations and audits concluded that FSFCU is in full compliance with the industry standards, as well as all federal laws and regulations.

The credit union philosophy is "People Helping People" and FSFCU associates strive to do just that. Helping the Lawton Fort Sill Community is important to us and we work hard to raise funds to contribute to organizations helping those in need. In 2023, we contributed a total of \$75,800 to various organizations and agencies in our community and throughout the state. Our charitable giving highlights for 2023 include United Way of Southwest Oklahoma, Children's Miracle Network, Rainbow Bridge Can Wait, Lawton Food Bank, Fort Sill MWR, and Military Giving Tuesday. In addition to our charitable giving, we awarded 5 scholarships and served 24 schools (33 teachers, 2,060 students) through our Banzai Financial Literacy Program.

We greatly appreciate your loyalty and confidence in your credit union. Your board of directors, management team, and the staff at FSFCU are committed to your financial success. We work hard day in and day out to earn your trust in providing your financial needs and we will continue improving our offering of products and services. Our mission is "to improve our members' financial success" and that is why we exist.

Thank you for allowing us to be your financial partner. Be on the lookout for exciting changes to our service offering in 2024.


Dennis Porter
Chair of the Board


Jayson Sims
President/CEO

REPORT OF THE TREASURER

As 2023 has come to an end, some concerns remain. The economy is still impacted by elevated interest rates which may begin to abate in the coming year, per economist predictions. As the economy is unpredictable, be assured that Fort Sill Federal Credit Union remains fully committed to your financial well being.


The Federal Reserve raised its lending rate on 4 separate occasions through July. By the end of 2023 the Federal Funds rate was at 5.25 – 5.50%, remaining stable the last 5 months. This has caused a direct affect to all lending and investment rates throughout the year. On the positive side, overall operating expenses of the credit union were kept in check for 2023 which is notable considering higher costs of many services. Net income for the year was \$3.6 million, up significantly from 2022. In addition, dividends paid to members rose more than threefold for the year to \$1.3 million.

The assets of the credit union are at \$370 million. During this same period total loans to members increased by a notable \$21 million. Member deposits were at \$336 million at year end which is an increase of \$8.9 million from last year. Our net worth ratio ended the year at 11.08%, up from 2022.

The credit union's reserves are indicative of the health and well-being of the financial institution. They act as a cushion against possible losses, provide necessary capital to support new member services as well as replacement of equipment, and to provide for new facilities or improvements. For the year capital reserves are at \$32.6 million, an increase from last year.

Although many economic forces impact the financial results, the focus remains clear on providing service and value for you. As members, you can take pride in belonging to a credit union. As a community based financial institution, you are clearly part of the "People Helping People" solution. Your loyalty is truly appreciated. By continuing to be watchful of operating expenses and maintaining adequate net worth, Fort Sill Federal Credit Union will continue to provide high quality, competitively priced services for our members.

The following condensed financial information reflects the financial condition of the credit union as of December 31, 2023.


James G. Apriesnig
Treasurer

FORT SILL FEDERAL CREDIT UNION

STATEMENT OF FINANCIAL CONDITION December 31, 2023

ASSETS

Loans	\$ 194,239,690
Investments	145,552,598
Cash & Equivalents	6,297,350
Other Assets	23,817,947

TOTAL ASSETS \$ 369,907,585

LIABILITIES, SHARES, & EQUITY

LIABILITIES

Dividends Payable	\$ 392,918
Other Liabilities	934,936
Total Liabilities	<u><u>\$ 1,327,854</u></u>

SHARES

Savings Accounts	\$ 215,905,818
Checking Accounts	93,498,355
IRA Accounts	10,865,483
Share Certificates	15,645,919
Total Shares	<u><u>\$ 335,915,575</u></u>

EQUITY

Undivided Earnings	\$ 40,978,919
Unrealized Gain (Loss)	(8,314,762)
Total Equity	<u><u>\$ 32,664,157</u></u>

TOTAL LIABILITIES, SHARES, & EQUITY \$ 369,907,585

INCOME STATEMENT - YEAR TO DATE December 31, 2023

Total Income	\$ 20,411,448
Total Expenses	16,807,376
NET INCOME	<u><u>\$ 3,604,073</u></u>

Note: Dividends Paid to Members \$ 1,327,272

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for assuring the Fort Sill Federal Credit Union financial records are in order and internal controls are in place to protect the assets and its members. The committee does this by annual audits, making sure internal controls are established and tested regularly, monitoring the actions of the Board of Directors and the Management Staff, and ensuring full compliance with all relevant laws and regulations.

At this time, it is the opinion of the Supervisory Committee that Fort Sill Federal Credit Union is a sound institution and is accurately recording transactions, safeguarding assets and properly implementing laws, policies, and procedures.

If you should feel the services or operations at Fort Sill Federal Credit Union are not to your satisfaction and you have exhausted all avenues of relief with the staff and management, please contact us by writing the Supervisory Committee, P.O. Box 3672, Lawton, OK 73502-3672



Sharyl Lindsey
Chair, Supervisory Committee

NOMINEE FOR BOARD OF DIRECTORS

Charles Hutchinson



Charles Hutchinson
Director

Charles Hutchinson has been a member of the Fort Sill Federal Credit Union since 1994. He has served the Credit Union as a volunteer since 2010 as an Associate Director and Director since 2012. He has served as Vice Chairman and Chairman of the Board.

He has Chaired the Legislative, Education, and Associate Director committees. Charles completed the Volunteer Achievement Program training for the Board of Directors along with other training. He has participated in multiple credit union Strategic Planning Sessions.

Charles graduated from Niagara University with a BS, Commerce and University of Southern California with MS, Information Systems.

Charles retired from the United States Army in 1994. After retiring he worked for a Lawton, OK based defense contractor. In 2006 he went to work as a Department of Army Civilian and retired September 30, 2017.

Charles and wife Linda of 47 years were born in Niagara Falls, NY, moving to Lawton in 1987. They have two daughters, one granddaughter and one grandson.

Charles and his wife have been active in the Lawton/Fort Sill community. Charles was a founding Director of the Southwest Chapter of the Military Officers Association of America (MOAA). He served as Secretary, Treasurer, Vice President, and President. He is a life time member of MOAA, Association of the United States Army, Field Artillery Association, Air Defense Association and Disabled American Veterans.

NOMINEE FOR BOARD OF DIRECTORS

Kathy L. Banks-Monroe



Kathy Monroe
Director

Kathy Banks-Monroe is a 5th generation Oklahoman. She attended both Oklahoma and Cameron Universities where she majored in Business Administration.

For 35 years, Kathy worked as the Information Management/Network Enterprise Center Director on Fort Sill, where she analyzed, interpreted, enforced, and trained workforce on administrative programs, principles, concepts, policy, and objectives ensuring

resources were used efficiently, prioritized and progressively developed to provide the optimum Information Technology services to more than 25,000 Warfighters/Military and Installation customers. She retired from this position in June 2020. From 2018 to 2021, Kathy was appointed to a 5-year term as a Commissioner on the Oklahoma Commission on the Status of Women where she served on various Committees, to include the annual Oklahoma Women's Hall of Fame events. She presently serves as an Advisory Committee member to the Oklahoma Status of Women Commission.

Kathy's community service includes serving on the Fort Sill Federal Credit Union Board, Leadership Oklahoma Board, Leadership Lawton-Fort Sill Board, Lawton-Fort Sill Chamber of Commerce Board, Great Plains Technical Center Foundation Board, Galilee Missionary Baptist Church, and sustaining member of the Junior League of Lawton. Accomplishments include 50 Most Powerful Women in Oklahoma in 2016, and Comanche County Women of the Year.

Kathy is a member of the Galilee Missionary Baptist Church. In her spare time, she enjoys quilting, visiting with her three adult sons, grandchildren and traveling with her husband Henry and teenage son Shaun.

FSFCU EXECUTIVE TEAM



Jayson Sims
President/CEO



Benny Bigfoot
Chief of Fun & Whimsy



Melody Barber
Chief of Growth & Strategy



Cindy Collins
Chief Operations Officer



Cheryl Crow
Chief Financial Officer



Danny Lanman
Chief Lending Officer



Cody Peters
Chief of Human Resources



Greg Steen
Chief Information Officer

MEMBER FOCUSED

Our members are the primary stakeholders and the beneficiaries of higher dividends, cash back opportunities and rewards programs.

In 2023 members have:



Received over \$1.4M in dividends and from cash back accounts.



Been reimbursed over \$140K in ATM fees.



Redeemed over \$101K in credit card rewards points.



Paid down over \$60K through our debt management program

COMMUNITY DRIVEN

In an effort to live up to our philosophy of people helping people, we prioritize charitable giving and community outreach.

In 2023 FSFCU has:



Donated over \$38K to charitable organizations in our community.



Given over \$42K towards financial education to schools & teachers.



Awarded \$10K in scholarships to graduating seniors.



Provided over \$32K towards military families through the USO and Fort Sill MWR.

