

Southwest Oklahoma Federal Credit Union

2022 ANNUAL REPORT

Annual Meeting

• April 25, 2023

Agenda

Call to Order
Ascertain Quorum is Present
Minutes of Annual Meeting
Chairman's Report
Supervisory Committee Report
Membership Report
Financial Reports
Election of Officials
Old Business
New Business

The Minutes

Southwest Oklahoma Federal Credit Union held its 2022 Annual Meeting virtually on April 26th, 2022. Kelly McClure, Chairman, called the meeting to order at 6:00 pm. Mr. McClure ascertained that a quorum was met as 20 members were present.

Kelly McClure introduced the Board of Directors, the Supervisory Committee, and the Staff.

Kelly McClure then directed the members' attention to the following printed reports:

- Minutes of the 2021 Annual Meeting
- Chairman's Report
- Supervisory Committee Report
- Membership Report
- Financial Reports -- Statements of Income & Expense and Financial Condition

The reports have been posted continuously for public viewing and comment since March 25, 2022 and accepted by general consent.

The nominating committee, through process defined in the bylaws of this credit union, has nominated Kelly McClure (incumbent), to serve a three-year term on the Board of Directors. Having received no further nominees through the process stipulated in the bylaws of this credit union, and according to Section V Article 2 of then bylaws, Melinda Madden declared each nominee elected by acclamation.

Kelly McClure called for any old business. There was none.

Kelly McClure called for any new business. There was none.

SWOFCU Virtual Annual Meeting ended at 6:12 pm.

The Chairman's Report

It has been a very interesting Year!

But it has been a different kind of interesting depending on who you ask of course. For us at the Credit Union, it's all about the financial side of interesting, following inflation fears, interest rate hike and general consumer lack of confidence.

Your team here at SWOFCU has been at the top of their game this year. Every year it seems that I can't believe that they can do more than they did the previous year, but they do.

Take advantage of that knowledge and experience. Ask them for advice and help, that is why we are here. They might not know all the answers, but they will know who to ask if they don't. Remember that we all work for you.

All that said, I will finish as I usually do. "We are looking forward to the next year. Yes, there are a lot of uncertainties ahead, but our team has positioned us well to face the challenges. We know that our traditional values will guide us, and we will continue to remember that as a small business our main purpose is to serve you, our members."

Thank you,

Kelly McClure, Chairman

Membership Report

Our total membership on Dec. 31, 2022 was 5,216.

Statement of Income and Expense

December 31, 2022

INCOME

Interest on Loans	3,345,253.61
Income from Investments	557,987.86
Fee Income	310,005.96
Other Operating Income	392,353.49
TOTAL INCOME	4,605,600.92

COST OF FUNDS

Interest on Borrowed Money	0.08
Dividends on Shares	134,535.10
TOTAL COST OF FUNDS	134,535.18

EXPENSES

Employee Compensation	995,818.26
Employee Benefits	307,599.95
Travel, Conference, Meetings	705.00
Office Occupancy Expense	130,661.52
Office Operations Expense	821,331.61
Educational and Promotional Expenses	79,018.70
Loan Servicing Expense	843,804.43
Professional and Outside Services	147,959.02
Provision for Loan Losses	358,833.00
Member Insurance	0.00
Operating Fees	18,747.34
Miscellaneous Operating Expenses	20,488.04
TOTAL OPERATING EXPENSES	3,724,966.87

NET OPERATING INCOME (LOSS)	746,098.87
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NON-OPERATING GAIN (LOSS)

Gain (Loss) on Investments	0.00
Gain (Loss) on Sale of Fixed Assets	0.00
Other Non-Operating Income (Expense)	0.00
TOTAL NON-OPERATING EXPENSES	0.00

NET INCOME	746,098.87
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Statement of Financial Condition

December 31, 2022

ASSETS

Loans to Members	74,899,714.16
Allowance for Loan Loss	-513,136.25
Receivables	648,194.54
Cash	7,630,076.24
Investments	32,455,617.53
Prepaid Expenses	141,720.75
Fixed Assets	1,382,752.53
Accrued Income	217,730.69
Investment in NCUSIF	1,019,337.90
Other Assets	4,032.97
TOTAL ASSETS	117,886,041.06

LIABILITIES

Accounts Payable	64,018.53
Dividends Payable	0.00
Taxes Payable	4,297.94
Accrued Expenses	38,393.11
Other Liabilities	713,515.29
TOTAL LIABILITIES	820,224.97

MEMBER EQUITY

Regular Shares	63,233,015.57
Share Drafts	25,507,459.45
IRA Shares	5,288,498.09
Share Certificates	9,823,146.44
TOTAL MEMBER EQUITY	103,852,119.55

RESERVES & UNDIVIDED EARNINGS

Regular Reserves	1,647,535.69
Other Reserves	430,985.61
Undivided Earnings	10,389,076.37
Net Income	746,098.87
TOTAL CAPITAL	13,213,696.54

TOTAL LIABILITIES & EQUITY	117,886,041.06
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Our commitment to quality service is demonstrated by our constant focus on delivering value to our members. We continue to strive to bring you the products and services to meet your financial needs and your busy life style.

Low Rate Loans
Fixed Low Rate Visa Credit Card
Free Online, Mobile & Text Banking
Free Online & Mobile Bill Pay
Zelle®
Free Mobile Check Deposit
Online & Mobile Loan Applications
Free E-Statements
Member Referral Rewards
and so much more

SWOFCU Volunteers

Board of Directors

Kelly McClure	Chairman
Melinda Madden	1st Vice Chairman
Jennifer Keller	Secretary
James Heflin	Security Officer
Jimmie Dedmon	Treasurer

Supervisory Committee

Jim Heflin	Chairman
Clayton Gould.....	Member

Supervisory Committee Report

During the early part of 2022, The Supervisory Committee (SC) met monthly to review Southwest Oklahoma Federal Credit Union (SWOFCU) operations, board policies, and practices. The SC reviews and responds to member and employee concerns. No issues were communicated to the committee in 2022. Our primary function is to ensure that there are ongoing reviews and audits occurring so that credit union records are maintained properly, honestly and accurately. Also, we ensure policies established by law and by the board of directors are carried out faithfully. In addition, we make sure member assets are safeguarded and used according to the purposes of the credit union.

The SC completed cash and vault drawer counts and ATM counts at all locations during the course of 2022. There was a minor discrepancy with the coin machine at the main branch. There were no other discrepancies. The SC contracted Harold Antao and Company LLC (a third party) to perform our credit union annual audit. No findings were determined to be major in nature. The SC regularly reviews all findings to assure countermeasures are taken to address the findings. All members of the Committee completed Bank Secrecy Act training.

It is a pleasure to serve you, the members of our credit union. If any of you have any questions or concerns about the credit union's operations, policies, practices or personnel please feel free to contact any member on the Supervisory Committee.

Respectfully submitted,

Your Supervisory Committee,
Jim Heflin, Chairman
Clayton Gould, Member



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