



Centered Around Our Members

Annual Report 2019





A Message From Our Chairman of The Board and CEO

Welcome to our 2020 Annual Meeting!

We are celebrating seventy years as a credit union. Even as we look back on our past seventy years of success, we are also looking forward to the growth and possibilities of the future.

In 2020 & 2021, Cencap will continue to focus on enhancing our offerings with new products, optimizing our existing services portfolio, improving processes, investing in employee training programs and continuing to deliver products and services that benefit our members.

Our successes and achievements would not be possible without you, our members, and the feedback that you provide. It inspires us to do more, and we thank you for your trust. It also would not be possible without our dedicated volunteers and employees. Our Cencap team strives to maintain the highest standards of professional financial services and to be the primary financial institution in our community.

Thank you for your loyalty and trust in Cencap!

Erika Brown
CEO



2020 Annual Meeting Agenda

September 28, 2020

1. Call to order at 5:30 PM
2. Acceptance of 2019 Meeting Minutes
3. Chairman of the Board Report
4. Chief Executive Officer Report
5. Treasurer Report
6. Supervisory Committee Report
7. Scholarship Winners Announced
8. Old Business
9. New Business
10. Nominating Committee: Election Results
11. Raffle Prize Overview
12. Adjournment

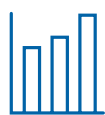


Statement of Condition

	12/31/19	% of Assets	12/31/18	% of Assets	Growth Since Year End
ASSETS					
MEMBER LOANS	34,324,336	84.61%	36,719,717	76.76%	-2,395,381
ALLOWANCE FOR LOAN LOSS	-1,162,300	-2.87%	-1,129,471	-2.36%	32,829
CASH ON HAND	731,213	1.80%	1,205,632	2.52%	-474,419
INVESTMENTS	3,228,000	7.96%	7,740,820	16.18%	-4,512,820
PREPAIDS	121,717	0.30%	1,762,137	3.68%	-1,640,420
FIXED ASSETS	771,696	1.90%	915,874	1.91%	-144,178
ACCRUED INCOME	55,929	0.14%	106,386	0.22%	-50,457
OREO ACCOUNT	0	0.00%	55,800	0.12%	-55,800
PROVISIONAL ACCOUNT	1,083	0.00%	9,055	0.02%	-7,972
NCUA SHARE INS FUND	402,886	0.99%	449,299	0.94%	-46,413
TOTAL ASSETS	40,565,677	100.00%	47,835,249	100.00%	-7,269,572
LIABILITIES					
ACCOUNTS PAYABLE	-724.98	0.00%	258,358	0.54%	-259,083
TAXES PAYABLE	1936	0.00%	5,557	0.01%	-3,621
ACCRUALS	119,945	0.30%	181,719	0.38%	-61,774
GAP STAFF PAYABLE	985	0.00%	1,014	0.00%	-29
VISA REWARDS	45,696	0.11%	54,708	0.11%	-9,012
TOTAL LIABILITIES	167,837	0.41%	501,356	1.04%	-333,519
EQUITY					
MEMBER SHARES	37,702,872	92.94%	44,088,351	92.17%	-6,385,479
REGULAR RESERVE	175,013	0.43%	175,013	0.37%	0
UNDIVIDED EARNINGS	1,542,397	3.80%	2,092,970	4.38%	-550,573
EQUITY ACQUIRED IN MERGER	977,559	2.41%	977,559	2.04%	0
TOTAL EQUITY	40,397,841	99.59%	47,333,893	98.95%	-6,936,052
LIABILITIES + EQUITY	40,565,677	100.00%	47,835,249	100.00%	-7,269,572

Income/Expenses – YTD

INCOME					
INCOME					
TOTAL LOAN INCOME	2,646,025	70.28%	3,098,119	70.32%	-452,094
INCOME FROM INVESTMENTS	160,701	4.27%	154,368	3.50%	6,333
FEES AND CHARGES	113,653	3.02%	249,526	5.66%	-135,873
ACH/SHARE DRAFT/ATM FEES	22,772	0.60%	12,626	0.29%	10,146
BAD ADDRESS FEE INCOME	1,889	0.05%	1,679	0.04%	210
ACH FEE INCOME	296,366	7.87%	303,072	6.88%	-6,706
SHARE DRAFT FEE INCOME	30,720	0.82%	38,260	0.87%	-7,540
ATM FEE INCOME	265,048	7.04%	365,494	8.30%	-100,446
VISA C/C INTERCHANGE	51,416	1.37%	54,811	1.24%	-3,395
VISA C/C FEES	76,337	2.03%	74,745	1.70%	1,592
HELOC FEE INCOME	105	0.00%	105	0.00%	0
LATE FEE INCOME	31,001	0.82%	22,640	0.51%	8,361
MISC OPERATING INCOME	70,087	1.86%	30,183	0.69%	39,904
TOTAL INCOME	3,765,040	100.00%	4,405,628	100.00%	-640,588
EXPENSE					
SALARIES & BENEFITS	1,937,243	51.45%	2,064,053	46.90%	-126,810
MISC EXPENSES	12,350	0.33%	39,052	0.89%	-26,702
OFFICE OPERATIONS	1,564,403	41.55%	1,546,860	35.11%	17,543
PROVISION FOR LOAN LOSSES	733,355	19.48%	1,309,875	29.73%	-576,520
TOTAL EXPENSES	4,247,351	112.81%	4,959,840	112.58%	-712,489
NET BEFORE DIVIDENDS	-482,311	-12.81%	-554,209	-12.58%	71,898
DIVIDEND EXPENSE	368,077	9.78%	375,521	8.52%	-7,444
TOTAL DIVIDENDS	368,077	9.78%	375,521	8.52%	-7,444
NET AFTER DIVIDENDS	-850,388	-22.59%	-972,730	-22.08%	122,342
TOTAL NON OP INC/EXP	299,814	7.96%	-4,632	-0.11%	304,446
NET INCOME	-550,574	-14.62%	-934,361	-21.21%	383,787



Report From The Treasurer

The following are key financial areas of our Credit union for fiscal year 2018. The year-to-date Statement of Condition and Income and Expense Report are included. Please take a

few minutes to read this information, and we will be happy to answer any questions you might have.

	2019	2018	2017
Assets:	40,565,677	50,676,663	57,270,711
Loans Outstanding:	34,324,336	36,719,717	37,746,523
Gross Income:	3,765,040	4,405,630	4,525,182
Operating Expenses:	4,247,351	4,964,471	5,223,509
Dividend Expenses:	368,077	375,521	442,040
Sur-plus:	-550,574	-934,362	-1,140,367
Capital:	2,694,968	3,245,542	4,179,904
Capital to Asset Ratio:	6.64%	6.78%	8.25%
Loan Delinquency:	3.08%	3.25%	3.33%
Loans Losses:	994,842	1,163,557	1,544,245
Expense to Cover Loan Losses:	733,355	1,309,875	1,712,484
Presently Allocated to Cover Future Loan Losses:	1,162,300	1,129,471	791,189
Loan Granted:	11,181,308	13,370,707	12,954,506





Minutes from Annual Meeting

April 29, 2019

CALL TO ORDER

Meeting was called to order by Ken Kennedy, Chairman of the Board at 5:45 PM.

APPROVAL OF THE 2018 MINUTES

A motion was made to accept the minutes from the 2018 Annual meeting. The motion was seconded. There was no discussion. All present voted in favor of the motion, motion passed.

ELECTION OF THE BOARD

Dorothy Shirley gave a report from the Nominating Committee. The Committee recommended Agnes DeLeon, Jean Holloway, Joe Quinn and Rich Couture to fill the four board positions. A motion was made to accept the proposed nominees, motion was seconded and all were in favor, motion passed.

TREASURER'S REPORT

Jean Holloway is our Treasurer but was unable to make the meeting due to being in session at the State Capitol. Ken Kennedy gave the report covering the following areas: Assets, Loans, Gross Income, Operating Expense, Profit, Capital, Capital Asset Ratio, Deposits, Loan Delinquency, Loan Losses, Expenses to Cover Loan Losses.

The following are key financial areas of our Credit union for fiscal year 2018. The year-to-date Statement of Condition and Income and Expense Report are included. Please take a few minutes to read this information, and we will be happy to answer any questions you might have.

	2018	2017	2016
Assets:	\$47,835,249	\$ 50,676,663	\$ 57,270,711
Loans Outstanding:	\$36,719,717	\$ 37,746,523	\$ 40,172,265
Gross Income:	\$4,405,630	\$ 4,525,182	\$ 4,574,714
Operating Expenses:	\$4,964,471	\$ 5,223,509	\$ 3,907,751
Dividend Expenses:	\$375,521	\$ 442,040	\$ 554,877
Sur-plus:	\$(934,362)	\$ (1,140,367)	\$ 112,087
Capital:	\$3,245,542	\$ 4,179,904	\$ 5,320,270
Capital to Asset Ratio:	6.78%	8.25%	9.28%
Loan Delinquency:	3.25%	3.33%	4.86%
Loans Losses:	\$1,276,597	\$ 1,544,245	\$ 631,108
Expense to Cover Loan Losses:	\$1,309,875	\$ 1,712,484	\$ 419,847
Presently Allocated to Cover Future Loan Losses:	\$1,129,471	\$ 791,189	\$ 512,427
Loan Granted:	\$13,370,707	\$ 12,954,506	\$ 20,485,504

CHAIRMAN'S REPORT

The Credit union closed two of its five branches in February of this year. The decision to do this was based on the size of the Credit union as was an operational efficiency to put the Credit union more in line with its' current asset size.

The Board hired an outside audit firm to look at different loans that may be defaulting and what we have for outstanding loan losses. The Board feels the Credit union has come to the bottom of loan losses. The Board replaced the CEO, hiring Erika Brown who accepted the position in February 2019. Erika was the former CEO of New Haven County Credit union. The Board is pleased with her hire. They had close to 10 to 15 candidates. Initially interviewed five candidates. The full Board interviewed four of the candidates. Erika had a prescheduled family vacation and had to miss the annual meeting. Erika is at the Franklin Ave branch for you to visit.

The Chairman welcomed the new Board members!

A motion was made to approve the Treasurer's report and was seconded, all in favor, motion was passed.

Ken stated that the Credit union had an extensive audit from the NCUA. The two main concerns were computer access and loan mitigation. Ken feels the Credit union is heading in the right direction reducing the size of the Credit union while offering the same services.

SUPERVISORY REPORT

The Supervisory committee's report stated that they are waiting for the final results of the 2018 external audit. Once the report is ready, it will be made public to the members.

Ken opened up the floor to member questions. A member asked why the Credit union has shrunk from \$57 million in assets in 2016 to now \$47 million in assets in 2018. Ken stated that the main reason was from loan shrinkage. Ken said that the Credit union was trying to shrink to put us in a better financial position. Ken said that for a Credit union our size we were a little bloated. We had too many branch locations, which is why we closed two of our branches in February 2019. He stated that we own our Franklin Ave and North Hartford branches and that is why we kept those locations open. We also kept our High Street branch open to keep the services closely available to our Police and Firefighters. The branch across from City Hall and the East Hartford locations were both very low transaction branches. That is why we closed those locations.

Ken stated that the loan policies have been updated to reduce the amount of personal loans that an individual member can take out. This helps to reduce risk and also is part of the reason the Credit union is shrinking. He said he knows that some members have a concern because it also includes holiday and vacation loans. But the main goal is to keep the Credit union open and profitable.

The member stated that he doesn't see us out in the Community that much. Ken said that we are working on increasing our outreach and our territory to work on growing the Credit union. Ken said that we know we should do a better job letting the community know what we have to offer them. We will address more outreach this year.

SCHOLARSHIP PRESENTATION

Joe Quinn presented the Scholarship Awards. Joe stated that he has been a Board member for nearly seven years now. He said that the Board wants to help out the members with the expense of an education. There were three \$1,000 scholarship awards given out.

Yael Santiago

Currently Attending – Northwest Catholic High School

Planning to Attend – Central Connecticut State University

Area of Study – Computer Science

Roy Clemens

Currently Attending – Capital Preparatory Magnet High School

Planning to Attend – UCONN

Area of Study – Business Administration

Mikayla Williams

Currently Attending – University High School of Science and Engineering

Planning to Attend – Clark Atlanta University

Area of Study – Criminal Justice

OLD BUSINESS

Ken asked if there was any Old Business, there was none.

NEW BUSINESS

Ken asked if there was any new Business, there was none.

Ken then welcomed Agnes DeLeon to the Board and thanked her for her service.

Motion was made to adjourn, motion was seconded and all were in favor. The motion was passed and the meeting was adjourned at 6:10 PM.

Cencap Sponsored Events



Sprint/Love my Credit Unions Rewards Program Information Table



Lunch N Learn: Community Renewal Team



Financial Reality Fair: Asnuntuck Community College



Financial Literacy Workshop: The Hartford Yard Goats Young Ambassadors



Annual Cookies with Santa: Bushnell Park



Bi-Annual Shred Day September 2020: Terry Square Office

We offer our services to anyone that **lives, works, learns, or prays in the Hartford area**. Immediate family members are always welcomed, regardless of where they live, work, learn, or pray. Becoming a member is easy! Simply have your friend or family member stop by any of our branch locations, or they can apply online. Go to cencap.com and click on the Join Now button and they can become a member in minutes.



Centered Around Our Members

Locations: 443 Franklin Avenue, Hartford | 523 High Street, Hartford | 2775 Main Street, Hartford



cencap.com

