



**CENTRA**  
CREDIT UNION

**2021** ANNUAL REPORT

Federally insured by NCUA.

# Table of ***Contents***

<b>1</b>	Chairperson's Report
<b>2</b>	President's Letter
<b>3</b>	Board of Directors
<b>4</b>	Supervisory Committee
<b>5</b>	Senior Management
<b>6</b>	Member Growth
<b>8</b>	Member Experience
<b>10</b>	Team Member Experience
<b>12</b>	Technology
<b>14</b>	Physical Infrastructure
<b>16</b>	Centra Foundation
<b>18</b>	Treasurer's Report
<b>19</b>	Statement of Financial Condition
<b>20</b>	Statement of Income
<b>21</b>	Statement of Comprehensive Income
<b>22</b>	Statement of Members' Equity
<b>23</b>	Statement of Cash Flows

# Chairperson's *Report*



**Jim Bickel**  
Chairperson

This past year marked an important milestone for Centra Credit Union; our 5-in-5 strategic plan officially concluded. Initiated in 2017, this plan focused on the key tenets of Member Growth, Member Experience, Team Member Experience, Technology, and Physical Infrastructure.

When we created the 5-in-5 strategic plan, we also set aspirational goals that we knew would be extremely challenging. Centra's leadership chose to set the bar high because it drives us in the right direction. In spite of these goals being aspirational, we came remarkably close to hitting all marks and exceeded some goals.

For example, we set goals of \$2.04 billion in assets and 130,000 primary Members. At the end of 2016 before this plan officially kicked off, Centra had \$1.36 billion in assets and a little more than 108,000 primary Members. Considering those numbers had been 76 years in the making, our aspirations were elevated. However, at the end of 2021, we were celebrating \$1.96 billion in assets and more than 145,000 primary Members.

Throughout this report, you will read about the culmination of our 5-in-5 strategic plan. While these successes were achieved in 2021, they were the result of years of hard work.

# President's *Letter*



**Rick Silvers**  
President & CEO

I am amazed by what our Team Members and Members have helped us achieve in the past year as well as during the past five years. While Centra has celebrated tremendous growth throughout the duration of our 5-in-5 strategic plan, our focus is not on simply becoming a larger credit union. Rather, some of our goals are giving others the opportunity to experience the benefits of a credit union and improving the experience we provide our Members.

Credit unions are built differently. They are not-for-profit, which means they serve their Members who are also the owners. This unique structure gives credit unions like Centra more flexibility to meet our Members wherever they are in their financial lives.

Since we exist to serve our Members, their feedback plays a significant role in our planning. This past year was no different as we developed our next strategic plan. Our plan **4 The Future** will focus on the tenets of Member Experience, Team Member Experience, Organizational Health, and Operational Excellence. Throughout the next four years, our team will focus on improving experiences, creating efficiencies, and ensuring the continued financial health of the Credit Union.

These tenets also feed into the new vision statement we developed in 2021: Creating value for Members, Team Members, and the Communities we serve. Centra Credit Union was founded based on the value access to low-cost credit provides, and creating value is what we continue to do.

# Board of *Directors*



**Jim Bickel**  
Chairperson



**Donald Jackson**  
Vice Chairperson



**Brian McBroom**  
Secretary/Treasurer



**Joseph Brown**



**Loretta M. Burd**



**Randy Proffitt**



**Kevina Schumaker**



**Mary Stroh**



**Kesavan Venugopal**

# Supervisory ***Committee***



**Christopher Orben**  
Committee Chair



**Mark Eddy**



**Sara Jacobi**



**Jody Heazlitt**



# Senior *Management*



**Rick Silvers**  
President & CEO



**Patty Knorr**  
Chief Experience Officer



**Brad Davis**  
Chief Credit Officer



**Dave Mann**  
Chief Financial Officer



**Chris Bottorff**  
So. Region President  
Chief Sales Officer



**Norb Adrian**  
Chief Information Officer







---

# Member *Growth*

Centra Credit Union saw the culmination of a multi-year project in 2021 with our launch of Member Loyalty Rewards and streamlined checking account options. Early in this project, we surveyed our Members and found that more than 85% of Members who were surveyed were not even sure Centra had a rewards program.

This finding fed the multi-year effort to not only revamp our rewards program, but to ensure that those rewards were valuable to our Members. Through additional research, we determined that cash was the most valuable, useful reward. We then paired that cash with the savings and earnings that helps Centra grow.

The launch of the new program in the first half of 2021 was very successful for Centra. Our new Cashback Checking account appealed to existing and potential Members. As a result, we far exceeded our deposit targets and achieved more than \$42 million in core checking growth. We also announced two Member Loyalty Bonuses in 2021 that totaled \$3.5 million to boost our Members' rewards. With these bonuses, we still established a new benchmark for net income at more than \$16 million.

Centra also exceeded loan production goals through our Retail, Contact Center, Commercial, Mortgage, and Indirect Teams. Our Business and

Commercial Teams saw growth this year while navigating two rounds of Paycheck Protection Program (PPP) loans, and our Mortgage Team had its second-best year in Centra history, achieving more than \$190 million in loan production. Our Indirect Team executed a \$13 million indirect loan sale while building relationships with dealers.

Centra Financial Services (CFS) also had a record year, establishing a new benchmark for revenue and net income while serving a record number of Members. In addition, we achieved record Gross Dealer Concession (GDC) revenue, which is revenue from the sale of commissioned securities and insurance. Our CFS Team continued to migrate business to CFS Title, increasing revenue through that channel as well.

Overall, Centra's Membership grew by 6.5% in 2021, ending the year with more than 180,000 Members. That means we were able to extend our services to more than 11,000 new Members. When Centra grows, more opportunities for giving back to our Members and Communities are created. As a not-for-profit financial institution, our profits go back to our Members. That means as we grow, we can offer more services to help our Members achieve their major financial goals and plan for the future.





---

# Member *Experience*

Providing the best experiences for our Members continues to be a priority for Centra. Managing your finances with Centra should be easy. While navigating the “new normal” of the COVID-19 Pandemic continued to bring some unique challenges, our Members were our focus. In fact, we achieved a 91% Member retention rate which speaks to the exceptional service our Team Members provide.

One way we learn about our opportunities is through surveys to our Members. The feedback we receive helps us identify what matters to our Members and what areas we should prioritize. Whenever a selected Member takes the time to share their experience, we carefully review their ratings and comments. This year, we improved our reporting to help us address the opportunities for improvement our Members shared.

In addition to improving our reporting, we also enhanced our outreach process to follow-up with our Members who responded to our surveys. This process completed the feedback loop and allowed us to have two-way conversations about what Centra does well and what our opportunities are. These conversations let us dig deeper into the pain points Members report on our surveys.

Addressing those pain points makes your

banking experience smoother. For instance, we implemented a new mortgage application to provide a single place for Members to upload and review documents and monitor the status of their application. Similarly, we centralized our loan processing for a more engaging experience. We also removed our two-day hold on mobile deposits, giving Members access to their deposits in the same business day.

Keeping those deposits and our Members’ accounts safe is essential, and we were honored to be recognized in the top 200 safest Credit Unions by DepositAccounts.com once again. This ranking is out of nearly 6,000 credit unions. One way we protect our Members is by continuously monitoring for suspicious activity or fraud attempts. In 2021, our Loss Mitigation Team quickly identified and addressed attempted fraud to minimize the impact to our Members.

Toward the end of the year, we also refreshed Centra.org, updating to a clean and fresh online presence. This refresh features a consolidated login area you can access from anywhere on the site, a new mega-menu so you can find what you need quickly in fewer clicks, and an enhanced blog where you can explore whichever topic interests you most.





---

# Team Member *Experience*

A career at Centra Credit Union is more than a job. It's an opportunity to make a meaningful difference in our Members' financial lives and help them reach their goals and dreams. Our Team Members love the work they do, and we can see that in the results of our Team Member engagement survey. Centra remained in the top 10% of global financial institutions.

Building a career at Centra is one way to maintain that engagement. When Team Members know what skills and competencies are necessary for a certain position, they can more easily plan their development for the next step in their career. That's why we standardized our internal job profiles in 2021, improving consistency and helping identify career path opportunities. Centra also demonstrated an internal promotion rate of 60% for open positions, once again showing that Team Members do advance their career with Centra.

When it comes to a Team Member's career

development, they work one-on-one with their supervisor to identify their goals and discuss their path forward. To aid in this process, Centra implemented a coaching-based performance management model. With this model, two-way assessments take place periodically. Each Team Member has the opportunity to assess their own performance, identify opportunities, and choose discussion topics they would like to explore.

Ultimately, the COVID-19 Pandemic has had a significant impact on the job market and the overall employment landscape. However, Centra proudly maintained an 80% Team Member retention rate in this unique environment, which is on par with what we experienced in previous years. We also faced record low unemployment in the counties we work in. As we move forward, we will continue to expand development opportunities for Team Members while supporting flexibility and work-life balance.



What can I help you with?

Hi, my name is Sam your virtual assistant! What can I do for you today?

What are your branch hours?

Can I live chat with someone?

How do I check my account balance?

How can I make a payment?

What if I locked my account or forgot my login information?

Type your question here

Locations
Make an Appointment
Log In

Bank
Borrow
Invest & Insure
Business
About
Learn

Our Members are the reason for everything we do.

**"I was not just another person in line. I felt special."**

MEGAN | CENTRA MEMBER

Become a Member

**Centered Around You**

As a not-for-profit financial institution, our profits go back to you in the form of cash rewards, better rates, and lower fees.

Our Difference

---

# Technology *Updates*

The digital world continues to evolve, and we remain focused on continuously improving our Members' digital experience with Centra. In 2021, we added the option to chat with a live agent from Centra.org, installed more Interactive Teller Machines (ITMs), and introduced contactless debit cards.

We shared in our 2020 Annual Report that Centra now has a Digital Experience Team following a digital roadmap to enhance our technology. One of the next steps is upgrading our digital banking. Much of the feedback we've received from Members is about Online and Mobile Banking, and we look forward to launching this new platform, based on that feedback, in 2022.

As you read earlier in this report, security is a top priority for us. That's why we upgraded our plastic card fraud scoring and dark web monitoring tools to ensure we can continue identifying suspicious activity and potential risks early. The dark web monitoring tools help us

identify card numbers that are being sold on the dark web so we can block them before any fraudulent activity has even been attempted.

Technology also presents further opportunities for efficiency and cost-savings. For example, our Commercial and Business Teams implemented new loan software that brought greater efficiencies, and we updated how our indirect loans are funded to improve efficiency and reduce paper usage. Our Transaction Processing Team benefited from reducing the use of paper as well, developing a completely paperless operating rhythm. This reduction in paper usage also lowers our carbon footprint.

Quick and easy-to-use digital options enhance your banking experience while helping Centra achieve greater efficiencies. The way people manage their money is constantly evolving, and by improving our digital experience, we will be ready to meet our Members where they are and when they want.







---

# Physical *Infrastructure*

Three physical infrastructure projects were in progress throughout 2021. While our branch relocations were the most noticeable, we also completed a branch remodel.

We first relocated our Union Street Team to a new location at 501 Washington Street in downtown Columbus. Not only was this a milestone for us as our first downtown Columbus location, but we also continued the tradition of a financial institution occupying the building for more than 100 years. With this new facility, we were able to expand our available services with Business Services, Centra Financial Services, and Mortgage Team Members in the same location.

Our location in Walmart in Scottsburg also got a facelift. During the refresh of our Scottsburg Walmart location, we added an ITM, installed

new desks, and replaced the flooring and lighting. These upgrades gave the location a more vibrant, refreshed look to welcome our Members into the space.

Our Edinburgh Team was excited to break ground on our new location in the first half of the year. The town of Edinburgh is located in three counties where many of our Members live and work: Bartholomew, Johnson, and Shelby counties. As we have outgrown our current location, we began construction on a new building right off US 31, just one mile north of our original location. This upgraded facility gives us the opportunity to better meet our Members' needs with a more spacious location that offers three drive-thru lanes.

Looking forward to 2021, we are excited to continue investing in the Communities we serve!

# Centra *Foundation*

The Centra Foundation is the charitable arm of Centra Credit Union and was formed to extend the credit union mission of People Helping People. The Centra Foundation is Centered on Caring and aims to involve Centra Team Members, Members, and community members in supporting charitable efforts that help meet the needs of communities where Centra Members live and work.

## HOLIDAY GIVING

Centra Credit Union is pleased to work with local partner agency programs each year to bring gifts to local children in need during the holidays. Centra Team Members always look forward to having the opportunity to give back to our local communities and to help provide a brighter holiday to local families in need. We were excited to raise more than \$48,000 to help 480 children for the holidays in 2021.

**\$48,000**

## SCHOLARSHIPS

**\$67,500**

Centra invests in our Members' futures. One way we do this is through our Loretta

M. Burd Scholarship Program. We know that education can open doors, and we want to support those who choose to pursue a higher education at a college, university, or technical/trade school! A total of 27 scholarships equaling \$67,500 were awarded to deserving students to help them further their education in 2021. One scholarship per Centra location was awarded, and three additional scholarships were awarded to adult students. We also award two internal scholarships each year to a Team Member and a Team Member's immediate family member.

**\$107,500**

## Team Member Nominated Donations:

Our Team Members are asked to nominate the non-profits they feel passionate about supporting each year, and one non-profit is selected for each branch and department within the organization. The Centra Foundation donated grants to 39 non-profits throughout the Communities we serve for a total of \$107,500 in donations! Centra Team Members are really involved in our Communities, and they love being able to support the causes they care about through this program. Non-profit organizations are valuable assets to our Communities, and we're excited to help them achieve their missions. We're grateful for these organizations that provide much needed services within our Communities, and supporting them is an honor.

# \$96,000

## United Way

Centra Team Members participate in a United Way Workplace Campaign each year. In 2021, we celebrated our best year yet! More than 50% of Centra Team Members participated by pledging to donate. With their generosity, we raised more than \$96,000 for the local United Way chapters in our footprint. We love supporting the very critical work they do.

## Teaming Up with Teachers

Centra also values the wonderful educators in our Communities. During our 2021 Teaming Up with Teachers social media giveaway, local teachers shared their stories and what they need for their classrooms. Four teachers were randomly selected to win a \$500 gift card for their classroom! These individuals do a lot for their students, so every teacher who participated was surprised with a \$50 gift card.

## FINANCIAL EDUCATION

One key to lifelong financial success is financial education. However, learning about money isn't the most exciting way to spend your time. That's why Centra Credit Union partnered with Zogo, a financial education app that lets you earn while you learn! The app, which was developed by a group of Duke University students, guides users of all ages through 300+ bite-sized financial educational modules. As you complete modules, you can gain experience points and, more importantly, knowledge. Then you can put your knowledge to the test in the daily 'pineapple party' where you can earn pineapples that can be redeemed for gift cards to your favorite stores. Since we launched Zogo to Members in June 2021, 5,000 users have signed up to earn while they learn.

## CENTRA PAYS IT FORWARD

In honor of the credit union mission of People Helping People and Centra's commitment to service, we want to celebrate how one small act of kindness can make a big impact in our Communities. That's why each of our Team Members received one \$20 gift card to Pay It Forward during our company service training on October 11, 2021. Team Members chose how they wanted to use their gift cards to give back to their communities. Some chose to donate food, clothing, and other necessities to non-profits while others gave them to shoppers at the grocery store. All acts of kindness, no matter big or small, can leave a huge impact.

## Volunteerism

Centra Team Members care about their communities and choose to donate hundreds of service hours each year to great community organizations and events. During 2021, these included:

United Way Day of Caring and Day of Service

Metro United Way Build a Bed

Salvation Army Bell Ringing

Love Chapel Christmas Pantry

Columbus Firemen's Cheer Fund

# Treasurer's *Report*



**Brian McBroom**  
Secretary/Treasurer

2021 brought with it continued impacts from the COVID-19 Pandemic. This included near-historically low interest rate levels and increased excess liquidity from federal stimulus efforts. Through this environment, Centra took steps to optimize our financial structure to ensure continued return to our Membership, even during a time with compressed interest rates.

As a result of the many efforts of the Centra Team, some of which you have read about already in this report, Centra established a new net income benchmark in 2021 while simultaneously providing record payouts to our Members through Member Loyalty Rewards, a first for Centra. This program lets Members build savings automatically through their use of Centra's products and services, which in turn helps Centra grow – a true win-win.

It is this type of balanced approach to returning value that makes credit unions, and Centra, so unique. As we embark on the next strategic plan, creating value is at the forefront. 2021 proved that Centra's financial foundation is a strong one to advance this endeavor.



CENTRA CREDIT UNION

# CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION

As of December 31, 2021 and 2020

<b>Assets</b>	<b>2021</b>	<b>2020</b>
Cash and cash equivalents	\$133,718,101	\$179,116,176
Interest bearing deposits	274,041	1,511,271
Investment securities:		
Available-for-sale	312,913,157	240,630,461
Held-to-maturity	6,592,315	11,527,112
Loans held-for-sale	1,811,975	5,082,693
Loans to members, net of allowance for loan losses	1,423,218,917	1,308,864,473
Accrued interest receivable:		
Loans	3,738,913	4,044,073
Investments	670,661	584,158
Property and equipment	42,616,352	39,548,387
Federal Home Loan Bank (FHLB) stock	3,451,700	3,451,700
National Credit Union Share Insurance Fund (NCUSIF) deposit	14,786,726	13,358,205
Other assets	20,372,417	19,274,040
<b>Total assets</b>	<b>\$1,964,165,275</b>	<b>\$1,826,992,749</b>
<b>Liabilities and Members' Equity</b>		
Liabilities:		
Members' shares and savings accounts	\$1,676,905,534	1,527,647,374
Borrowed funds	31,000,000	57,000,000
Other liabilities	22,258,923	19,429,266
<b>Total liabilities</b>	<b>1,730,164,457</b>	<b>1,604,076,640</b>
<b>Commitments and contingent liabilities</b>		
Members' equity:		
Regular reserve	97,695,373	88,849,860
Undivided earnings	138,415,076	130,288,789
Accumulated other comprehensive (loss)/ income	(2,109,631)	3,777,460
Total members' equity	234,000,818	222,916,109
<b>Total liabilities and members' equity</b>	<b>\$1,964,165,275</b>	<b>\$1,826,992,749</b>

## CENTRA CREDIT UNION

# CONSOLIDATED STATEMENTS OF INCOME

Years Ended December 31, 2021 and 2020

	2021	2020
<b>Interest income:</b>		
Loans to members	\$54,292,516	\$52,322,118
Investments	4,363,007	3,940,817
Total interest income	58,655,523	56,262,935
<b>Interest expense:</b>		
Members' shares and savings accounts	9,860,374	9,831,083
Borrowed funds	942,116	1,173,030
Total interest expense	10,802,490	11,004,113
Net interest income	47,853,033	45,258,822
Provision for loan losses	897,894	4,649,544
Net interest income after provision for loan losses	46,955,139	40,609,278
<b>Non-interest income:</b>		
Fees, charges and other member fees	9,263,391	8,940,593
Interchange income	10,013,711	8,524,709
Insurance commissions	4,360,707	3,768,797
Other income	3,388,615	2,444,015
Gain on sale of loans	2,756,122	3,348,695
Total non-interest income	29,782,546	27,026,809
<b>Non-interest expenses:</b>		
Employee compensation and benefits	26,791,916	26,166,732
Professional and outside services	13,888,151	12,824,187
Office operations	5,743,877	5,637,207
Office occupancy	4,836,263	4,358,366
Other	3,229,650	2,132,775
Loan servicing	3,154,150	2,804,553
Educational and advertising	1,697,242	1,697,393
Indiana financial institution tax	424,636	219,929
Total non-interest expenses	59,765,885	55,841,142
<b>Net income</b>	<b>\$16,971,800</b>	<b>\$11,794,945</b>

CENTRA CREDIT UNION

# CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME

Years Ended December 31, 2021 and 2020

	2021	2020
Net income	\$16,971,800	\$11,794,945
<b>Other comprehensive income:</b>		
Available-for-sale investment securities:		
Net unrealized holding (losses)/gains on available-for-sale investment securities	(5,801,708)	2,809,722
Reclassification adjustment for net gains included in net income	(85,383)	(264,938)
Other comprehensive (loss)/income	(5,887,091)	2,544,784
<b>Comprehensive income</b>	<b>\$11,084,709</b>	<b>\$14,339,729</b>

CENTRA CREDIT UNION

# CONSOLIDATED STATEMENTS OF MEMBERS' EQUITY

Years Ended December 31, 2021 and 2020

	Regular Reserve	Undivided Earnings	Accumulated Other Comprehensive Income/(Loss)	Total
Balance,				
December 31, 2019	\$80,521,133	\$126,822,571	\$1,232,676	\$208,576,380
Net income	-	11,794,945	-	11,794,945
Required reserve transfer	8,328,727	(8,328,727)	-	-
Other comprehensive income	-	-	2,544,784	2,544,784
Balance,				
December 31, 2020	88,849,860	130,288,789	3,777,460	222,916,109
Net income	-	16,971,800	-	16,971,800
Required reserve transfer	8,845,513	(8,845,513)	-	-
Other comprehensive loss	-	-	(5,887,091)	(5,887,091)
Balance,				
<b>December 31, 2021</b>	<b>\$97,695,373</b>	<b>\$138,415,076</b>	<b>(\$2,109,631)</b>	<b>\$234,000,818</b>



CENTRA CREDIT UNION

# CONSOLIDATED STATEMENTS OF CASH FLOWS

Years Ended December 31, 2021 and 2020

	2021	2020
<b>Cash flows from operating activities:</b>		
Net income	\$16,971,800	\$11,794,945
Adjustments to net cash provided from operating activities:		
Provision for loan losses	897,894	4,649,544
Depreciation and amortization	3,491,091	3,111,405
Gain on sale of loans	(2,756,122)	(3,348,695)
Net amortization and accretion on investment securities	3,375,953	1,775,110
<b>Changes in assets and liabilities:</b>		
Increase in other liabilities	2,829,657	4,169,804
Increase in other assets	(1,098,377)	(7,664,188)
Decrease/(increase) in loans held-for-sale	3,270,718	(3,211,678)
Decrease/(increase) in accrued interest receivable	218,657	(707,238)
Total adjustments	10,229,471	(1,225,936)
<b>Net cash provided from operating activities</b>	<b>27,201,271</b>	<b>10,569,00</b>

## CASH FLOWS (continued)

	2021	2020
<b>Cash flows from investing activities:</b>		
Net change in loans to members	(112,496,216)	(89,114,780)
Proceeds from maturities, calls, paydowns, and sales of available-for-sale investment securities	105,984,502	86,492,725
Proceeds from the maturities, calls and paydowns of held-to-maturity investment securities	4,919,573	7,310,807
Purchase of available-for-sale investment securities	(187,515,018)	(163,236,853)
Purchase of interest bearing deposits	—	(1,247,006)
Maturities of interest bearing deposits	1,237,230	—
Increase in NCUSIF deposit	(1,428,521)	(1,435,461)
Purchase of FHLB stock	—	(408,500)
Purchase of property and equipment	(6,559,056)	(13,507,079)
<b>Net cash used in investing activities</b>	<b>(195,857,506)</b>	<b>(175,146,147)</b>
<b>Cash flows from financing activities:</b>		
Net change in members' shares and savings accounts	149,258,160	235,413,629
Proceeds from new borrowed funds	—	15,000,000
Payments on borrowed funds	(26,000,000)	(1,000,000)
<b>Net cash provided from financing activities</b>	<b>123,258,160</b>	<b>249,413,629</b>
Net (decrease)/increase in cash and cash equivalents	(45,398,075)	84,836,491
Cash and cash equivalents - beginning	179,116,176	94,279,685
Cash and cash equivalents - ending	<u>\$133,718,101</u>	<u>\$179,116,176</u>
<b>Supplemental Information</b>		
Interest paid	<u>\$10,802,490</u>	<u>\$11,004,113</u>



