

OKLAHOMA BANKERS ASSOCIATION
Meeting of the Board of Directors
10:30 a.m., Thursday, Aug. 22, 2024

TENTATIVE AGENDA

- 1) Call to order
- 2) Report of audit from Forvis
- 3) Consent agenda
 - a) Report of audit
 - b) Approval of agenda and previous meeting minutes
 - c) Financial statements
- 4) Group question
- 5) OBA strategic plan and board orientation
 - a) Board orientation
 - b) Updated strategic plan
- 6) Staff reports
 - a) Education and training
 - b) OBASCO
 - c) GRC and PAC report
 - i) State issues
 - ii) Federal issues
 - iii) PAC report
 - d) Member relations
 - e) External/internal communications
 - f) Fraud department
- 7) Board calling reports
- 8) Other business
- 9) Adjournment

NOTE: ITEMS IN RED FONT INDICATE BOARD ACTION IS REQUIRED.

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AGENDA SUMMARY

Agenda – A tentative agenda for the board meeting on Thursday is enclosed with this agenda summary for your review.

ANY ITEMS REQUIRING BOARD ACTION APPEAR IN RED.

Report of Audit from Forvis — Included in your board packet, as **Exhibit A**, is the report of audit from the previous fiscal year. Representative from Forvis will be on hand at the board meeting to give a short presentation and to answer any questions about the audit and its results.

Consent Agenda — Report of audit — As mentioned above, in your board packet, as **Exhibit A** is the report of audit from the previous fiscal year.

Question Presented: Whether to accept and approve the report of audit as presented.

Board minutes — The minutes from the May board meeting and executive committee meeting are in the board packet as **Exhibit B**.

Question Presented: Whether to accept and approve the May board minutes as presented.

Financials — Following is a summarized view of the consolidated and association-only income statements.

Consolidated Performance

	Actual	Plan	Prior Year
Income	\$ 769,330	\$ 679,464	\$ 694,623
Expense	<u>537,790</u>	<u>652,883</u>	<u>541,377</u>
Net Profit (Loss)	\$ 231,540	\$ 26,581	\$ 153,246

The consolidated entities have a Net Income of \$231,540 which is significantly better than Plan and Prior Year. On a consolidated basis, Actual Income is greater than Plan by \$89,866/13% and Prior Year by \$74,707/11%. Consolidated Expense is less than Plan (\$115,093/18%) and comparable to Prior Year.

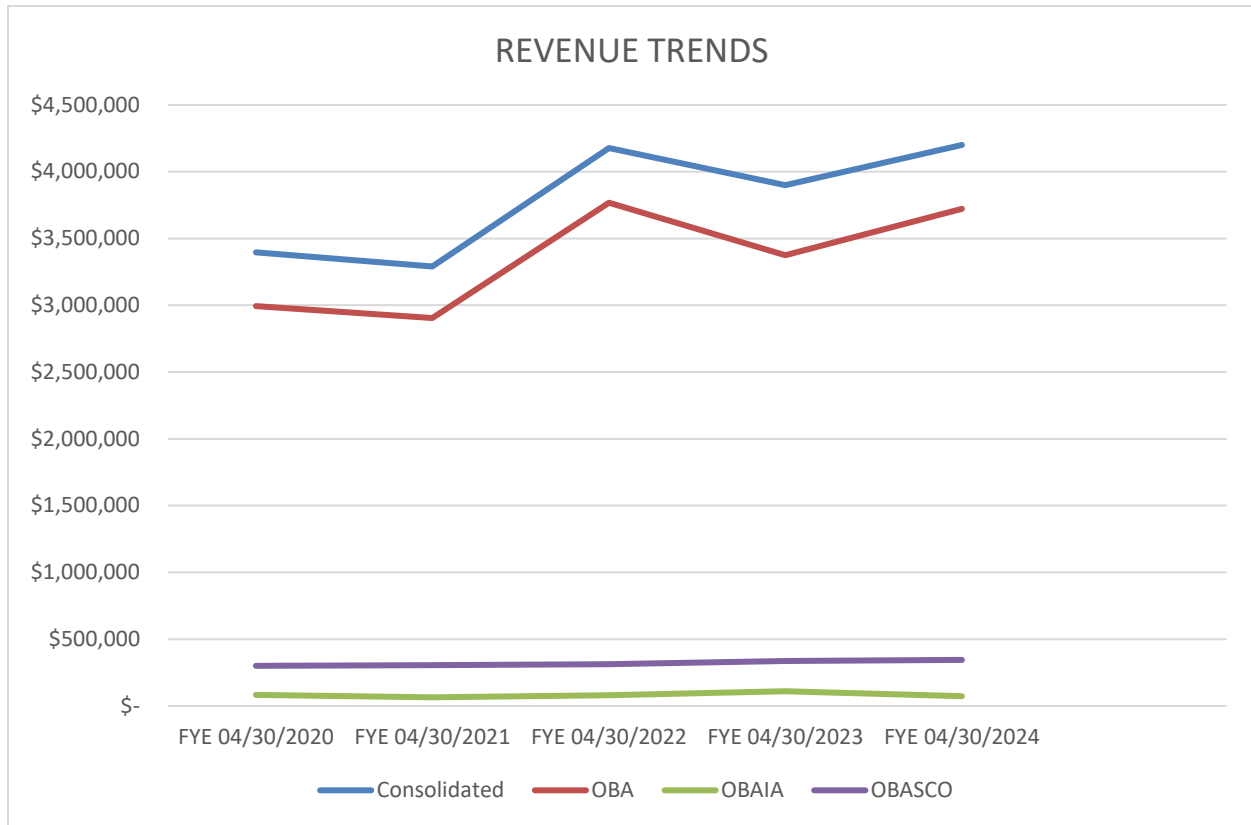
Dues revenues are comparable to both Plan and Prior Year. Revenue from Convention, Seminars, Schools & Subscriptions is well ahead of Plan and better than Prior Year. Products and Services revenue trails both Plan and Prior Year.

All expenses, by program, are less or comparable to Plan. Most are also less or comparable to Prior Year.

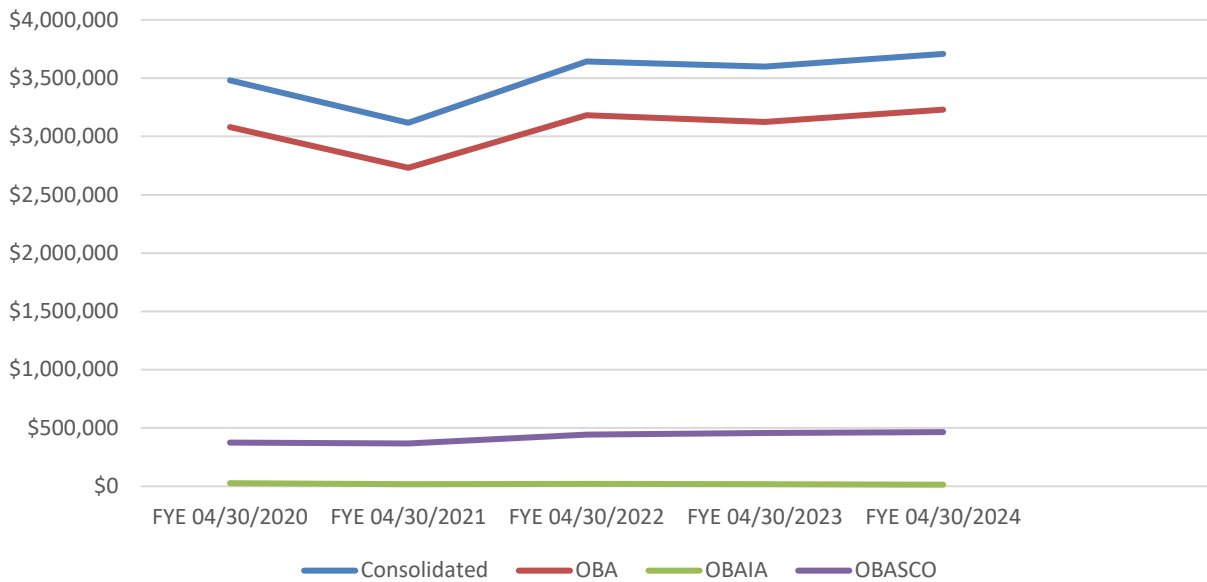
Association Only

	Actual	Plan	Prior Year
Income	\$ 714,395	\$ 736,220	\$ 635,764
Expense	<u>465,209</u>	<u>554,970</u>	<u>473,423</u>
Net Income (Loss)	\$ 249,186	\$ 181,250	\$ 162,342

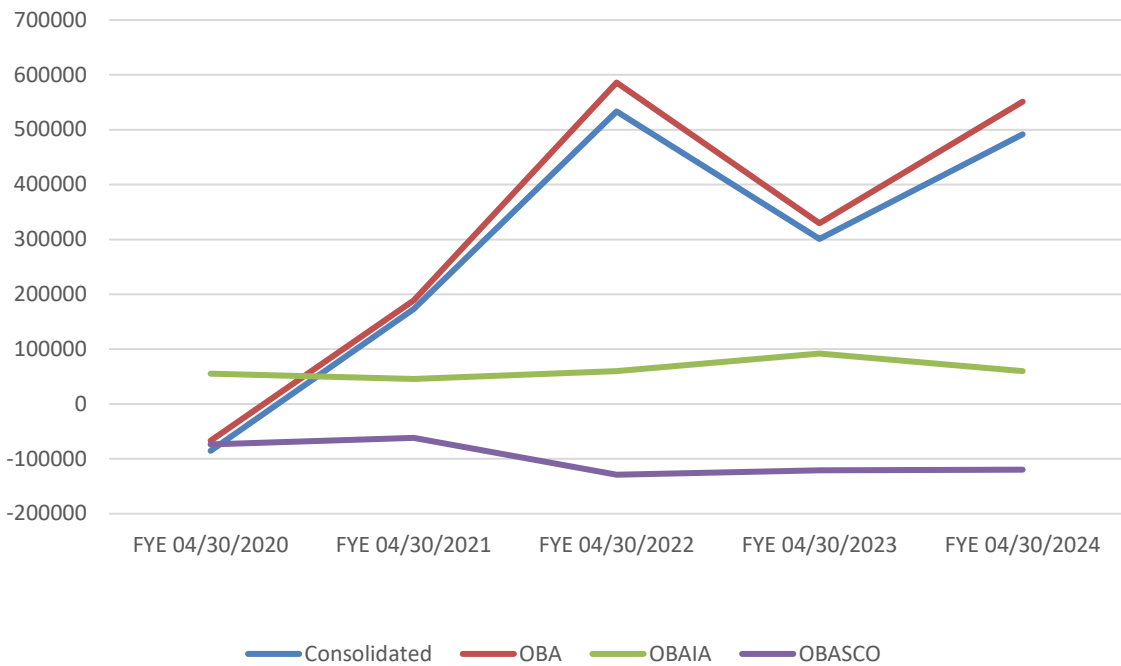
At the Association level, Actual Income exceeds Prior Year and is comparable to Plan. Association Actual Expense is less than Plan and comparable to Prior Year. The Association has a Net Income of \$249,186 compared to Plan Net Income of \$181,250 and Prior Year Net Income of \$162,342. The financials are presented in your board packet as **Exhibit C**.

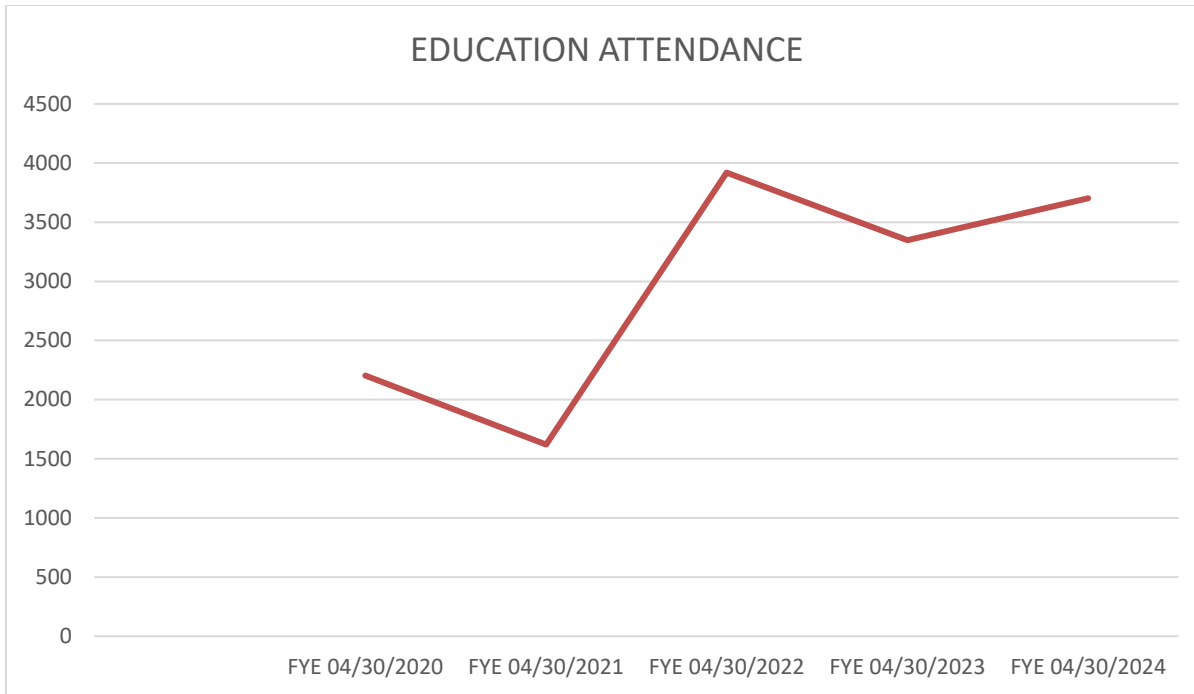


EXPENSE TRENDS



NET INCOME TRENDS





Question Presented: Whether to accept and approve the financial statements as presented.

OBA strategic plan & board orientation — During today’s board meeting, there will be a board orientation for new members, as well as a refresher for previous members. Included in this board packet as **Exhibit D**, are the orientation slides, for everyone’s reference. Additionally included, are the board expectations and duties menu, as **Exhibit E**.

Also, following strategic planning sessions attended by the OBA executive committee, other bankers and the OBA senior staff in August 2023 and August 2024, an updated version of the OBA strategic plan is included in this board packet as **Exhibit F**.

Staff reports —

Education and Training — Here’s a summary of the education department activities for the months of June, July, August:

June

3 – 7 Intermediate School, Session II OKC 38 various instructors

July

-no live events-

August

14	New Accounts Seminar	Tulsa	62*	Matt Dickinson
15	New Accounts Seminar	OKC	72*	Matt Dickinson
19 – 23	Compliance School	OKC	54*	various instructors
27	FORVIS Symposium	OKC	25*	various speakers

*Counts as of 8/13/2024

WEBINARS

- May
 - 38 purchased
 - \$6430 revenue
- June
 - 15 purchased
 - \$1602 revenue

BASIC BANKING SCHOOL BOARD

The board met June 25. Minor changes were made to the prior school schedule. The board advised to invite a couple “new” instructors to teach. Currently, 15 are enrolled. We need to have at least 25 students. The course is ideal for new hires, management trainees, and those with limited banking experiences.

CONSUMER LENDING SCHOOL BOARD

The board met July 10. A couple new instructors have been invited to teach. Minor changes made to the schedule. Enrollment is open.

OPERATIONS SCHOOL BOARD

The board meets August 15.

COMMERCIAL LENDING SCHOOL

Honors graduates from the March school were recognized on June 27. School chairman Jeff DeSpain and Janis presented the awards:

- Nicholas Davis, Equity Bank-Ponca City
- Eli Potts, BancFirst-Sand Springs

INTERN PROGRAM

Janis met with the OKC area interns July 23 and the Tulsa area interns July 26. The students and their supervisors provided positive feedback. In addition, Janis will attend the OU Intern “Presentation night” August 28 in Norman.

2025 Convention & Senior Management Forum

Add to your calendars:

Senior Management Forum

- April 6 – 8, Renaissance Esmerlda, Palm Springs

Annual Convention

- May 12 – 14, Skirvin Hilton, OKC

OBASCO — New Strategic Members:

1. Stephens
2. Cherokee Nation Economic Development Trust Authority

- **OBA/Blanchard 2024 Surveys**
 - Comp Trends & Employee Benefits Survey results available now.
 - Salary & Cash Comp Survey – Participation closed - Results available in Fall.
- **2025 Photo Calendar Contest/Order** – We had 15 banks that participated in the photo contest with over 150 photo submissions. Opened orders for banks to put their logo on the calendar in June at price point of 1.10 by Aug 31 and then \$1.25 after. Goal is to exceed last year's sales of \$43k, currently at \$33k. Added several major holidays.
- **2024 OBA Reference Books** – Bank Code (approved by OSBD), Trust, & UCC – updated, put together for bank purchase.
- **OBA Speaker Proposal** – Updated speaker proposal for 2025 SMF & Annual Convention speaking opportunities for strategic members. Sent out 7/29 with submission deadline of 9/27.
- **August Board Dinner** Wed. Aug 21 @ Iron Start 6pm. Sponsored by **Transfund**, Luke Shoemaker will do a quick introduction along with their CEO Michael Kelly.
- **Washington Visit Sponsorships*** - \$12k
 1. **FHLB Topeka** – Welcome Reception - \$3k
 2. **NFP** – Transportation Sponsor – \$3k
 3. **PRI** – Monday Break Sponsor - \$1k
 4. **Oklahoma State Banking Dept** – General Sponsor - \$5k

**Now looking for lunch sponsors*
- **Fall Golf Tournament Sponsorships** – Mon. Oct. 21 @ Belmar Golf Club. Sponsorship flyer sent out to strategic members & registration brochure went out via email will go out in next mailing to all members. Currently at \$10k.
- **Oklahoma Bankers Hall of Fame** – Deadline for nominations Aug. 31, planning on doing the same format for sponsorships unless otherwise directed. Currently have a few sponsors in the books.
- **The Oklahoma Banker newspaper advertising** – Working with current advertisers and new ones on various ads & articles.
- **Endorsements: Working with Lea Ann on these endorsements**
 - **Office Depot** – Now called **Office Business Solutions (ODP)** Really need help ramping up this endorsement.
 - New Rep: Christal Dean (512) 982-9813 Christal.Dean@odpbusiness.com out of Austin, TX.
 - Interior Workspace/Furniture: Cheryl Krawczyk, Cheryl.Krawczyk@workspaceinteriorsod.com

- New Endorsement with **Kentucky Bankers Association**:
 - **Bank Performance Report (BPR)** –Quarterly publication electronic and/or printed format for banks to see where they rank based on 8 different performance categories. Q2 2024 reports has 178 Oklahoma banks avail for sale.
- **Profit Resources Inc. (PRI)** – New Core Contract Endorsement – will be traveling with Adrain visiting banks this fall.
 - Contact: Brady Chianciola - bchianciola@profitresources.com (413) 544-1584 (Cell)
- **Banc Card** – New Merchant Services Endorsement – will be traveling with Adrain visiting banks this fall.
 - Contact: David Miller – dmiller@banccard.com (405) 439-0228 (Cell)
 - Cord West (OKC Metro), Chase Trammel (Guthrie, Enid, North Central OK)
 - Brett Appling (Moore, Western Metro), Blaine Richards (Western, OK)
 - Jacob White (Pauls Valley), Matthew Danuser (Eastern, OK), Rick McElhaney (Tulsa)
- **Servis1st** –Card Program Endorsement through the ABA – Karen Grahn
KGrahn@servisfirstbank.com

GRC Report and PAC report — State Issues

It's been a couple of months since we had our last board report and there are so many things to talk about, especially at the state level. We'll dive into the events in the last couple of weeks of the legislative session and how we ended up after all the dust had settled. There is a lot to talk about regarding the primaries that took place in June and the ramifications as a result of several surprises. We won't cover the election results in the board report, but we'll have a detailed review for you at the board meeting.

This was a session that we will remember forever, lots of up and downs, wins and losses and a whole lot of pulling our hair out. Below are most of the bills that we dealt with this legislative session and a little bit of information about each bill and in what shape it was in when the session came to an end.

Bills that were signed into law by the governor:

HB2776 – This was the annual UCC bill, it provided for broad adjustments to the UCC including requirements for establishing control of electronic chattel paper.

HB3963 – Creates the Oklahoma Trust Reform Act outlining the obligations, liabilities, protections, procedures, and other provisions relating to trusts.

HB4062 – Modifies standards of certain banking association tax credits to require they be located in the state, removes the sunset on such credits and directs such credits be claimed for fees paid to the Small Business Administration.

HB4069 – Adjusts criminal penalties for persons found to be in possession of multiple magnetic cards containing stolen credit or gift card data, imposing more severe penalties for possession of more cards.

SB1819 – Creates the Uniform Special Deposits Act which defines special deposits and outlines associated agreements, procedures for distribution to beneficiaries, interests and obligations.

Bills that died during the legislative session:

HB4092 – OBA introduced bill, creates the Oklahoma Agricultural Lending Act.

SB1510 – Modifies provisions related to the Energy Discrimination Elimination Act of 2022, making certain conditions for contracting applicable to state agencies, rather than to all government agencies.

SB1903 – Prohibits the charging of a buyers premium on online auction marketplaces for Sheriff's auctions and sets upper limits on other fees.

SB1536 – Directs the State Treasurer to seek an opinion ruling from the Attorney General in matters of disagreement between the Treasurer and state entities on whether certain companies engage in energy discrimination.

HB3222 – Creates the Firearm Industry Discrimination Elimination Act which establishes standards to prohibit different treatment of firearms companies by state entities and removes standards which would allow different behavior based on fiduciary duties.

HB3323 – Defines a central bank digital currency as a digital medium of exchange issued by the Federal Reserve System or other reserve systems and exempts such currencies from qualifying as a deposit account for certain banking provisions.

HB3453 – Creates the Artificial Intelligence Bill of Rights which requires vendors and services operating large language models and other artificial intelligence to disclose certain information to users.

HB4049 – Establishes standards for low-income credit union designations.

We will present a state election update at the board meeting.

Federal Issues

H.R. 1806 (Small Lender Act)

This bill exempts certain financial institutions and transactions from the CFPB reporting requirements with respect to data about small business credit applications. Under the bill, the requirements apply only to financial institutions that originate at least 500 credit transactions to small businesses in each of the preceding two years. The bill further defines small businesses as those with annual revenue of \$1 million or less.

Currently, the CFPB has proposed a rule that the requirements apply only to financial institutions that originate at least 25 annual credit transactions to small businesses in each of the preceding two years. The rule further defines small businesses as those with annual revenue of \$ 5million or less.

H.R. 1810 (Bank Loan Privacy Act)

This bill requires the CFPB to issue a rule prior to deleting or modifying publicly available small business loan data due to privacy concerns. Specifically, the bureau must describe the intended modifications and deletions and explain how such modifications and deletions will advance a privacy interest.

Trigger Leads

Sen. Jack Reed (D-R.I.) and Sen. Bill Hagerty (R-Tenn.) recently introduced the Homebuyers' Protection Privacy Act (S.3502). The Act would amend the Fair Credit Reporting Act to prohibit credit reporting agencies from selling trigger leads in certain circumstances. Trigger leads are a marketing product sold by credit bureaus containing contact information for consumers who have had a credit report pulled while in the process of shopping for a mortgage loan. In the bill, a consumer reporting agency would not be able to furnish a trigger lead to a third party unless: the third party certifies to the consumer reporting agency that the consumer has authorized the solicitations; or the third party certifies it has originated the consumer's current residential mortgage loan, is the servicer of the consumer's current residential mortgage loan, or is an insured depository institution or insured credit union and holds a deposit account for the consumer to whom the consumer report relates. Similar legislation has been introduced in the House.

Credit Card Competition Act (S.1838)

- Durbin 2.0
- Being pushed by big box merchants
- Government imposed routing mandates.
- Data Security Risks
- Rewards program would be eliminated
- NDAA & other must pass pieces of legislation
- The proposal would mandate requiring banks with more than \$100B in assets to offer merchants multiple credit card processing networks.
- The practical impacts of this mandate on the largest issuers would fall on smaller issuers as well, likely making community bank cc issuance uneconomical.

The Protecting Consumers from Payment Scams Act (S.4943/H.R.9303)

- This Act would amend The Electronic Fund Transfer Act
- This Act would require banks to reimburse customers for electronic fund transfers that took place because the customer was scammed into sending the payments.
- The bill mandates that reimbursement payments to the customer be evenly split between the customers sending bank the receiving bank.

We will present a state election update at the board meeting.

Pac Report

PAC Contribution totals for the year are lower than the same point last year. At the end of July, the State PAC raised \$33,799 while the FED PAC raised \$15,478 for a total of \$49,277. This total is \$6.228 behind of where we were at this date last year.

We still have a lot of work to do the rest of this calendar year. We have several Special Board Meetings scheduled in the next couple of months which will give the PAC's a nice boost. Once the special elections are done at the end of this month we will start to get fundraiser invites from all of the folks that have general elections in November

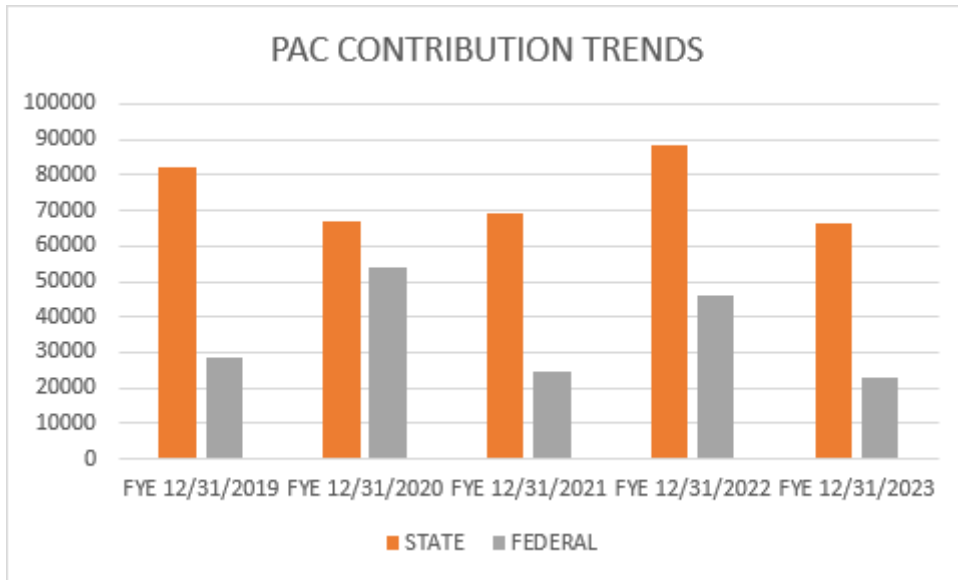
We'll reach out to all the Pres/CEO's that haven't contributed to the PAC in the next couple of weeks to ask for their help, usually the third letter of the year generates a good return. We will also send information to everyone in our database that isn't on the Pres/CEO list in the next month. If you are considering hosting a special board meeting, please contact me so that we can get it on the calendar.

If you haven't contributed to the PAC we would strongly encourage you to consider making a contribution. It's a powerful tool when we send out a solicitation that 100% of the OBA Board contributes to the PAC.

To those Board Members who have contributed to the PAC, thank you for your support.

We are going to start including monthly graphs with the PAC update to give you an idea of how we are trending. We will provide a different graph each month.

Should you have any questions about the PAC or anything we do that is PAC related please don't hesitate to contact us.



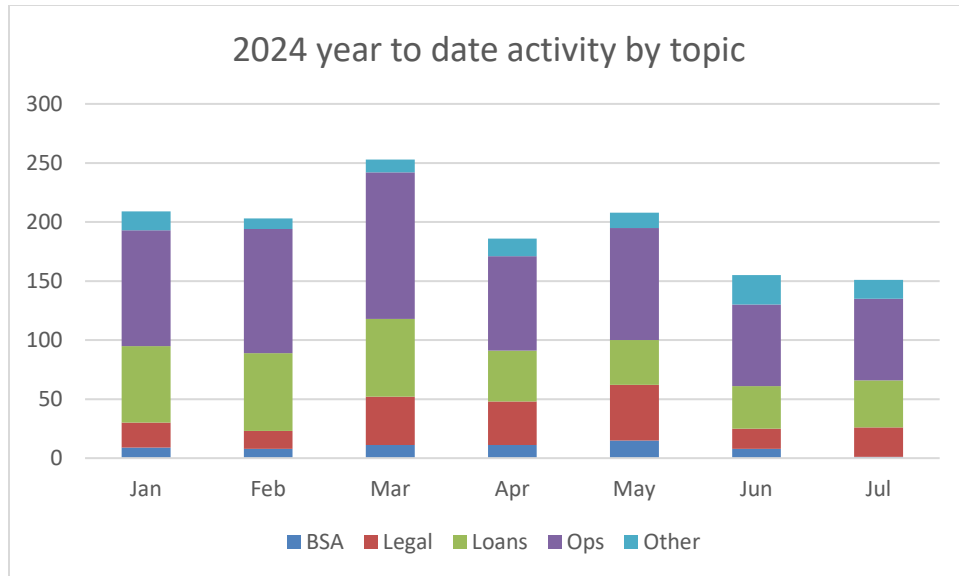
Legal Report — The following is a recap of the Compliance Team’s activities for the months of June and July 2024.

In June, the team handled 33 calls and approximately 122 email contacts/questions for 155 in total. This averaged 8.2 contacts per business day. Some of the emails are counted twice because they involved combinations of legal issues and operations or lending questions. For example, an operations or lending question issue might require interpretation of a trust or other legal document to determine positions or rights of the parties.

July call activity dropped to 18 calls, emails grew to 133, for a total of 151. The average daily contact count was 6.9 (19 business days in June and 22 in July).

45% of the June total contacts were operations related, 23% pertained to loans, 11% involved legal issues, and 21% centered on BSA and other miscellaneous issues.

In July, 46% of contacts were operations related. 26% involved lending; 17% involved legal questions, and BSA and miscellaneous issues accounted for 12%.



Starting below are sample email questions we fielded from June and July (we don't make recordings of calls). Some questions come to us in a series of follow-up questions.

Q1: I have a customer who just received a garnishment today. Upon looking into his account, I see that he only receives a Social Security deposit and nothing else, but the name on the deposit is NOT his name. Apparently, his father has his SS deposit sent to the bank and our customer uses it to pay for the mortgage and whatever else because his dad lives with him.

I'm not sure what I need to do with this information. I believe I need to go ahead and claim exempt funds on the garnishment and send back \$0.00 even though the protected funds aren't our customers, they are still protected funds. Please tell me if I am wrong in that. Secondly, I'm not really sure what I need to do about this ACH. Should we tell the customer he has 30 days to get the deposit halted or to get his father on the account or should we immediately start rejecting the deposits because we know they aren't his?

A1: It doesn't matter whether the account owner is the payee of the direct deposit of covered federal benefits or not. The account is subject to the federal rule. The bank still must perform the look-back and determine the protected amount.

I will note that unless a rep payee or federal fiduciary has been appointed or a guardian has been appointed by a court, the person receiving benefits MUST have direct access to the account, i.e., must be an owner on the account. In other words, I agree that the father either needs to open an account in his name or be added as a joint owner to the existing account. I also agree that you must give at least 30 days advanced notice before closing a deposit account receiving direct deposits of federal benefits.

Q2: We have a customer who wants to open a joint ownership account titled in the name of two different Trusts. This is a first for us! What are your recommendations on this?

A2: My standard advice here is to just say "no." Trusts are not natural persons, so having two or more trusts on an account will never be a joint account for FDIC deposit insurance much less joint with right of survivorship. The

account would have to be set up as tenants in common, and upon the death of one of the settlors, the account would need to be terminated 50/50 UNLESS a different percentage is stated when the account is opened. There is also the problem that even if the trusts have the identical trustees on both trusts, e.g., both spouses are trustees or each trust, there is still the problem of conflict of interest with regard to fiduciary duty which would have to be covered in each trust. .

Q3 I just want to verify that we are complying with SCRA with regards to the following scenario:

We have a customer that has been under SCRA protections since April 2023. His active duty ended in December 2023. His mortgage loan was set to mature 4/13/24. However, prior to maturity, we did a change in terms to the loan to extend the maturity date to 10/13/24. No new money was added.

Am I right in assuming that SCRA protections still apply until December 2024 (extended a year after active duty has ended for mortgage loans)?

A3: If the protection you are referring to is the reduction of the rate of interest to 6 percent during the term of service and for one year after termination of service in 50 U.S.C. §3937, yes, because it is still the same loan, even though the maturity date was extended.

Q4: I have a question about guardianship accounts. In this example, there are no minors involved. Account set up as follows:

John Doe
Jane Doe, Guardian

Jane Doe is the only signer, and funds are owned by John. Can Jane add another person as a signer?

Also, can John have additional accounts that he can sign on?

A4: No, the guardian cannot add an authorized signer to a guardianship account without a court order allowing her to do so. On the other hand, if the ward had executed a durable power of attorney before he was incapacitated, the agent with banking powers may be added to the account if the guardian agrees.

If John has a court-appointed guardian, it is likely the court determined that John does not have the legal capacity to conduct his own affairs. That includes opening, or signing on, a bank account.

Q5. The bank received 4 checks made payable to [redacted] who is deceased. A Trust account has been set up with our bank for many years. His daughter, [redacted], is now the primary trustee of the trust.

She wants to deposit these 4 checks into the trust account. I explained to her that we would not be able to deposit them into the trust. We would need to open an estate account and then she could transfer the funds into the trust.

She respectfully disagrees and supplied me with an "Order Determining Heirship and Final Decree of Distribution and Discharge." I have supplied the page that I believe might allow me to deposit the funds into the trust account. Please review #15 of the attachment.

What are your thoughts? Can I deposit these checks made payable to the deceased into the trust account? If so,

do I need to have paperwork showing [redacted] as personal representative? And how should the check be endorsed?

A5. There has already been a Probate and it has been closed: [Link to probate court record redacted]

You have a copy of the last page of the Final Decree, entered by the court on 4/24/24, and I have included the link to the Probate. As you noted, the Final Decree leaves all the rest and residue to the Trust.

You can ask the trustee to contact the drawer of the checks, provide a copy of the Final Decree, and request that the checks be reissued in the name of the Trust if you want, but you cannot open an estate account since that case is closed. Quite frankly, the Final Decree would protect the bank if it wants to deposit the checks, as they are, to the trust account.

Member relations —

2024 Washington Visit

The OBA's Annual Washington Visit is Sept. 22 through Sept. 24, and the hotel will be The Mayflower Hotel. [Click here](#) to view the details and to register. If you have any questions, contact [Megan McGuire](#) at the OBA.

Hotel Accommodations:

[The Mayflower Hotel](#)

1127 Connecticut Ave NW, Washington, D.C. 20036

Group Rate: \$329 per night

Room reservations must be made through the hotel before Friday, Sept. 6, 2024.

Accommodations after this date are on a space-available basis only. Room rates are \$329 per night.

To reserve your room, reserve online by clicking this [reservation link](#) or call (877) 212-5752 and reference the "Oklahoma Bankers Association" room block.

OBA Emerging Leaders Academy application deadline approaching

The application for the 2024-25 Emerging Leaders Academy is now available ([linked here](#)), and the application deadline is Sept. 16. We're looking for the best and brightest bankers who seek to sharpen their leadership skills.

You will find the full details and content on the application, but I've listed the session dates below.

- Session I: Wednesday, Nov. 6, 2024
- Session II: Thursday, Dec. 5, 2024
- Session III: Friday, Jan. 24, 2025
- Session IV: Wednesday, Feb. 26, 2025
- Session V: Friday, March 28, 2025
- Session VI: Friday, April 25, 2025
- Graduation: OBA Convention, May 2025

If you have someone at your bank who would be ideal for the Academy, please encourage that individual to apply. We would love to see an applicant from each bank represented on the OBA Board. Please reach out to Megan with any questions.

ABA Annual Convention

Registration is open for the ABA Annual Convention scheduled for Oct. 27-29, 2024 at New York Hilton Midtown

in New York City. [Click here](#) for more information.

OBA Oktoberfest Golf Tournament

Show off your golfing skills or simply join your banking peers as a social registrant at the 2024 OBA Oktoberfest Golf Tournament on Oct. 21 at Belmar Golf Club in Norman.

The tournament fee is \$175 and the registration deadline is Oct. 14. The tournament will begin with registration and lunch. Immediately following the tournament, we will hold an awards ceremony. [Sign up now to reserve your spot](#). We hope to see you on the course! Not golfing? Join your banking peers as a social attendee for lunch, refreshments and fellowship on the patio. Social attendee registration fee is \$50.

[Click here](#) to access the registration form. If you are interested in sponsorship opportunities, contact [Thi Pham](#).

Tournament Schedule

10 a.m. – Registration

11 a.m. – Lunch

12 p.m. – Shotgun Start

Immediately Following Golf – Awards

Included in the board packet, as **Exhibit G**, is also an updated list of banks in Oklahoma who are NOT members of the OBA.

External/internal communications —

Several ideas and plans were hatched for the communications department, focused on internal (to members) relations. Those will begin to be rolled out starting likely in September and the October issue of the Oklahoma Banker newspaper.

In the past week, Jeremy has attended the State Bankers Association Communicator's Conference, hosted by the Washington Bankers Association in Seattle. While there, he presented on the OBA's use of videos, particularly on the TikTok platform.

Over the next month, Jeremy will be huddling with one of his former students to apply a new strategic plan and use of the social media outlets at the department's disposal. The result will/should fortuitously coincide with the release of the department's annual social media report at next month's board meeting.

Fraud Department — Current Trends:

New commercial accounts opened with stolen identities for depositing stolen checks

ATM jackpotting attempts in Alex, Chickasha, and OKC. (Are your hard drives **encrypted**?)

Counterfeit checks on commercial accounts where bank is notified beyond Reg CC return deadline

Counterfeit checks on commercial accounts cashed at issuing bank by recruited individuals

Consumer scam victims withdrawing cash to mail or deposit into crypto ATMs

Consumer and business fraudulent wire transfers – BEC/EAC, customers falling for scams

CrimeDex Alerts – 10 in June, 9 in July, and 2 to date in August

Drafting fraud loss Action Plan for banks to know what immediate actions are necessary to increase recovery options, and Fraud Prevention Questionnaire for banker to sign with customer.

Statewide MAFIA or information sharing group meetings in Oklahoma City, Lawton, Texoma (Durant) and Stillwater. No meeting in your area and you would like to start one, please let me know.

Oklahoma Banker articles – June, July, August

Weekly Update articles – 6/3 (jackpotting), 6/10 (IS MAFIA), 6/24 (BFIG), 7/1 (Fraud Conf), 7/22 (NAF), 7/29 (SW BSA), 8/5 (USDA Treas checks & links to Fraud Conf recorded sessions)

Banker programs in Altus, Durant, Pawnee.

OBA hosted the Bank Fraud Investigators Group (BFIG).

Non-Banker programs:

- National Association of Credit Managers (OKC)
- Estate Planning Attorney Group (OKC)
- Oklahoma Real Property Attorney Group (OKC)
- Fraud Prevention Conference (OKC-links to recorded sessions on website)
- Meeting with CFPB Office of Older Americans (Jenefer Duane)

Upcoming events include:

- 8/26-29 International Association of Financial Crimes Investigators (IAFCI) Conference, NV
- 9/5 Northwest Oklahoma Bankers Association, Enid (Bankers)
- 9/17 Community State Bank of Canton (Community)
- 9/19 BancFirst Stillwater (Bankers)
- 9/24 Oklahoma Society of CPAs Norman Chapter
- 9/30-10/1 IAFCI SW BSA & Financial Crimes Forum, Tulsa (OBA is a sponsor)
- 10/8 Western Oklahoma Bankers Association, Elk City (Bankers),
- 10/14 FNBT Chickasha (Bankers)
- 10/24 HEC Bank Fraud Investigations 101 (Bankers)
- 11/14 Southeastern Oklahoma Bankers Association, Krebs (Bankers)

Board Calling Reports — We will discuss the pending board calling initiative.

Other business — If there is any other business for the board to discuss, we will bring it up here.

Forvis Mazars Report to the Board of Directors/Trustees, Audit Committee, and Management

Oklahoma Bankers Association – April 30, 2024

Oklahoma Bankers Foundation – April 30, 2024

Oklahoma Bankers Public Affairs Committee – December 31, 2023

Oklahoma Bankers Federal Public Affairs Committee – December 31, 2023

Results of the Financial Statement Audits, Including Required Communications

Required Communications Regarding Our Audit Strategy & Approach (AU-C 260)

The following matters are required communications we must make to you, including these responsibilities:

Overview & Responsibilities

Scope of Our Audit &
Inherent Limitation to
Reasonable Assurance

Your & Our
Responsibilities

Extent of Our
Communication &
Distribution Restriction

Independence Matters

Matter	Discussion
Scope of Our Audit	<p>This report covers audit results related to the following (collectively referred to as "the Association and related entities"):</p> <ul style="list-style-type: none"> • The audit of the consolidated financial statements of Oklahoma Bankers Association as of and for the year ended April 30, 2024 • The audit of the cash basis financial statements of Oklahoma Bankers Foundation for the year ended April 30, 2024 • The audit of the cash basis financial statements of the Oklahoma Bankers Public Affairs Committee for the year ended December 31, 2023 • The audit of the cash basis financial statements of Oklahoma Bankers Federal Public Affairs Committee for the year ended December 31, 2023 • The agreed-upon procedure services performed over the computation of the nondeductible portion of membership dues for the year ended April 30, 2024 • Conducted in accordance with our contract dated May 20, 2024
Our Responsibilities	<p>Forvis Mazars is responsible for forming and expressing an opinion about whether the financial statements that have been prepared by management, with the oversight of those charged with governance, are prepared in accordance with accounting principles generally accepted in the United States of America (GAAP).</p>

Matter	Discussion
Audit Scope & Inherent Limitations to Reasonable Assurance	An audit performed in accordance with auditing standards generally accepted in the United States of America (GAAS) is designed to obtain reasonable, rather than absolute, assurance about the financial statements. The scope of our audit tests was established in relation to the financial statements taken as a whole and did not include a detailed audit of all transactions.
Extent of Our Communication	In addition to areas of interest and noting prior communications made during other phases of the engagement, this report includes communications required in accordance with GAAS that are relevant to the responsibilities of those charged with governance in overseeing the financial reporting process, including audit approach, results, and internal control. The standards do not require the auditor to design procedures for the purpose of identifying other matters to be communicated with those charged with governance.
Independence	The engagement team, others in our firm, as appropriate, and our firm have complied with all relevant ethical requirements regarding independence.
Your Responsibilities	Our audits do not relieve management or those charged with governance of your responsibilities. Your responsibilities and ours are further referenced in our contract.
Distribution Restriction	<p>This communication is intended solely for the information and use of the following and is not intended to be, and should not be, used by anyone other than these specified parties:</p> <ul style="list-style-type: none"> • Board of Directors, Board of Trustees, Members, and Management • Others within the Association and related entities

Qualitative Aspects of Significant Accounting Policies and Practices

The following matters are detailed in the following pages and included in our assessment:

**Significant Accounting
Policies**

**Unusual Policies or
Methods**

**Alternative Accounting
Treatments**

**Management Judgments
& Accounting Estimates**

**Financial Statement
Disclosures**

**Our Judgment About the
Quality of the Entity's
Accounting Principles**

Significant Accounting Policies

The Association and related entities' significant accounting policies are described in Note 1 of their respective audited financial statements.

With respect to these significant accounting policies, we call to your attention the following topics detailed in the following pages:

- The related entities use the cash basis of accounting, which is a comprehensive basis of accounting other than accounting principles generally accepted in the United States of America.

Unusual Policies or Methods

With respect to significant unusual accounting policies or accounting methods used for significant unusual transactions (significant transactions outside the normal course of business or that otherwise appear to be unusual due to their timing, size, or nature):

- No matters are reportable

Alternative Accounting Treatments

We had discussions with management regarding alternative accounting treatments within GAAP for policies and practices for material items, including recognition, measurement and disclosure considerations related to the accounting for specific transactions as well as general accounting policies, as follows.

- No matters are reportable

Management Judgments and Accounting Estimates

Accounting estimates are an integral part of financial statement preparation by management, based on its judgments. Significant areas of such estimates for which we are prepared to discuss management's estimation process and our procedures for testing the reasonableness of those estimates include:

- Valuation of investment securities
- Functional expense allocation

Financial Statement Disclosures

The following areas involve particularly sensitive financial statement disclosures for which we are prepared to discuss the issues involved and related judgments made in formulating those disclosures:

- Revenue recognition
- Customer contracts and relationships

Our Judgment About the Quality of the Entity's Accounting Principles

During the course of the audit, we made the following observations regarding the Entity's application of accounting principles:

- No matters are reportable

Adjustments Identified by Audit

During the course of any audit, an auditor may propose adjustments to financial statement amounts. Management evaluates our proposals and records those adjustments that, in its judgment, are required to prevent the financial statements from being materially misstated.

A misstatement is a difference between the amount, classification, presentation, or disclosure of a reported financial statement item and that which is required for the item to be presented fairly in accordance with the applicable financial reporting framework.

Proposed & Recorded Adjustments

Auditor-proposed and management-recorded entries include the following:

- No matters are reportable

Uncorrected Misstatements

Some adjustments proposed were **not recorded** because their effect is not currently considered material. We request that all identified misstatements be corrected.

Uncorrected misstatements that were determined by management to be immaterial, both individually and in the aggregate, but more than trivial to the financial statements as a whole are listed below and included as an attachment to this communication.

While these uncorrected misstatements were deemed to be immaterial to the current-period financial statements, it is possible that the impact of these uncorrected misstatements, or matters underlying these uncorrected misstatements, could potentially cause future-period financial statements to be materially misstated.

Current-Period Uncorrected Misstatements

- Payable not recorded in the appropriate period related to services provided by a vendor

Other Required Communications

Other Material Communications

Listed below are other material communications between management and us related to the audits:

- Management representation letter (see Attachments)
- We orally communicated to management deficiencies in internal control identified during our audits that are not considered material weaknesses or significant deficiencies.

Attachments

Management Representation Letter (Attachment A)

As a material communication with management, included herein is a copy of the representation letter provided by management at the conclusion of our engagement.

Schedule of Uncorrected Misstatements (Attachment B)

The details of uncorrected misstatements identified as a result of our engagement are included herein.

Attachment A

Management Representation Letter

Representation of:
Oklahoma Bankers Association
643 NE 41st Street
Oklahoma City, OK 73105

Provided to:
Forvis Mazars, LLP
Certified Public Accountants
211 N. Robinson Avenue, Suite 600
Oklahoma City, OK 73102

The undersigned (We) are providing this letter in connection with Forvis Mazars' audits of our consolidated financial statements as of and for the years ended April 30, 2024 and 2023 and the audits of the cash basis financial statements of Oklahoma Bankers Foundation for the years ended April 30, 2024 and 2023 and Oklahoma Bankers Public Affairs Committee and Oklahoma Bankers Federal Public Affairs Committee for the years ended December 31, 2023 and 2022.

We are also providing this letter in connection with the Agreed-Upon Procedures Performed Over the Calculation of the Nondeductible Portion of Membership Dues.

Our representations are current and effective as of the date of Forvis Mazars' report: August 15, 2024.

Our engagement with Forvis Mazars is based on our contract for services dated: May 20, 2024.

Our Responsibility & Consideration of Material Matters

We confirm that we are responsible for the fair presentation of the Oklahoma Bankers Association financial statements subject to Forvis Mazars' report in conformity with accounting principles generally accepted in the United States of America (U.S. GAAP).

We also confirm that we are responsible for the fair presentation of the financial statements for the Oklahoma Bankers Foundation, Oklahoma Bankers Public Affairs Committee, and Oklahoma Bankers Federal Public Affairs Committee in accordance with the cash basis of accounting. We are also responsible for determining the cash basis of accounting is an acceptable basis for the preparation of these financial statements.

We are also responsible for adopting sound accounting policies; establishing and maintaining effective internal control over financial reporting, operations, and compliance; and preventing and detecting fraud.

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve an omission or misstatement of accounting information that, in light of surrounding circumstances, makes it probable that the judgment of a reasonable person relying on the information would be changed or influenced by the omission or misstatement. An omission or misstatement that is monetarily small in amount could be considered material as a result of qualitative factors.

Oklahoma Bankers Association
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Confirmation of Matters Specific to the Subject Matter of Forvis Mazars' Report

We confirm, to the best of our knowledge and belief, the following:

Broad Matters

1. We have fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the Oklahoma Bankers Association consolidated financial statements in accordance with U.S. GAAP. We have also fulfilled our responsibilities, as set out in the terms of our contract, for the preparation and fair presentation of the Oklahoma Bankers Foundation, Oklahoma Bankers Public Affairs Committee, and Oklahoma Bankers Federal Public Affairs Committee financial statements in accordance with the cash basis of accounting.
2. We acknowledge our responsibility for the design, implementation, and maintenance of:
 - a. Internal control relevant to the preparation and fair presentation of the financial statements that are free from material misstatement, whether due to fraud or error.
 - b. Internal control to prevent and detect fraud.
3. We have provided you with:
 - a. Access to all information of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, documentation, and other matters.
 - b. Additional information that you have requested from us for the purpose of the audit.
 - c. Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
 - d. All minutes of directors' and committee of directors meetings held through the date of this letter or summaries of actions of recent meetings for which minutes have not yet been prepared. All unsigned copies of minutes provided to you are copies of our original minutes approved by the board, if applicable, and maintained as part of our records.
 - e. All significant contracts.
4. We have responded fully and truthfully to all your inquiries.

Misappropriation, Misstatements, & Fraud

5. We have informed you of all current risks of a material amount that are not adequately prevented or detected by our procedures with respect to:
 - a. Misappropriation of assets.
 - b. Misrepresented or misstated assets, liabilities, or net assets.
6. We have no knowledge of fraud or suspected fraud affecting the entity involving:
 - a. Management or employees who have significant roles in internal control over financial reporting, or
 - b. Others when the fraud could have a material effect on the financial statements.

Oklahoma Bankers Association
Page 3

7. We understand that the term “fraud” includes misstatements arising from fraudulent financial reporting and misstatements arising from misappropriation of assets. Misstatements arising from fraudulent financial reporting are intentional misstatements, or omissions of amounts or disclosures in financial statements to deceive financial statement users. Misstatements arising from misappropriation of assets involve the theft of an entity’s assets where the effect of the theft causes the financial statements not to be presented in conformity with U.S. GAAP.
8. We have no knowledge of any allegations of fraud or suspected fraud affecting the entity received in communications from employees, members, contributors, customers, regulators, suppliers, or others.
9. We have assessed the risk that the financial statements may be materially misstated as a result of fraud and disclosed to you any such risk identified.

Ongoing Operations

10. We have evaluated whether there are conditions or events known or reasonably knowable, considered in the aggregate, that raise substantial doubt about the entity’s ability to continue as a going concern within one year of the date of this letter without consideration of potential mitigating effects of management’s plans not yet fully implemented and concluded substantial doubt does not exist.

Related Parties

11. We have disclosed to you the identity of all of the entity’s related parties and all the related-party relationships of which we are aware.

In addition, we have disclosed to you all related-party transactions and amounts receivable from or payable to related parties of which we are aware, including any modifications during the year that were made to related-party transaction agreements which existed prior to the beginning of the year under audit, as well as new related-party transaction agreements that were executed during the year under audit.

Related-party relationships and transactions have been appropriately accounted for and disclosed in accordance with accounting principles generally accepted in the United States of America.

12. We understand that the term related party refers to:

- Affiliates.
- Entities for which investments are accounted for by the equity method.
- Trusts for the benefits of employees, such as pension and profit-sharing trusts that are managed by or under the trusteeship of management.
- Principal owners and members of their immediate families.
- Management and members of their immediate families.
- Any other party with which the entity may deal if one party can significantly influence the management or operating policies of the other to an extent that one of the transacting parties might be prevented from fully pursuing its own separate interests.

Another party is also a related party if it can significantly influence the management or operating policies of the transacting parties or if it has an ownership interest in one of the transacting parties and can significantly influence the other to an extent that one or more of the transacting parties might be prevented from fully pursuing its own separate interests.

Oklahoma Bankers Association
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The term affiliate refers to a party that directly or indirectly controls, or is controlled by, or is under common control with, the entity.

Litigation, Laws, Rulings, & Regulations

13. We are not aware of any pending or threatened litigation or claims whose effects should be considered when preparing the financial statements. We have not sought or received attorney's services related to pending or threatened litigation or claims during or subsequent to the audit period. Also, we are not aware of any litigation or claims, pending or threatened, for which legal counsel should be sought.
14. We have no knowledge of communications, other than those specifically disclosed, from regulatory agencies, governmental representatives, employees, or others concerning investigations or allegations of noncompliance with laws and regulations, deficiencies in financial reporting practices, or other matters that could have a material adverse effect on the financial statements.
15. We have disclosed to you all known instances of violations or noncompliance or possible violations or suspected noncompliance with laws and regulations whose effects should be considered when preparing financial statements or as a basis for recording a loss contingency.
16. We have no reason to believe the entity owes any penalties or payments under the Employer Shared Responsibility Provisions of the *Patient Protection and Affordable Care Act*, nor have we received any correspondence from the IRS or other agencies indicating such payments may be due.
17. We have not been designated as a potentially responsible party (PRP or equivalent status) by the Environmental Protection Agency (EPA) or other cognizant regulatory agency with authority to enforce environmental laws and regulations:

Nonattest Services

18. You have provided nonattest services, including the following, during the period of this engagement:
 - Preparing a draft of the financial statements and related notes and supplementary information
 - Preparation of tax returns
19. With respect to these services:
 - a. We have designated a qualified management-level individual to be responsible and accountable for overseeing the nonattest services.
 - b. We have established and monitored the performance of the nonattest services to ensure they meet our objectives.
 - c. We have made any and all decisions involving management functions with respect to the nonattest services and accept full responsibility for such decisions.
 - d. We have evaluated the adequacy of the services performed and any findings that resulted.
 - e. We have established and maintained internal controls, including monitoring ongoing activities.

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- f. When we receive final deliverables from you, we will store those deliverables in information systems controlled by us. We have taken responsibility for maintaining internal control over these deliverables.

Financial Statements & Reports

- 20. We have reviewed and approved a draft of the financial statements and related notes referred to above, which you prepared in connection with your audit of our financial statements. We acknowledge that we are responsible for the fair presentation of the financial statements and related notes.
- 21. Oklahoma Bankers Association has revised the 2023 financial statements to conform with U.S. GAAP. Management has provided you with all relevant information regarding the revision. We are not aware of any other known matters that required correction in the financial statements.
- 22. With regard to supplementary information:
 - a. We acknowledge our responsibility for the presentation of the supplementary information in accordance with the applicable criteria.
 - b. We believe the supplementary information is fairly presented, both in form and content, in accordance with the applicable criteria.
 - c. The methods of measurement and presentation of the supplementary information are unchanged from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplementary information.
 - d. We believe the significant assumptions or interpretations underlying the measurement and/or presentation of the supplementary information are reasonable and appropriate.
 - e. We understand that consolidating supplementary information is for purposes of additional analysis of the financial statements rather than to present the financial position and results of operations of each of the individual companies.
- 23. We do not issue an annual report, nor do we have plans to issue an annual report at this time.

Transactions, Records, & Adjustments

- 24. All transactions have been recorded in the accounting records and are reflected in the financial statements.
- 25. The entity has appropriately reconciled its general ledger accounts to their related supporting information. All related reconciling items considered to be material were identified and included on the reconciliations and were appropriately adjusted in the financial statements. All intracompany (and intercompany) accounts have been eliminated or appropriately measured and considered for disclosure in the financial statements.
- 26. We have everything we need to keep our books and records.

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27. We have disclosed any significant unusual transactions the entity has entered into during the period, including the nature, terms, and business purpose of those transactions.
28. We believe the effects of the uncorrected financial statement misstatements and omitted disclosures summarized in the attached schedule and aggregated by you during the current engagement are immaterial, both individually and in the aggregate, to the financial statements of Oklahoma Bankers Association taken as a whole.

We understand that, depending on both the nature of the uncorrected misstatement and the federal and state income tax rules applicable thereto, each uncorrected misstatement may or may not be taken into account for purposes of determining our federal and/or state taxable income and any income tax liability for the current year.

Nonprofit Accounting & Disclosure Matters

29. We have identified to you any activities conducted having both fund-raising and program or management and general components (joint activities) and have allocated the costs of any joint activities in accordance with the provisions of FASB ASC 958-720-45.
30. We are an entity exempt from income tax under Section 501(c) of the Internal Revenue Code and a similar provision of state law and, except as disclosed in the financial statements, there are no activities that would jeopardize our tax-exempt status or subject us to income tax on unrelated business income or excise tax on prohibited transactions and events.
31. We acknowledge the entity is not a conduit debt obligor whose debt securities are listed, quoted, or traded on an exchange or an over-the-counter market. As a result, we acknowledge the entity does not meet the definition of a "public entity" under generally accepted accounting principles for certain accounting standards.

Accounting & Disclosure

32. All transactions entered into by the entity are final. We are not aware of any unrecorded transactions, side agreements or other arrangements (either written or oral) that are in place.
33. Except as reflected in the financial statements, there are no:
 - a. Plans or intentions that may materially affect carrying values or classifications of assets, liabilities, or net assets.
 - b. Material transactions omitted or improperly recorded in the financial records.
 - c. Material unasserted claims or assessments that are probable of assertion or other gain/loss contingencies requiring accrual or disclosure in accordance with Accounting Standards Codification (ASC) Topic 450, *Contingencies*, including those arising from environmental remediation obligations.
 - d. Events occurring subsequent to the balance sheet date through the date of this letter, which is the date the financial statements were available to be issued, requiring adjustment or disclosure in the financial statements.
 - e. Agreements to purchase assets previously sold.
 - f. Arrangements with financial institutions involving compensating balances or other arrangements involving restrictions on cash balances, lines of credit, or similar

Oklahoma Bankers Association
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arrangements.

- g. Guarantees, whether written or oral, under which the entity is contingently liable.
- h. Known or anticipated asset retirement obligations.
- i. Supplier finance arrangements.

34. Except as disclosed in the financial statements, the entity has:

- a. Satisfactory title to all recorded assets, and those assets are not subject to any liens, pledges, or other encumbrances.
- b. Complied with all aspects of contractual agreements for which noncompliance would materially affect the financial statements.

Revenue, Accounts Receivable, & Inventory

35. Adequate provisions and allowances have been accrued for any material losses from:

- a. Uncollectible receivables.
- b. Excess or obsolete inventories.
- c. Sales commitments, including those unable to be fulfilled.
- d. Purchase commitments in excess of normal requirements or at prices in excess of prevailing market prices.

Estimates

- 36. We have identified all accounting estimates that could be material to the financial statements and we confirm the appropriateness of the methods and the consistency in their application, the accuracy and completeness of data, and the reasonableness of significant assumptions used by us in making the accounting estimates, including those measured at fair value reported in the financial statements.
- 37. Significant estimates that may be subject to a material change in the near term have been properly disclosed in the financial statements. We understand that “near term” means the period within one year of the date of the financial statements. In addition, we have no knowledge of

Oklahoma Bankers Association
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concentrations, which refer to volumes of business, revenues, available sources of supply, or markets, existing at the date of the financial statements that would make the entity vulnerable to the risk of severe impact in the near term that have not been properly disclosed in the financial statements.

Fair Value

38. With respect to the fair value measurements of financial and nonfinancial assets and liabilities, if any, recognized in the financial statements or disclosed in the notes thereto:
 - a. The underlying assumptions are reasonable and they appropriately reflect management's intent and ability to carry out its stated course of action.
 - b. The measurement methods and significant assumptions used in determining fair value are appropriate in the circumstances for financial statement measurement and disclosure purposes and have been consistently applied.
 - c. The significant assumptions appropriately reflect market participant assumptions.
 - d. The disclosures related to fair values are complete, adequate, and in conformity with U.S. GAAP.
 - e. There are no subsequent events that require adjustments to the fair value measurements and disclosures included in the financial statements.

Tax Matters

39. We understand the potential penalties for failure to disclose reportable tax transactions to the taxing authorities and have fully disclosed to Forvis Mazars any and all known reportable tax transactions.
40. We believe the estimates and assumptions used to identify, recognize, and measure tax positions of the entity, reporting unit, etc. are reasonable and appropriate for purposes of determining uncertain tax positions and the related liability for unrecognized tax benefits.

Agreed-Upon Procedures Performed Over the Calculation of the Nondeductible Portion of Membership Dues

41. We are responsible for the subject matter.
42. We have provided to you all relevant information and access, as applicable, as agreed upon in the terms of engagement.
43. All known matters contradicting the subject matter or assertion and any communication from regulatory agencies or others affecting the subject matter have been disclosed to you, including any communications received between the end of the period addressed by the subject matter and the date of your report.
44. We acknowledge our responsibility for the design, implementation, and maintenance of programs and controls to prevent and detect fraud.
45. We have no knowledge of any allegations of fraud or suspected fraud affected the subject matter received in communications from employees, customers, regulators, suppliers, or others.


Oklahoma Bankers Association
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46. We have no knowledge of any known or suspected violations of law, regulations, or requirements of regulatory agencies that could affect the subject matter.
47. We have disclosed to you all deficiencies in internal control relevant to the subject matter of which we are aware.
48. There are no plans or intentions that may affect the subject matter.
49. We have disclosed to you all known events subsequent to the period (or point in time) of the subject matter being reported on that would have a material effect on the subject matter.
50. We have no knowledge of any known or suspected fraudulent financial reporting or misappropriation of assets involving:
 - a. Management or employees who have significant roles in internal control, or
 - b. Others, where activities of others could affect the subject matter.

DocuSigned by:

6B331D7EAEEB4BE...

Adrian Beverage, CEO
adrian@oba.com

Signed by:

5F8FB9A779EE436...

Lea Ann Jackson, COO and CFO
leaann@oba.com

Attachment B

Schedule of Uncorrected Misstatements

1 of 1.

Appendix B**0027492 (au1024 audit 4491656)****Summary of Uncorrected Misstatements and Omitted Disclosures, as applicable****As of and for the Year Ended April 30, 2024****Summary of Misstatements in the Financial Statements**

Description	Debit (Credit) Required to Correct the Financial Statements					
	Assets	Liabilities	Equity	Revenue	Expenses	Net Income
Unrecorded misstatements - factual	26,345	(26,345)	-	-	-	-
Unrecorded misstatements - projected	-	-	-	-	-	-
Unrecorded misstatements - judgmental	-	-	-	-	-	-
Total uncorrected misstatements (Iron Curtain)	26,345	(26,345)	-	-	-	-
Impact of correcting prior period misstatements in prior periods (From Prior Period Table Below)				35,105	-	35,105
Total uncorrected misstatements, assuming prior year misstatements were corrected in prior periods (Rollover)				(35,105)	-	(35,105)

Financial Statement Impact

	As Reported	Misstatements	Subsequent to Misstatements	% Change
Total Assets	7,160,681	26,345	7,187,026	0.37 %
Total Liabilities	(2,074,589)	(26,345)	(2,100,934)	1.27 %
Retained Earnings	-	-	-	- %
Capital and Other Equity	(5,086,092)	-	(5,086,092)	- %
Total Equity	(5,086,092)	-	(5,086,092)	- %
Revenues	(4,200,256)	(35,105)	(4,235,361)	0.84 %
Expenses	3,708,434	-	3,708,434	- %
Net Income	(491,822)	(35,105)	(526,927)	7.14 %

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Oklahoma Bankers Association

Year End: April 30, 2024
 Unrecorded misstatements - Factual
 Date: 5/1/2023 To 4/30/2024

702-4

Completed by HS122428 7/16/2024	Reviewed by	Reviewed by	EE GS114687 7/30/2024
EQR RD102877 7/29/2024	Reviewed by	Reviewed by	Reviewed by

Number	Date	Name	Account No	Reference	Annotation	Debit	Credit	Recurrence	Misstatement
11	4/30/2024	Fixed Assets - Building Improvements	107015 OBA	J.001		26,345.00			
11	4/30/2024	Accrued Expense	204100 OBA	J.001			26,345.00		
		PAJE related to error identified in AP for Airco Services							
						26,345.00	26,345.00		
Net Income (Loss)			432,405.00						

Oklahoma Bankers Association

Independent Auditor's Report and Consolidated Financial Statements

April 30, 2024 and 2023

Oklahoma Bankers Association
Contents
April 30, 2024 and 2023

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Independent Auditor's Report

Board of Directors
Oklahoma Bankers Association
Oklahoma City, Oklahoma

Opinion

We have audited the consolidated financial statements of the Oklahoma Bankers Association (Association), which comprise the consolidated statements of financial position as of April 30, 2024 and 2023 and the related consolidated statements of activities, functional expenses, and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Association as of April 30, 2024 and 2023 and the changes in its net assets and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Consolidated Financial Statements" section of our report. We are required to be independent of the Association and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern within one year after the date that these consolidated financial statements are available to be issued.

Auditor's Responsibilities for the Audit of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Association's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Association's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Consolidating Information

Our audits were conducted for the purpose of forming an opinion on the consolidated financial statements as a whole. The accompanying consolidating statement of financial position as of April 30, 2024 and the consolidating statement of activities for the year then ended, as listed in the table of contents are presented for purposes of additional analysis rather than to present the financial position, results of activities and cash flows of the individual entities, and are not a required part of the consolidated financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic consolidated financial statements.

The information has been subjected to the auditing procedures applied in the audit of the consolidated financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the consolidated financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the consolidated financial statements as a whole.

Forvis Mazars, LLP

**Oklahoma City, Oklahoma
August 15, 2024**

Oklahoma Bankers Association
Consolidated Statements of Financial Position
April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
ASSETS		
Cash and cash equivalents	\$ 281,977	\$ 502,205
Investments	1,451,145	1,346,199
Certificates of deposit	4,167,268	3,593,979
Accounts receivable	47,032	78,812
Inventory	5,867	6,326
Prepaid expenses and other	266,384	207,410
Property and equipment, net	781,616	737,643
Investment in Compliance Alliance	35,550	35,550
Customer contracts and relationships	111,663	102,878
Other assets	12,179	15,964
	<u>7,160,681</u>	<u>6,626,966</u>
Total assets	<u>\$ 7,160,681</u>	<u>\$ 6,626,966</u>
LIABILITIES AND NET ASSETS		
Liabilities		
Deferred revenues		
Membership dues	\$ 1,408,074	\$ 1,380,977
Unearned premiums	1,287	4,371
Conventions, meetings, training programs, and subscriptions	238,622	188,636
	<u>1,647,983</u>	<u>1,573,984</u>
Total deferred revenues	1,647,983	1,573,984
Accounts payable and accrued liabilities	426,606	458,712
	<u>426,606</u>	<u>458,712</u>
Total liabilities	2,074,589	2,032,696
Net Assets Without Donor Restrictions	<u>5,086,092</u>	<u>4,594,270</u>
Total liabilities and net assets	<u>\$ 7,160,681</u>	<u>\$ 6,626,966</u>

Oklahoma Bankers Association
Consolidated Statements of Activities
Years Ended April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Revenues and Gains		
Dues	\$ 2,077,635	\$ 2,042,226
Conventions, meetings, training programs, and subscriptions	1,425,823	1,352,862
Products and services	216,548	203,728
Net investment return	137,812	28,370
Interest income	146,287	46,096
Bank insurance	52,122	63,196
Group services	2,225	45,097
Group health	19,302	1,973
Newspaper	100,791	90,798
Miscellaneous	21,711	26,012
	<u>4,200,256</u>	<u>3,900,358</u>
Expenses		
Program services		
Conventions, meetings, training programs, and subscriptions	1,205,070	1,192,576
Government relations	619,903	632,469
Member relations	903,693	857,185
Newspaper	139,652	124,729
Fraud services	211,012	228,726
Endorsements	21,718	17,862
Strategic members	72,412	73,130
Supporting services – general and administrative	534,974	472,856
	<u>3,708,434</u>	<u>3,599,533</u>
Change in Net Assets Without Donor Restrictions	491,822	300,825
Net Assets Without Donor Restrictions, Beginning of Year	<u>4,594,270</u>	<u>4,293,445</u>
Net Assets Without Donor Restrictions, End of Year	<u>\$ 5,086,092</u>	<u>\$ 4,594,270</u>

Oklahoma Bankers Association
Consolidated Statement of Functional Expenses
Year Ended April 30, 2024

	Conventions, Meetings, Training Programs, and Subscriptions	Government Relations	Member Relations	Newspaper	Fraud Services	Endorsements	Strategic Members	Total	Supporting Services General and Administrative	Total Expenses
Compensation and benefits expense	\$ 493,029	\$ 404,003	\$ 331,182	\$ 84,446	\$ 161,818	\$ 8,907	\$ 57,301	1,540,686	\$ 396,674	1,937,360
General office expense	48,060	74,712	23,748	18,597	14,764	10,384	372	190,637	71,444	262,081
Property expense	35,605	16,721	25,788	4,659	9,648	333	3,910	96,664	19,799	116,463
Depreciation	29,331	27,499	19,362	3,148	9,211	207	2,429	91,187	13,457	104,644
Travel expense	11,731	21,059	5,971	574	993	12	151	40,491	1,938	42,429
Association promotion expense	5,706	12,113	4,145	420	7,119	18	212	29,733	1,824	31,557
Direct program expense	553,715	50,784	473,123	24,139	-	1,579	4,394	1,107,734	-	1,107,734
Other expense	27,893	13,012	20,374	3,669	7,459	278	3,643	76,328	29,838	106,166
	<u>\$ 1,205,070</u>	<u>\$ 619,903</u>	<u>\$ 903,693</u>	<u>\$ 139,652</u>	<u>\$ 211,012</u>	<u>\$ 21,718</u>	<u>\$ 72,412</u>	<u>\$ 3,173,460</u>	<u>\$ 534,974</u>	<u>\$ 3,708,434</u>
Percentage of total expenses	32.8%	16.3%	24.7%	3.8%	6.0%	0.6%	1.9%	85.9%	14.1%	100.0%

Oklahoma Bankers Association
Consolidated Statements of Functional Expenses
Year Ended April 30, 2023

	Program Services								Supporting Services General and Administrative	Total Expenses
	Conventions, Meetings, Training Programs, and Subscriptions	Government Relations	Member Relations	Newspaper	Fraud Services	Endorsements	Strategic Members	Total		
Compensation and benefits expense	\$ 457,538	\$ 381,819	\$ 336,618	\$ 76,517	\$ 183,570	\$ 13,518	\$ 50,406	\$ 1,499,986	\$ 371,299	\$ 1,871,285
General office expense	74,965	109,251	4,480	11,375	19,462	(4,664)	8,412	223,281	37,543	260,824
Property expense	36,957	17,356	26,768	4,835	10,016	345	4,058	100,335	20,551	120,886
Depreciation	32,487	28,057	22,361	3,785	7,463	248	2,914	97,315	15,803	113,118
Travel expense	9,804	22,201	6,761	599	2,293	17	132	41,807	1,960	43,767
Association promotion expense	3,031	9,883	2,081	144	516	1	8	15,664	663	16,327
Direct program expense	557,424	54,435	443,176	24,794	-	8,182	4,361	1,092,372	-	1,092,372
Other expense	20,370	9,467	14,940	2,680	5,406	215	2,839	55,917	25,037	80,954
	<u>\$ 1,192,576</u>	<u>\$ 632,469</u>	<u>\$ 857,185</u>	<u>\$ 124,729</u>	<u>\$ 228,726</u>	<u>\$ 17,862</u>	<u>\$ 73,130</u>	<u>\$ 3,126,677</u>	<u>\$ 472,856</u>	<u>\$ 3,599,533</u>
Percentage of total expenses	33.1%	17.6%	23.8%	3.5%	6.4%	0.5%	2.0%	86.9%	13.1%	100.0%

Oklahoma Bankers Association
Consolidated Statements of Cash Flows
Years Ended April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Operating Activities		
Change in net assets without donor restrictions	\$ 491,822	\$ 300,825
Items not requiring (providing) cash		
Depreciation	104,644	113,118
Impairment of customer contracts and relationships	-	2,156
Loss on sales and disposals of property and equipment	(11,372)	(12,303)
Net realized and unrealized (gain) loss on investments	(94,907)	(3,628)
Changes in		
Accounts receivable	31,780	(27,870)
Inventory	459	2,736
Prepaid expenses and other	(55,189)	(90,344)
Deferred revenues	73,999	95,228
Accounts payable and accrued liabilities	(32,106)	(104,725)
Customer contracts	(8,785)	13,222
	<u>500,345</u>	<u>288,415</u>
Net cash provided by operating activities		
Investing Activities		
Purchases of certificates of deposit	(4,167,268)	(3,593,979)
Maturities of certificates of deposit	3,593,979	2,845,000
Purchases of property and equipment	(159,733)	(134,817)
Proceeds from disposition of property and equipment	22,488	58,300
Purchase of investments	(473,782)	(4,200)
Proceeds from disposition of investments	463,743	1,885
	<u>(720,573)</u>	<u>(827,811)</u>
Net cash used in investing activities		
Decrease in Cash and Cash Equivalents	(220,228)	(539,396)
Cash and Cash Equivalents, Beginning of Year	<u>502,205</u>	<u>1,041,601</u>
Cash and Cash Equivalents, End of Year	<u>\$ 281,977</u>	<u>\$ 502,205</u>

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Oklahoma Bankers Association (Association) is a trade organization whose mission and principal activities are to service the Oklahoma banking community. The Association is active in government relations activities; provides compliance consultation and research; and sponsors conventions, meetings, and training programs, all of which are funded by the collection of member dues, tuition charges, and sales of other banking-related products and services. The Association also publishes a trade newspaper and provides insurance products and other services to the Oklahoma banking community through OBA Insurance Agency, Inc. (OBAIA) and OBA Services Company, Inc. (OBASCO).

Principles of Consolidation

The accompanying consolidated financial statements include the accounts of the Association and its wholly owned subsidiary, OBA Financial Services Corp. (OBAFSC), and OBAFSC's wholly owned subsidiaries, OBAIA and OBASCO. All significant inter-association accounts and transactions have been eliminated in consolidation.

Basis of Presentation

Accounting principles generally accepted in the United States of America (GAAP) require the Association to report information regarding its consolidated financial position and activities in two classes of net assets. These classes of net assets are net assets without donor restrictions and net assets with donor restrictions. The Association does not have any net assets with donor restrictions.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues, expenses, gains, losses and other changes in net assets during the reporting period. Actual results could differ from those estimates.

Cash Equivalents

The Association considers all liquid investments with original maturities of three months or less to be cash equivalents. At April 30, 2024 and 2023, cash equivalents consisted primarily of certificates of deposit issued by various financial institutions who are members of the Association and also included a money market account held by the Association's broker.

At April 30, 2024, the Association's cash accounts exceeded federally insured limits by approximately \$11,000.

Accounts Receivable

Accounts receivable are stated at the amount of consideration from members, sponsors, and customers of which the Association has an unconditional right to receive plus any accrued and unpaid interest. Accounts receivable consist primarily of income due from registration fees. Accounts are written off when deemed uncollectible based on individual credit evaluation and specific circumstances. No allowance for doubtful accounts is deemed necessary at April 30, 2024 and 2023.

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

Contract Assets

Contract assets are recorded when the Association's has a right to consideration in exchange for goods or services that the Organization has transferred to the member or nonmember.

Contract Liabilities

Deferred revenues represent the Association's obligation to transfer goods or services to a member or nonmember when consideration has already been received from the member or non-member. Revenue from fees for member dues and events is deferred and recognized over the periods to which the fees relate.

Inventories

Inventories consist of copies of an institutional directory prepared for members. Inventories are stated at the lower of cost or market. Costs are determined using the first-in, first-out (FIFO) method.

Investments

The Association measures securities at fair value. Equity securities without a readily determinable fair value are measured at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or a similar investment.

Net Investment Return

Investment return includes dividend, interest, and other investment income; realized and unrealized gains and losses on investments carried at fair value; and realized gains and losses on other investments, less external and direct internal investment expenses. Gains and losses on the sale of securities are recorded on the trade date and are determined using the specific identification method.

Property and Equipment

Property and equipment acquisitions are stated at cost, less accumulated depreciation and amortization. Depreciation and amortization are charged to expense on the straight-line method over 2 to 30 years based on the estimated useful life of each asset. The association capitalizes assets greater than \$1,000.

Investment in Compliance Alliance

The Association has determined the investment in Compliance Alliance does not have a readily determinable fair value and measures the investment at cost, minus impairment, if any, plus or minus changes resulting from observable price changes for the identical or similar investment. There were no adjustments recognized during the years ended April 30, 2024 and 2023.

Long-Lived Asset Impairment

The Association evaluates the recoverability of the carrying value of long-lived assets whenever events or circumstances indicate the carrying amount may not be recoverable. If a long-lived asset is tested for recoverability and the undiscounted estimated future cash flows expected to result from the use and eventual disposition of the asset are less than the carrying amount of the asset, the asset cost is adjusted to fair value and an impairment loss is recognized as the amount by which the carrying amount of a long-lived asset exceeds its fair value. No asset impairment was recognized during the years ended April 30, 2024 and 2023.

Net Assets

Net assets, revenues, gains and losses are classified based on the existence or absence of donor or grantor restrictions.

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

Net assets without donor restrictions are available for use in general operations and not subject to donor or certain grantor restrictions.

There are no net assets subject to donor or grantor restrictions at April 30, 2024 or 2023.

Revenue Recognition

Revenue is recognized when control of member and nonmember services is transferred to the Association's members and nonmembers in an amount that reflects the consideration that it expects to be entitled to in exchange for providing membership and other services. The amount and timing of revenue recognition varies based on the nature of the services provided and the terms and conditions of the Association's bylaws and contracts. See Note 11 for additional information about the Association's revenue streams.

Income Taxes

The Association is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Association is subject to federal income tax on any unrelated business taxable income.

The Association files tax returns in the U.S. federal jurisdiction.

Functional Allocation of Expenses

The costs of supporting the various programs and other activities have been summarized on a functional basis in the consolidated statements of activities. The consolidated statements of functional expenses present the natural classification detail of expenses by function. Certain costs have been allocated among the program and supporting services based on management's estimate of each employee's daily job functions and other methods.

Revisions

Certain immaterial revisions have been made to the 2023 consolidated financial statements for the allocation of strategic membership dues between Products and Services and Dues. These revisions did not have a significant impact on the financial statement line items impacted.

Note 2. Investments and Net Investment Return

Investments at fair value consisted of the following at April 30:

	<u>2024</u>	<u>2023</u>
Pooled equity funds	\$ 819,729	\$ 705,339
Pooled fixed income funds and other investments	<u>630,806</u>	<u>640,435</u>
	<u>\$ 1,451,145</u>	<u>\$ 1,346,199</u>

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

Net investment return for the years ended April 30 was:

	<u>2024</u>	<u>2023</u>
Interest income	\$ 42,905	\$ 24,742
Net realized gains on sale of investments	176,566	1,885
Net unrealized gain (loss) on investments	<u>(81,659)</u>	<u>1,743</u>
	<u>\$ 137,812</u>	<u>\$ 28,370</u>

Note 3. Property and Equipment

Property and equipment at April 30 consists of:

	<u>Estimated Useful Life</u>	<u>2024</u>	<u>2023</u>
Land	-	\$ 60,012	\$ 60,012
Buildings	30 years	1,817,538	1,817,538
Building improvements	10 years	431,267	388,589
Machinery and equipment	5–7 years	79,427	78,491
Furniture and fixtures	7 years	240,935	240,935
Computer, hardware, and software	2–4 years	280,194	294,376
Motor vehicles	2–3 years	<u>190,083</u>	<u>139,122</u>
		3,099,456	3,019,063
Less accumulated depreciation		<u>2,317,840</u>	<u>2,281,420</u>
Property and equipment, net		<u>\$ 781,616</u>	<u>\$ 737,643</u>

Note 4. Customer Contracts and Relationships

On December 1, 2011, OBAIA purchased from the affiliate of BancInsure, Inc. customer contracts and relationships operating under insurance policies that are renewable periodically. The assets acquired consist primarily of rights to be the “named agent of record” for the insured parties.

In May 2017, OBAIA entered into an Asset Transfer Agreement with Texas Bankers Insurance Agency, Inc. (TBIAI). The Asset Transfer Agreement had an effective date of May 1, 2017. It provides for the transfer of OBAIA’s customer policies—limited to bank fidelity/blanket bond, directors’ and officers’ liability, cyber liability, debit/credit fraud, mortgage E&O, and bank property and casualty insurance—to TBIAI. The Asset Transfer Agreement is only in effect as long as the referenced license agreement (discussed below) is in effect. Upon termination, the policies would be transferred back to OBAIA.

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

Also in May 2017, the Association, OBAIA, Texas Bankers Association, and TBIAI entered into a license agreement with an effective date of May 1, 2017. The term of the license agreement is five years, with automatic renewal of five-year periods unless terminated by either party prior to renewal or under specific conditions. The license agreement provides for endorsement by the Association and OBAIA, restriction of competition, and payment of royalties to OBAIA based on commissions from the sale of insurance products to financial institutions who are members of the Association.

The carrying amount of contracts and relationships is periodically reviewed by management to determine if the facts and circumstances suggest they may be impaired. The Association compares the carrying amount of the assets with an estimate of the assets' fair value. The fair value is estimated using discounted cash flows from the expected royalties paid to OBAIA. As these customer contracts were purchased at a price determined as a multiple of their corresponding commission revenues, the Association assesses the carrying amount of the assets by considering the estimated future undiscounted cash flows generated by the corresponding business. Any impairment identified through these assessments may require the carrying value of related assets to be adjusted. The Association recorded no impairment for the year ended April 30, 2024 and impairment of \$2,156 for the year ended April 30, 2023.

Note 5. Employment Agreement

The Association has an employment agreement in place with the Association's chief executive officer (CEO). The agreement requires the Association to pay the CEO's base salary in effect as of the effective date of the agreement. The compensation of the CEO will be reviewed annually by the Executive Committee. The agreement can be terminated by the Association for cause or without cause upon 75% or greater vote of the Board of Directors.

Note 6. Defined Contribution Plan

The Association made safe harbor and discretionary contributions equal to 3% and 5% of each eligible participant's total compensation to the plan for the years ended April 30, 2024 and 2023, respectively. Employees vest at 20% after their first year of participation and each subsequent year until fully vested. Contributions to the plan approximated \$130,000 and \$120,000, which were net of forfeitures occurring in the period, for the years ended April 30, 2024 and 2023, respectively.

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

Note 7. Bonus Plan

The Association has an annual bonus plan for substantially all officers and staff. The bonus pool is distributed as a percentage of gross compensation, excluding taxable fringe benefits based upon the change in net assets without donor restrictions (prior to bonus) less net unrealized gains on investments, as follows:

	Change in Net Assets Without Donor Restrictions (Prior to Bonus) Less Net Unrealized Gains on Investments		Percent of Change Allocated to Bonus
2024			
Level 1	\$ -	\$ 25,000	0.00%
Level 2	\$ 25,001	\$ 50,000	50.00%
Level 3	\$ 50,001	Unlimited	66.67%
2023			
Level 1	\$ -	\$ 25,000	0.00%
Level 2	\$ 25,001	\$ 50,000	50.00%
Level 3	\$ 50,001	Unlimited	66.67%

Annual bonus expense of approximately \$152,000 and \$170,000 was recorded for the years ended April 30, 2024 and 2023, respectively.

Note 8. Fair Value Measurements and Disclosures

The fair value is the price that would be received to sell an asset in an orderly transaction between market participants at the measurement date. Fair value measurements must maximize the use of observable inputs and minimize the use of unobservable inputs. There is a hierarchy of three levels of inputs that may be used to measure fair value:

- Level 1** Quoted prices in active markets for identical assets
- Level 2** Observable inputs other than Level 1 prices, such as quoted prices for similar assets, quoted prices in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets
- Level 3** Unobservable inputs supported by little or no market activity and significant to the fair value of the assets

The following is a description of the inputs and valuation methodologies used for assets measured at fair value on a recurring basis and recognized in the accompanying consolidated statements of financial position, as well as the general classification of such assets pursuant to the valuation hierarchy.

Investments

The Association's investments are accounted for at fair value and are valued on a recurring basis. The pooled equity and fixed income funds and other investments are considered to be Level 1 investments, as they have quoted market prices in active markets. There were no investments considered to be Level 2 or Level 3 at April 30, 2024 or 2023.

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

There have been no significant changes in the valuation techniques during the years ended April 30, 2024 and 2023.

Note 9. Significant Estimates and Concentrations

Accounting principles generally accepted in the United States of America require disclosure of certain significant estimates and current vulnerabilities due to certain concentrations. Those matters include the following:

Accounts Receivable

Accounts receivable consist of amounts due from Oklahoma banks or affiliate companies whose primary market is the banking industry. These receivables are unsecured, and collectibility is subject to the risk of downturn in the general economy of Oklahoma.

Investments

The Association invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the accompanying statements of financial position.

Note 10. Revenue from Contracts with Customers

The Association's Board of Directors and management annually evaluate the dues to be charged for both bank members and strategic members. Revenues for charges of goods and services are recognized into revenue from customers for the following performance obligations as follows:

Bank Member Services

The Association's primary business purpose is to promote the welfare and performance of its members by representing them and advocating on their behalf, providing services to assist its members in meeting the banking needs of their communities, educating the public and bankers about financial institution policy and issues, and promoting quality banking for Oklahomans. These include access to training, publication of a newspaper promoting bank interests, and legislative and other services. Benefits for these services are received over time of membership as expenses occur throughout the year. Revenues related to bank membership dues approximated \$1,955,000 and \$1,917,000 for the years ended April 30, 2024 and 2023, respectively.

Strategic Membership Services

Strategic membership services are considered covered by the Association's bylaws. Each strategic member receives the same services provided to bank members but does not have voting power. Like bank member services, benefits for these services are received over time of membership. Revenues related to strategic membership dues approximated \$123,000 and \$125,000 for the years ended April 30, 2024 and 2023, respectively.

Endorsement/Commissions

The Association establishes contracts with third-party companies or vendors that state compensation for OBASCO and OBAIA's performance of insurance referrals and endorsement of vendors. Although payment terms from the vendors varies under the various contracts, OBASCO and OBAIA receive payment when a specific event takes place, whether it be commissions related to insurance premiums paid to contracted vendors or commissions related

Oklahoma Bankers Association
Notes to Consolidated Financial Statements
April 30, 2024 and 2023

to member banks utilizing vendor products. In each case, there is an obligation or event that triggers payment/recognition in which revenue is recognized at that point in time. Endorsements and commissions approximated \$168,000 and \$198,000 for the years ended April 30, 2024 and 2023, respectively.

Registration/Products

The Association invoices the attendee/customer when they register for an event or product. Registration revenue occurs when members or nonmembers attend an educational, social, or annual event. Likewise, product revenue is recognized at a point in time. Registration and product sales approximated \$1,274,000 and \$1,256,000 for the years ended April 30, 2024 and 2023, respectively.

Advertising/Sponsorships

Advertising and sponsorship revenue represents advertisement orders placed in the Association's newspaper, financial directory, calendar, or event signage. If the customer does not pay when completing the application, the Association will invoice the customer when the advertised/sponsored event occurs; hence, revenue is recognized at a point in time. Revenue occurs when the advertised product is issued or takes place. Advertising and sponsorships approximated \$354,000 and \$290,000 for the years ended April 30, 2024 and 2023, respectively.

Note 11. Liquidity and Availability

The Association strives to maintain liquid financial assets sufficient to cover its general expenditures. Financial assets in excess of daily cash requirements are invested in certificates of deposit and other short-term investments.

The following table reflects the Association's financial assets as of April 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the consolidated statement of financial position date because of contractual restrictions. Amounts not available to meet general expenditures within one year also may include net assets with donor restrictions. There were no net assets with donor restrictions at April 30, 2024 and 2023.

	<u>2024</u>	<u>2023</u>
Cash and cash equivalents	\$ 281,977	\$ 502,205
Investments	1,451,145	1,346,199
Certificates of deposit	4,167,268	3,593,979
Accounts receivable	<u>47,032</u>	<u>78,812</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 5,947,422</u>	<u>\$ 5,521,195</u>

Note 12. Subsequent Events

Subsequent events have been evaluated through August 15, 2024, which is the date the consolidated financial statements were available to be issued.

Supplementary Information

Oklahoma Bankers Association
Consolidating Statement of Financial Position
April 30, 2024

	<u>Oklahoma Bankers Association</u>	<u>OBA Insurance Agency, Inc.</u>	<u>OBA Services Company, Inc.</u>	<u>Elimination Entries</u>	<u>Association Consolidated Balance</u>
ASSETS					
Cash and cash equivalents	\$ 254,198	\$ 22,108	\$ 5,671	\$ -	\$ 281,977
Investments	1,451,145	-	-	-	1,451,145
Certificates of deposit	4,167,268	-	-	-	4,167,268
Accounts receivable	35,337	-	11,695	-	47,032
Inventory	5,867	-	-	-	5,867
Prepaid expenses and other	248,177	4,300	13,907	-	266,384
Property and equipment, net	746,099	-	35,517	-	781,616
Investment in subsidiaries	427,388	-	-	(427,388)	-
Investment in Compliance Alliance	35,550	-	-	-	35,550
Customer contracts and relationships	-	111,663	-	-	111,663
Other assets	7,742	4,437	-	-	12,179
Other receivables	622,118	971,255	42,366	(1,635,739)	-
Total assets	<u>\$ 8,000,889</u>	<u>\$ 1,113,763</u>	<u>\$ 109,156</u>	<u>\$ (2,063,127)</u>	<u>\$ 7,160,681</u>
LIABILITIES AND NET ASSETS					
Liabilities					
Deferred revenues					
Membership dues	\$ 1,314,483	\$ -	\$ 93,591	\$ -	\$ 1,408,074
Unearned premiums	-	1,287	-	-	1,287
Conventions, meetings, training programs, and subscriptions	216,940	-	21,682	-	238,622
Total deferred revenues	1,531,423	1,287	115,273	-	1,647,983
Accounts payable and accrued liabilities	412,117	322	14,167	-	426,606
Intercompany payables	968,841	42,327	622,155	(1,633,323)	-
Total liabilities	2,912,381	43,936	751,595	(1,633,323)	2,074,589
Net Assets Without Donor Restrictions	<u>5,088,508</u>	<u>1,069,827</u>	<u>(642,439)</u>	<u>(429,804)</u>	<u>5,086,092</u>
Total liabilities and net assets	<u>\$ 8,000,889</u>	<u>\$ 1,113,763</u>	<u>\$ 109,156</u>	<u>\$ (2,063,127)</u>	<u>\$ 7,160,681</u>

Oklahoma Bankers Association
Consolidating Statement of Activities
April 30, 2024

	Oklahoma Bankers Association	OBA Insurance Agency, Inc.	OBA Services Company, Inc.	Elimination Entries	Association Consolidated Balance
Revenues and Gains					
Dues	\$ 1,954,502	\$ -	\$ 123,133	\$ -	\$ 2,077,635
Conventions, meetings, training programs, and subscriptions	1,425,823	-	-	-	1,425,823
Products and services	105,206	-	111,342	-	216,548
Net investment return	137,812	-	-	-	137,812
Interest income	146,287	-	-	-	146,287
Bank insurance	-	52,122	-	-	52,122
Group health	-	19,302	-	-	19,302
Group services	-	2,225	-	-	2,225
Newspaper	-	-	100,791	-	100,791
Miscellaneous	11,992	-	9,719	-	21,711
Net decrease in unrestricted assets in subsidiaries	(59,416)	-	-	59,416	-
Total revenues and gains	<u>3,722,206</u>	<u>73,649</u>	<u>344,985</u>	<u>59,416</u>	<u>4,200,256</u>
Expenses					
Program services					
Conventions, meetings, training programs, and subscriptions	1,205,070	-	-	-	1,205,070
Government relations	619,903	-	-	-	619,903
Member relations	903,693	-	-	-	903,693
Newspaper	-	-	139,652	-	139,652
Fraud services	-	-	211,012	-	211,012
Endorsements	-	-	21,718	-	21,718
Strategic members	-	-	72,412	-	72,412
Supporting services – general and administrative	501,718	13,457	19,799	-	534,974
Total expenses	<u>3,230,384</u>	<u>13,457</u>	<u>464,593</u>	<u>-</u>	<u>3,708,434</u>
Change in Net Assets Without Donor Restrictions	491,822	60,192	(119,608)	59,416	491,822
Net Assets (Deficit) Without Donor Restrictions, Beginning of Year	<u>4,596,686</u>	<u>1,009,635</u>	<u>(522,831)</u>	<u>(489,220)</u>	<u>4,594,270</u>
Net Assets (Deficit) Without Donor Restrictions, End of Year	<u>\$ 5,088,508</u>	<u>\$ 1,069,827</u>	<u>\$ (642,439)</u>	<u>\$ (429,804)</u>	<u>\$ 5,086,092</u>

Oklahoma Bankers Foundation

Independent Auditor's Report and Financial Statements

April 30, 2024 and 2023

Oklahoma Bankers Foundation

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April 30, 2024 and 2023

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Independent Auditor's Report

Board of Trustees
Oklahoma Bankers Foundation
Oklahoma City, Oklahoma

Opinion

We have audited the financial statements of Oklahoma Bankers Foundation (Foundation), which comprise the statements of cash receipts and disbursements for the years ended April 30, 2024 and 2023, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash receipts and deposit balances of the Foundation as of April 30, 2024 and 2023 and the cash receipts and disbursements for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Foundation and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Foundation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Foundation's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

**Oklahoma City, Oklahoma
August 15, 2024**

Oklahoma Bankers Foundation
Statements of Cash Receipts and Disbursements
April 30, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Cash Receipts		
Contributions		
Robbery reward program	\$ 2,552	\$ -
Unrestricted	<u>2,981</u>	<u>3,974</u>
Total cash receipts	<u>5,533</u>	<u>3,974</u>
Cash Disbursements		
Program services		
Robbery reward program	<u>-</u>	<u>2,500</u>
Total program services	<u>-</u>	<u>2,500</u>
General and administrative		
Accounting and auditing fees	2,953	3,229
Bank Fees	<u>28</u>	<u>-</u>
Total cash disbursements	<u>2,953</u>	<u>5,729</u>
Increase (Decrease) in Cash	2,552	(1,755)
Cash, Beginning of Year	<u>44,300</u>	<u>46,055</u>
Cash, End of Year	<u><u>\$ 46,852</u></u>	<u><u>\$ 44,300</u></u>

Oklahoma Bankers Foundation
Notes to Financial Statements
April 30, 2024 and 2023

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Oklahoma Bankers Foundation (Foundation) is a nonprofit, charitable organization whose mission includes the advancement and promotion of the humanitarian and scientific aspects of the banking and financial services industries.

Cash Basis of Accounting

The Foundation maintains its accounts on a cash basis; therefore, the accompanying statements of cash receipts and disbursements reflect only cash received and disbursed. As a result, receivables and payables, long-lived assets and depreciation, and accrued income and expenses, which may be material, are not reflected in the accompanying statements of cash receipts and disbursements. The statements are not intended to present the financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

Administration

Employees of the Oklahoma Bankers Association (Association) provide all the administrative duties relating to the Foundation, such as management, accounting, and computer services. The Foundation and the Association do not consider the amount of time incurred by the Association's personnel to be significant and, accordingly, the Association has not allocated any salaries or benefits to the Foundation.

Cash

At April 30, 2024 and 2023, cash consisted of a deposit account held by a financial institution who is a member of the Association.

At April 30, 2024, the Foundation's cash accounts did not exceed federally insured limits.

The Foundation has received contributions in prior years that have donor restrictions. Funds with donor restrictions for the robbery reward program totaled \$16,081 and \$13,529 for the years ended April 30, 2024 and 2023, respectively.

Contributions

Contributions from donors are recognized at the time of receipt.

Gifts of cash received without donor stipulations are reported as funds without donor restrictions.

Income Taxes

The Foundation is exempt from income taxes under Section 501 of the Internal Revenue Code and a similar provision of state law. However, the Foundation is subject to federal income tax on any unrelated business taxable income.

The Foundation files tax returns in the U.S. federal jurisdiction.

Oklahoma Bankers Foundation
Notes to Financial Statements
April 30, 2024 and 2023

Note 2. Information Regarding Liquidity and Availability

The Foundation strives to maintain liquid financial assets sufficient to cover its general expenditures. The following table reflects the Foundation's financial assets as of April 30, 2024 and 2023, reduced by amounts that are not available to meet general expenditures within one year of the Foundation's year-end because of donor-imposed restrictions. The Foundation does not have a specific liquidity policy.

	<u>2024</u>	<u>2023</u>
Cash	\$ 46,852	\$ 44,300
Less donor-imposed restrictions		
Restricted funds	<u>16,081</u>	<u>13,529</u>
Financial assets available to meet cash needs for general expenditures within one year	<u>\$ 30,771</u>	<u>\$ 30,771</u>

Note 3. Subsequent Events

Subsequent events have been evaluated through August 15, 2024, which is the date the financial statements were available to be issued.

Oklahoma Bankers Federal Public Affairs Committee

Independent Auditor's Report and Financial Statements

December 31, 2023 and 2022

Oklahoma Bankers Federal Public Affairs Committee
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December 31, 2023 and 2022

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Independent Auditor's Report

Members
Oklahoma Bankers Federal Public Affairs Committee
Oklahoma City, Oklahoma

Opinion

We have audited the financial statements of Oklahoma Bankers Federal Public Affairs Committee (Committee), which comprise the statements of cash receipts and disbursements for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash receipts and deposit balances of the Committee as of December 31, 2023 and 2022 and the cash receipts and disbursements for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Committee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statement in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and, therefore, is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Committee's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

**Oklahoma City, Oklahoma
August 15, 2024**

Oklahoma Bankers Federal Public Affairs Committee
Statements of Cash Receipts and Disbursements
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Receipts		
Contributions	\$ 23,113	\$ 46,049
Cash Disbursements		
Program services		
Political contributions	35,000	35,000
Total program services	35,000	35,000
Administrative and general – bank fees	503	440
Total cash disbursements	35,503	35,440
Increase (Decrease) in Cash	(12,390)	10,609
Cash, Beginning of Year	59,271	48,662
Cash, End of Year	<u>\$ 46,881</u>	<u>\$ 59,271</u>

Oklahoma Bankers Federal Public Affairs Committee
Notes to Financial Statements
December 31, 2023 and 2022

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Oklahoma Bankers Federal Public Affairs Committee (Committee) is a voluntary, nonprofit, unincorporated political association organized for the protection, preservation, and furtherance of the banking industry through political activity on a national level. The Committee solicits and accepts contributions from bankers to financially support candidates to federal elective office, national political parties, other political committees, and political activity affecting the banking industry. As a public affairs committee, the Committee is subject to regulatory limitations related to expenditures.

Cash Basis of Accounting

The Committee maintains its accounts on a cash basis; therefore, the accompanying statements of cash receipts and disbursements reflect only cash received and disbursed. As a result, receivables and payables, long-lived assets and depreciation, and accrued income and expenses, which may be material, are not reflected in the accompanying statements of cash receipts and disbursements. The statements are not intended to present the financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

Administration

Employees of the Oklahoma Bankers Association (Association) provide all the administrative duties relating to the Committee, such as management, accounting, and computer services. The Committee and the Association do not consider the amount of time incurred by the Association's personnel to be significant and, accordingly, the Association has not allocated any salaries or benefits to the Committee.

Cash

At December 31, 2023 and 2022, cash consisted of a deposit account held by a financial institution that is a member of the Association.

At December 31, 2023, the Committee's cash accounts did not exceed federally insured limits.

Contributions

Contributions from donors are recognized at the time of receipt.

Political Contributions

Political contributions are reported as an expense of the Committee when approved by the Committee's members and paid by the Committee.

Income Taxes

The Committee is exempt from income taxes under Section 527 of the Internal Revenue Code and a similar provision of state law. However, the Committee is subject to federal income tax on any unrelated business taxable income.

The Committee files tax returns in the U.S. federal jurisdiction.

**Oklahoma Bankers Federal Public Affairs Committee
Notes to Financial Statements
December 31, 2023 and 2022**

Note 2. Information Regarding Liquidity and Availability

The Committee strives to maintain liquid financial assets sufficient to cover its general expenditures. The Committee's financial assets available to meet general expenditures within one year of December 31, 2023 and 2022 are \$46,881 and \$59,271, respectively. The Committee does not have a specific liquidity policy.

Note 3. Subsequent Events

Subsequent events have been evaluated through August 15, 2024, which is the date the financial statements were available to be issued.

Oklahoma Bankers Public Affairs Committee

Independent Auditor's Report and Financial Statements

December 31, 2023 and 2022

Oklahoma Bankers Public Affairs Committee

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December 31, 2023 and 2022

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Independent Auditor's Report

Members
Oklahoma Bankers Public Affairs Committee
Oklahoma City, Oklahoma

Opinion

We have audited the financial statements of Oklahoma Bankers Public Affairs Committee (Committee), which comprise the statements of cash receipts and disbursements for the years ended December 31, 2023 and 2022, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the cash receipts and deposit balances of the Committee as of December 31, 2023 and 2022 and the cash receipts and disbursements for the years then ended in accordance with the cash basis of accounting described in Note 1.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the "Auditor's Responsibilities for the Audit of the Financial Statements" section of our report. We are required to be independent of the Committee and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter – Basis of Accounting

We draw attention to Note 1 of the financial statements, which describes the basis of accounting. The financial statements are prepared on the cash basis of accounting, which is a basis of accounting other than accounting principles generally accepted in the United States of America. Our opinion is not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with the cash basis of accounting described in Note 1, and for determining that the cash basis of accounting is an acceptable basis for the preparation of the financial statements in the circumstances. Management is also responsible for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions,

misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Committee's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Committee's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Forvis Mazars, LLP

**Oklahoma City, Oklahoma
August 15, 2024**

Oklahoma Bankers Public Affairs Committee
Statements of Cash Receipts and Disbursements
December 31, 2023 and 2022

	<u>2023</u>	<u>2022</u>
Cash Receipts		
Contributions	\$ 66,237	\$ 88,404
Interest	263	263
	<u>66,500</u>	<u>88,667</u>
Total cash receipts		
Cash Disbursements		
Program services		
Political contributions	50,700	88,719
	<u>50,700</u>	<u>88,719</u>
Total program services		
	50,700	88,719
Administrative and general – bank fees, taxes, and miscellaneous	153	165
	<u>153</u>	<u>165</u>
Total cash disbursements		
	<u>50,853</u>	<u>88,884</u>
Increase (Decrease) in Cash and Certificates of Deposit	15,647	(217)
Cash and Certificates of Deposit, Beginning of Year	<u>303,538</u>	<u>303,755</u>
Cash and Certificates of Deposit, End of Year	<u>\$ 319,185</u>	<u>\$ 303,538</u>

**Oklahoma Bankers Public Affairs Committee
Notes to Financial Statements
December 31, 2023 and 2022**

Note 1. Nature of Operations and Summary of Significant Accounting Policies

Nature of Operations

Oklahoma Bankers Public Affairs Committee (Committee) is a voluntary, nonprofit, unincorporated political association organized for the protection, preservation, and furtherance of the banking industry through political activity on a state level. The Committee solicits and accepts contributions from bankers to financially support candidates to state elective office, state political parties, other political committees, and political activity affecting the banking industry. As a public affairs committee, the Committee is subject to regulatory limitations related to expenditures.

Cash Basis of Accounting

The Committee maintains its accounts on a cash basis; therefore, the accompanying statements of cash receipts and disbursements reflect only cash received and disbursed. As a result, receivables and payables, long-lived assets and depreciation, and accrued income and expenses, which may be material, are not reflected in the accompanying statements of cash receipts and disbursements. The statements are not intended to present the financial position or results of operations in conformity with accounting principles generally accepted in the United States of America.

Administration

Employees of the Oklahoma Bankers Association (Association) provide all the administrative duties relating to the Committee, such as management, accounting, and computer services. The Committee and the Association do not consider the amount of time incurred by the Association's personnel to be significant and, accordingly, the Association has not allocated any salaries or benefits to the Committee.

Cash and Certificates of Deposits

At December 31, 2023 and 2022, cash consisted of deposit accounts held and issued by various financial institutions who are members of the Association.

At December 31, 2023 and 2022, the Committee had investments in certificates of deposit totaling \$175,000 with interest rates of 1.7%.

At December 31, 2023, the Committee's cash accounts did not exceed federally insured limits.

Contributions

Contributions from donors are recognized at the time of receipt.

Political Contributions

Political contributions are reported as an expense of the Committee when approved by the Committee's members and paid by the Committee.

Income Taxes

The Committee is exempt from income taxes under Section 527 of the Internal Revenue Code and a similar provision of state law. However, the Committee is subject to federal income tax on any unrelated business taxable income.

The Committee files tax returns in the U.S. federal jurisdiction.

Oklahoma Bankers Public Affairs Committee
Notes to Financial Statements
December 31, 2023 and 2022

Note 2. Information Regarding Liquidity and Availability

The Committee strives to maintain liquid financial assets sufficient to cover its general expenditures. The Committee's financial assets available to meet general expenditures within one year of December 31, 2023 and 2022 are \$144,185 and \$128,538, respectively. The Committee does not have a specific liquidity policy.

	<u>2023</u>	<u>2022</u>
Cash and certificates of deposit	\$ 319,185	\$ 303,538
Less certificates of deposit maturing in more than one year	<u>(175,000)</u>	<u>(175,000)</u>
Cash available to meet needs for general expenditures	<u>\$ 144,185</u>	<u>\$ 128,538</u>

Note 3. Subsequent Events

Subsequent events have been evaluated through August 15, 2024, which is the date the financial statements were available to be issued.

OKLAHOMA BANKERS ASSOCIATION
Meeting of the Board of Directors
Monday, May 13, 2024

A meeting of the Board of Directors of the Oklahoma Bankers Association was held on Monday, May 13, 2024. The meeting was called to order by Chairman Bryan Cain at 10:00 a.m.

OBA Board Members Present:

Bryan Cain	Alicia Wade	Steven Bagwell	Amada Alvidrez
Mark Caldwell	Nancy Cantu (call-in)	Priscilla Cude	Ted Cundiff
Bill Fanning	Steve Hart	Frazier Henke	Matt Jackson
Sean Kouplen	Ryan Yates	Leigh-Anne Taylor	Gregg Weber
Beth Wright	Julie Stovall		

In-Coming Board Members Present:

Brian Mooney	Loren Parham	Troy Appling	Michael Oonk
Adam Howell			

OBA Board Members Not Present:

Adam Anderson	Rigo Aranda	Bert Davison	Keith Mansfield
Ryan Quidley	Debbie Ward	Andrew Wells	

OBA Staff Present:

Adrian Beverage	Lea Ann Jackson	Janis Reeser	Megan McGuire
Jeremy Cowen	Sharon Lewis	Joan Anderson	

Agenda

Agenda was approved as presented

Approval of Minutes

Motion to approve the minutes of the meeting held on Wednesday, March 27, 2024 was made by Alicia Wade and seconded by Bill Fanning. The motion was approved unanimously with no abstentions.

Committee Reports

Performance and Oversight – Bryan Cain, Chairman

Financial Statements

Lea Ann reported that the Executive Committee voted to recommend approval of the budget for FYE 04/30/2025 by the Board. Also, no financial statements yet available as the books are in the process of being closed out for the year. Auditors will be starting their fieldwork in early June and will present their findings at the August board meeting.

A motion was made by Bill Fanning and seconded by Ted Cundiff to approve the budget as presented. The motion was approved unanimously with no abstentions.

Education and Training

Janis reported on the following:

- Have had a few people register in the last couple days leading up to Convention
- Only have 7 50-year inductees instead of the 16 from last year
- If attending Convention, please visit with the vendors, they play a big role in our success!
- Have had very generous support from our sponsors
- See Agenda Summary for everything else

OBASCO

See Agenda Summary

Committee Reports

Planning & Business Development – Alicia Wade, Chair

Government Relations – Adrian Beverage

Federal Issues

- Adrian reported that at the Federal level everything is tied up in preliminary injunction right now.
- On May 16 there will be two bills that are marked up in the House Financial Services Committee. Both bills are introduced because of Section 1071.
- The Trigger Leads bill is seeing some momentum at the moment
- The OBA will be hosting a fundraiser for Congressman Frank Lucas on May 29 at 11:30 a.m.

State Issues

- 18 legislative days left
- HB4092
 - This was the bill that was introduced by the OBA that focused on our rural communities
 - The bill would have allowed lenders that made certain ag loans in communities with a population less than 5,000 to take the net interest earned and remove it from net income
 - During the Senate Finance Committee there were several questions asked as to why only rural communities should get this benefit
 - Our author wasn't able to rein them in and it snowballed from there
 - The bill failed for a lack of a second
- Last week Senate Pro Tempore Greg Treat removed Senator Roger Thompson as Chair of Senate Appropriations. Senator Chuck Hall immediately became Chair of Senate Appropriations and was tasked with passing a \$14B budget in less than 30 days. The legislature can adjourn as soon as they pass a budget, nobody knows if that is going to be next week or on May 31, which is the last day the legislature can meet this regular session.
- SB1903
 - This bill prohibits the charging of a buyer's premium on online auction marketplaces for sheriff auctions and sets upper limits on other fees. Also adds language to this bill that will hopefully address the log jam of foreclosures in Oklahoma County
- SB1510
 - This bill would modify provisions of the Energy Discrimination Elimination Act making certain conditions for contracting applicable to only state agencies, rather than to all government entities. This bill failed on the House floor by a vote of 44-40.

PAC Report

Adrian reported that the PAC is slightly above where it was this time last year and encouraged everyone to contribute if they haven't already.

Legal Report

See Agenda Summary

Committee Reports

External/Member Relations – Amada Alvidrez, Chair

Member Relations

Megan reported on the following:

- May 13 – Emerging Leaders Reception at Convention
- The OBA Emerging Leaders Chair will be Adam Howell
- The OBA Scholarship has been awarded
- 2024 Washington Visit is September 22-24
- 2024-25 OBA Emerging Leaders Academy will start in November
- 2024 ABA Annual Convention is October 27-29
- ABA Emerging Leaders Awards nominations are open

Fraud Department

Sharon Lewis reported that in April she attended statewide MAFIA/information sharing group meetings. The benefits of attendance include networking, information sharing and building better relationships between financial institutions and local law enforcement officials. The rest of her report is in the *Agenda Summary*.

Communications/Public Relations

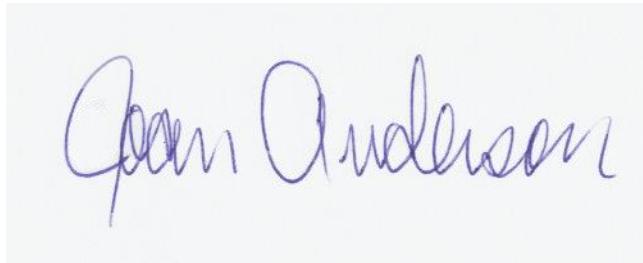
Jeremy informed the group that the OBA Convention link had just been sent out and the rest of his report is in the *Agenda Summary*.

Other Business

Brian had the group go around and introduce themselves since there were incoming board members in attendance. He also encouraged the group to participate in the meetings, it shouldn't just be the President addressing the members.

There being no further business Sean Kouplen motioned with a second by Alicia Wade to adjourn the meeting. Adjournment was at 10:50 a.m.

Respectfully Submitted

A handwritten signature in blue ink that reads "Joan Anderson". The signature is written in a cursive style with a large initial "J".

Joan Anderson
Recording Secretary

**Oklahoma Bankers Association
Meeting of the Executive Committee
Wednesday, May 8, 2024**

A meeting of the Executive Committee of the Oklahoma Bankers Association was held via conference call on Wednesday, May 8, 2024. OBA Chair Bryan Cain called the meeting to order at 3:01 pm. Others participating included OBA Past Chair Amada Alvidrez, OBA Vice Chair Alicia Wade, OBA First Vice Chair Steve Bagwell, OBA COO/CFO Lea Ann Jackson and OBA President/CEO Adrian Beverage. Chair Cain asked for an approval of the agenda. Vice Chair Wade made the motion and First Vice Chair Bagwell seconded it. The agenda was approved unanimously with no abstentions.

Jackson presented the proposed budget for the FYE 4/30/2025. After limited discussion, First Vice Chair Bagwell made a motion to approve. Vice Chair Wade made the second. The motion was approved unanimously with no abstentions.

Under Other Business, the members discussed the proposed amendment of President Beverage's Employment Agreement. The proposed amendments include rate of base pay and changing from specifying golf membership at Twin Hills to any club approved by the Executive Committee. Vice Chair Wade made a motion to approve and Past Chair Alvidrez made the second. The motion was approved unanimously with no abstentions. A second item was also addressed. There are several goals set each year which are used to determine whether a year-end bonus is awarded to the President/CEO. Two of the goals could be evaluated. It was determined that the goal pertaining to dues revenue had been met and should be fully paid out. The second goal was related to visits with bank decision-makers and 75% of the goal has been met so 75% of the bonus for that goal could be paid out. First Vice Chair Bagwell made a motion to approve the bonus calculations and payment and Vice Chair Wade made the second.

There being no further business to come before the Committee, the meeting was duly adjourned at 3:17 pm.

Respectfully Submitted
Recording Secretary

OBA & SUBSIDIARIES
CONSOLIDATED STATEMENT OF FINANCIAL POSITION
AS OF JUNE 30, 2024

	<u>OBA</u>	<u>OBAIA</u>	<u>OBASCO</u>	<u>CONSOL</u>	<u>ELIM</u>	<u>BALANCE</u>
ASSETS						
CASH & SHORT TERM SECURITIES						
Cash, CDs & Investments	5,509,244	22,087	3,434	5,534,765		
TOTAL CASH	5,509,244	22,087	3,434	5,534,765		5,534,765
INVENTORY	2,202	0	0	2,202		2,202
ACCOUNTS RECEIVABLE/ACCRUED INCOI	82,389	53	10,182	92,624		92,624
OTHER RECEIVABLES						
Due from OBA	0	977,901	0	977,901	(977,901)	
Due from Foundation	-	0	0	0	0	
Due from Agency	0	0	42,366	42,366	(42,366)	
Due from OBASCO	666,108	0	0	666,108	(666,108)	
TOTAL OTHER RECEIVABLES	666,108	977,901	42,366	1,686,375	(1,686,375)	0
PREPAID EXPENSES	54,083	771	0	54,854		54,854
DEFERRED EXPENSES	119,937	0	328	120,265		120,265
PROPERTY & EQUIPMENT	754,868	0	33,912	788,780		788,780
OTHER ASSETS	527,672	116,101	0	643,773	(409,494)	234,279
TOTAL ASSETS	7,716,503	1,116,913	90,222	8,923,638	(2,095,869)	6,827,769
LIABILITIES						
ACCOUNTS PAYABLE	172,472	0	0	172,472		172,472
OTHER PAYABLES						
Accrued benefits	153,488	0	0	153,488		
Due OBA	0	0	666,108	666,108	(666,108)	
Due OBAIA	977,901	0	0	977,901	(977,901)	
Due OBASCO	0	42,366	0	42,366	(42,366)	
TOTAL OTHER PAYABLES	1,131,389	42,366	666,108	1,839,863	(1,686,375)	153,488
DEFERRED INCOME	1,020,132	965	88,202	1,109,299		1,109,299
TOTAL LIABILITIES	2,323,993	43,331	754,310	3,121,634	(1,686,375)	1,435,259
FUND BALANCE	5,392,510	1,073,582	(664,088)	5,802,004	(409,494)	5,392,510
TOTAL LIAB & FUND BALANCE	7,716,503	1,116,913	90,222	8,923,638	(2,095,869)	6,827,769

OBA & SUBSIDIARIES
CONSOLIDATED STATEMENT OF REVENUE, EXPENSE AND OTHER CHANGES IN NET ASSETS
FOR THE TWO MONTHS ENDING JUNE 30, 2024

	<u>OBA</u> <u>ACTUAL</u>	<u>OBAIA</u> <u>ACTUAL</u>	<u>OBASCO</u> <u>ACTUAL</u>	<u>CONSOL</u> <u>ACTUAL</u>	<u>CONSOL</u> <u>BUDGET</u>	<u>CONSOL</u> <u>PR YEAR</u>
INCOME						
Membership Dues	\$ 328,619	\$ -	\$ 23,664	\$ 352,283	\$ 351,620	\$ 345,805
Convention, Seminars, Schools & Subscription	198,360	-	5,129	203,489	108,000	188,258
Products & Services	8,191	-	4,474	12,665	30,304	21,400
Advertising & Sponsorships	83,525	-	16,576	100,101	141,000	74,302
Investment - Recog and Unrealized	95,700	-	-	95,700	35,000	54,564
Miscellaneous/Gain on Sale	-	-	-	-	-	-
Bank Insurance	-	4,415	-	4,415	10,500	8,378
Group Services	-	485	-	485	2,740	1,562
Group Health	-	192	-	192	300	354
TOTAL INCOME	\$ 714,395	\$ 5,092	\$ 49,843	\$ 769,330	\$ 679,464	\$ 694,623
EXPENSE						
Program Services:						
Convention, Seminars & Schools	\$ 187,708	\$ -	\$ -	\$ 187,708	\$ 245,560	\$ 197,833
Government Relations	57,604	-	-	57,604	81,431	82,592
Member Relations/Services	135,193	-	-	135,193	140,843	123,417
Newspaper	-	-	13,896	13,896	24,296	19,824
Fraud Division	-	-	27,471	27,471	31,302	33,198
Endorsements	-	-	15,318	15,318	16,412	2,313
Strategic Member	-	-	11,760	11,760	14,825	9,831
				-		
Support Services:						
Administrative & General	84,704	1,206	2,930	88,840	98,214	72,369
TOTAL EXPENSE	\$ 465,209	\$ 1,206	\$ 71,375	\$ 537,790	\$ 652,883	\$ 541,377
NET PROFIT (LOSS)	\$ 249,186	\$ 3,886	\$ (21,532)	\$ 231,540	\$ 26,581	\$ 153,246

Oklahoma Bankers Association
STATEMENT OF FINANCIAL POSITION
6/30/2024

ASSETS

CASH

Cash and Cash Equivalents	\$180,475	
Investments	5,328,769	
TOTAL CASH		5,509,244

INVENTORY

2,202

ACCOUNTS RECEIVABLE

General	36,215	
Accrued Interest	46,174	
TOTAL ACCOUNTS RECEIVABLE	<u>82,389</u>	82,389

OTHER RECEIVABLES

Due from OBASCO	666,108	
TOTAL OTHER RECEIVABLES	<u>666,108</u>	666,108

PREPAID EXPENSES

54,083

DEFERRED EXPENSES

119,937

TOTAL CURRENT ASSETS

6,433,964

PROPERTY AND EQUIPMENT

Building	212,083	
Accum Depr - Building	(212,083)	
Office Equipment	79,427	
Accum Depr - Office Equipment	(66,525)	
Furniture & Fixtures	240,935	
Accum Depr - Furniture & Fixures	(226,842)	
Autos	155,943	
Accum Depr - Autos	(62,147)	
Computer Hardware	71,283	
Accum Depr - Computer Hardware	(54,134)	
Computer Software	204,154	
Accum Depr - Computer Software	(202,332)	
Building Improvements	457,353	
Accum Depr - Building Improvements	(272,693)	
Land	60,012	
Building Addition	635,593	
Accum Depr - Building Addition	(635,593)	
2005 Building Addition	969,862	
Accum Depr - 2005 Building Addition	(599,429)	
TOTAL PROPERTY AND EQUIPMENT	<u>754,868</u>	754,868

OTHER ASSETS

Investment in OBAFS	484,380	
Twin Hills Stock	7,742	
The Compliance Alliance	35,550	
TOTAL OTHER ASSETS	<u>527,672</u>	527,672

TOTAL NON-CURRENT ASSETS

1,282,540

TOTAL ASSETS

\$7,716,504

Oklahoma Bankers Association
STATEMENT OF FINANCIAL POSITION
6/30/2024

LIABILITIES AND NET ASSETS

LIABILITIES

ACCOUNTS PAYABLE

Payroll Deductions	152,451	
Miscellaneous Payable	<u>(38)</u>	
TOTAL ACCOUNTS PAYABLE		152,413

OTHER PAYABLES

401 K Plan	153,488	
Accrued Payroll Liability	20,059	
Due OBAIA	<u>977,901</u>	
TOTAL OTHER PAYABLES		1,151,448

DEFERRED REVENUE

Event Income	27,675	
Membership Dues	985,864	
Directory	6,108	
Legal Update	<u>485</u>	
TOTAL DEFERRED REVENUE		<u>1,020,132</u>

TOTAL LIABILITIES

2,323,994

NET ASSETS

Current Earnings-Without Donor Restrictions	249,186	
Current Earnings-With Donor Restrictions		
Retained Earnings-Without Donor Restrictions	5,143,325	
Retained Earnings-With Donor Restrictions		
TOTAL NET ASSETS		<u>5,392,510</u>

TOTAL LIABILITIES & NET ASSETS

\$7,716,504

Oklahoma Bankers Association
REVENUES, EXPENSES AND OTHER CHANGES IN NET ASSETS
For the Two Months Ending 6/30/2024

	MONTH ENDED 6/30/2024		YEAR TO DATE 6/30/2024		PRIOR
	ACTUAL	BUDGET	ACTUAL	BUDGET	
REVENUE AND GAINS					
Membership Dues	\$164,309	\$164,310	\$328,619	\$328,620	\$324,312
Convention, Seminars, Schools & Subscriptions	42,270	50,000	198,360	230,000	249,589
Products & Services Income	2,923	5,250	8,191	15,500	7,300
Interest & Realized Portfolio Gain/Loss	21,153	17,500	42,165	35,000	60,352
Unrealized Portfolio Gain/Loss	14,841	0	53,535	0	(5,788)
Miscellaneous/Gain on Sale	0	50	0	100	0
Advertising & Sponsorships	2,016	2,000	83,525	127,000	0
Total Revenue and Gains	247,512	239,110	714,395	736,220	635,764
EXPENSES AND LOSSES					
Program Services:					
Convention, Seminars and School	100,859	92,243	187,708	245,560	197,833
Government Relations	36,456	38,995	57,604	81,431	82,592
Member Relations/Services	68,698	69,407	135,193	140,843	123,417
Support Services:					
Administrative & General	44,022	40,868	84,704	87,136	69,581
Total Expenses and Losses	250,035	241,513	465,209	554,970	473,423
INCREASE (DECREASE) IN NET ASSETS	(2,523)	(2,403)	249,186	181,250	162,342
Net Assets, Beginning of Year			5,143,325	5,143,325	4,594,263
Net Assets, End of Year			5,392,511	5,324,575	4,756,605

OBA Insurance Agency
STATEMENT OF FINANCIAL POSITION
6/30/2024

ASSETS

CASH

Cash and Cash Equivalents \$22,087

TOTAL CASH 22,087

ACCOUNTS RECEIVABLE

Accrued Income 53

TOTAL ACCOUNTS RECEIVABLE 53

OTHER RECEIVABLES

Due from OBA 977,901

TOTAL OTHER RECEIVABLES 977,901

PREPAID EXPENSES

TOTAL CURRENT ASSETS 771

1,000,812

OTHER ASSETS

Bankers Bank 4,438

BMSI 111,664

TOTAL OTHER ASSETS 116,101

TOTAL ASSETS \$1,116,913

LIABILITIES AND NET ASSETS

LIABILITIES

OTHER PAYABLES

Due OBASCO 42,366

TOTAL OTHER PAYABLES 42,366

DEFERRED REVENUE

Unearned Premiums 965

TOTAL DEFERRED REVENUE 965

TOTAL LIABILITIES 43,332

NET ASSETS

Common Stock 500

Paid in Capital 633,313

Current Earnings 3,886

Retained Earnings 435,883

TOTAL NET ASSETS 1,073,581

TOTAL LIABILITIES & NET ASSETS \$1,116,913

OBA Insurance Agency
 STATEMENT OF ACTIVITIES
 For the Two Months Ending 6/30/2024

	MONTH ENDED		YEAR TO DATE		
	6/30/2024		6/30/2024		PRIOR
	ACTUAL	BUDGET	ACTUAL	BUDGET	
REVENUE AND GAINS					
Bank Insurance	\$4,415	\$5,250	\$4,415	\$10,500	\$8,378
Other Insurance Endorsements	205	1,370	485	2,740	1,562
Bank Employee Group	192	150	192	300	354
Total Revenue and Gains	4,813	6,770	5,092	13,540	10,294
EXPENSES AND LOSSES					
Administrative & General	614	3,154	1,206	4,125	908
Total Expenses and Losses	614	3,154	1,206	4,125	908
CHANGE IN NET ASSETS	4,199	3,616	3,886	9,415	9,385
Net Assets, Beginning of Year			1,069,695	1,069,695	1,009,597
Net Assets, End of Year			1,073,581	1,079,110	1,018,982

OBA Services Company
STATEMENT OF FINANCIAL POSITION
6/30/2024

ASSETS

CASH

Cash and Cash Equivalents \$3,434

TOTAL CASH 3,434

ACCOUNTS RECEIVABLE

General 4,815

Accrued Income 5,367

TOTAL ACCOUNTS RECEIVABLE 10,182

OTHER RECEIVABLES

Due From Agency 42,366

TOTAL OTHER RECEIVABLES 42,366

DEFERRED EXPENSES

Postage 328

TOTAL DEFERRED EXPENSES 328

PROPERTY AND EQUIPMENT

Autos 34,140

Accum Depr - Autos (2,971)

Computer Hardware 4,757

Accum Depr - Computer Hardware (2,014)

TOTAL PROPERTY AND EQUIPMENT 33,912

TOTAL ASSETS \$90,223

LIABILITIES AND NET ASSETS

LIABILITIES

OTHER PAYABLES

Due OBA 666,108

TOTAL OTHER PAYABLES 666,108

DEFERRED REVENUE

Strategic Membership Dues 71,042

Subscriptions 14,660

Advertising 2,500

TOTAL DEFERRED REVENUE 88,202

TOTAL LIABILITIES 754,311

NET ASSETS

Paid in Capital 1,493,492

Current Earnings (21,533)

Retained Earnings (2,136,046)

TOTAL NET ASSETS (664,088)

TOTAL LIABILITIES & NET ASSETS \$90,223

OBA Services Company
STATEMENT OF ACTIVITIES
For the Two Months Ending 6/30/2024

	MONTH ENDED		YEAR TO DATE		PRIOR
	6/30/2024		6/30/2024		
	ACTUAL	BUDGET	ACTUAL	BUDGET	
REVENUES AND GAINS					
Products & Services	\$3,998	\$7,402	\$4,474	\$14,804	\$14,100
Strategic Member Program	11,840	11,500	23,664	23,000	21,493
Newspaper	8,342	9,500	21,705	19,000	12,972
Total Revenues and Gains	24,179	28,402	49,843	56,804	48,565
EXPENSES AND LOSSES					
Program Services:					
Newspaper	6,651	12,103	13,896	24,296	19,824
Fraud Division	13,573	15,402	27,471	31,302	33,198
Endorsements	8,450	6,779	15,318	16,412	2,313
Strategic Member	6,634	7,240	11,760	14,825	9,831
Administrative & General	1,533	2,901	2,930	6,953	1,880
Total Expenses and Losses	36,841	44,425	71,375	93,788	67,046
CHANGE IN NET ASSETS	(12,662)	(16,023)	(21,533)	(36,984)	(18,482)
Net Assets, Beginning of Year			(642,555)	(642,555)	(525,217)
Net Assets, End of Year			(664,088)	(679,539)	(543,699)

Political Action Committee State
STATEMENT OF FINANCIAL POSITION
July 31, 2024

ASSETS

CASH

Cash

\$167,701

Certificates of Deposit

175,015

TOTAL CASH

342,716

OTHER RECEIVABLES

TOTAL ASSETS

\$342,716

LIABILITIES AND FUND BALANCE

LIABILITIES

FUND BALANCE

Current Earnings

23,531

Retained Earnings

319,185

TOTAL FUND BALANCE

342,716

TOTAL LIABILITIES & FUND BALANCE

\$342,716

Political Action Committee State
 INCOME STATEMENT
 For the Seven Months Ending July 31, 2024

	<u>CURRENT MONTH</u>	<u>CURRENT YEAR TO DATE</u>	<u>PRIOR YEAR TO DATE</u>
INCOME			
Solicitation	\$5,749	\$33,185	\$47,004
CD Interest	0	130	159
Total Income	<u>5,749</u>	<u>33,315</u>	<u>47,163</u>
EXPENSES			
Campaign Contribution	0	9,750	3,000
Tax	0	34	34
Miscellaneous Expenses	0	0	118
Total Expenses	<u>0</u>	<u>9,784</u>	<u>3,152</u>
NET PROFIT (LOSS)	<u><u>5,749</u></u>	<u><u>23,531</u></u>	<u><u>44,011</u></u>

Political Action Committee Federal
STATEMENT OF FINANCIAL POSITION
July 31, 2024

ASSETS

CASH

Cash

\$26,537

TOTAL CASH

26,537

TOTAL ASSETS

\$26,537

LIABILITIES AND FUND BALANCE

LIABILITIES

FUND BALANCE

Current Earnings

(20,344)

Retained Earnings

46,881

TOTAL FUND BALANCE

26,537

TOTAL LIABILITIES & FUND BALANCE

\$26,537

Political Action Committee Federal
 INCOME STATEMENT
 For the Seven Months Ending July 31, 2024

	<u>CURRENT MONTH</u>	<u>CURRENT YEAR TO DATE</u>	<u>PRIOR YEAR TO DATE</u>
INCOME			
Solicitation	\$764	\$15,478	\$8,859
Total Income	<u>764</u>	<u>15,478</u>	<u>8,859</u>
EXPENSES			
Campaign Contribution	35,000	35,500	35,000
Bank Fees	42	322	258
Total Expenses	<u>35,042</u>	<u>35,822</u>	<u>35,258</u>
NET PROFIT (LOSS)	<u><u>(34,278)</u></u>	<u><u>(20,344)</u></u>	<u><u>(26,399)</u></u>

Oklahoma Bankers Association

Board Orientation – Aug. 22, 2024

Six Core Functions of the OBA

OBASCO

OBA Financial Services

**OBA Insurance Agency
(OBAIA)**

**OBA Services Company
(OBASCO)**

OBAIA and Texas Bankers Association

- Judy Hanna continues to serve OBA Member banks with
 - More Companies
 - More Choices
 - Better Prices
 - Outstanding Service

OBASCO

- **Strategic Members:** Typically held by accounting firms, consultants, vendors and insurance companies that directly provide services or products to OBA member banks.
- **Endorsed Vendors:** A select group of providers that have entered into a written contract with the OBA. These companies will provide revenue-sharing with the OBA and prices and/or conditions more advantageous to OBA members than would otherwise be available without the OBA endorsement.

Education & Training

- Schools
- Seminars
- Webinars

Fraud Department

- **Assist customers when fraud happens**
 - **Educate employees and customers**
- **Alerts on robberies, counterfeits, scams**
 - **Robbery Reward Program**
- **Works with law enforcement and government agencies**

Advocacy

- **Support legislative and regulatory proposals that enhance profitability**
- **Oppose legislative and regulatory proposals that add direct and indirect costs.**

•OBA Legislative Process

- OBA staff will read all legislation and determine which bills are applicable to our industry.
- Government Relations Council will meet and discuss all pertinent bills and take a position. This position is a recommendation to the OBA Board.
 - The OBA Board will accept or reject the position recommended by the G.RC

Legal and Compliance

- **Access to banking-specific lawyers, compliance experts at no cost**
 - **Reduce legal and compliance costs**
 - **Enhances your bottom line**

Public/Member Relations

- THE information resource for bankers and their customers
 - The voice of Oklahoma's banking industry
- Telling the “good news” about banking
- Emerging Leaders program/academy

Oklahoma Banker newspaper

- One of only two state bankers associations with a true newspaper, allowing for quick turnaround time to get news out while fresh.
- Circulates nearly 2,000 copies monthly.

Oklahoma Bankers Association

- Board of Directors
 - 18 Elected Bankers
- Two Chairman's Appointments
 - Four Elected Officers
 - Chair – Emerging Leaders

- OBA Staff
 - Adrian Beverage, President/CEO (24 years)
 - Lea Ann Jackson, COO,CFO (30 years)
 - Janis Reeser. EVP Education (40 years)
 - Jeremy Cowen, SVP Communications (22 years)
 - Sharon Lewis, VP Fraud Division (7 months)
- Megan McGuire, VP Government and Member Relations (9 years)
 - Kathryn Donovan, Director of Accounting (6 years)
 - Joan Anderson, Special Projects Manager (13 years)
- Debbie Leake, Conference/Meeting Coordinator (24 years)
 - Nancy McKinnis, Education Assistant (29 years)
- Thi Pham, Vendor Relations & Products Coordinator (7 years)
 - Niki Taylor, Receptionist (3 year)
 - Sheila Wyatt, Database Administrator (8 years)

215 years of experience at the OBA!!!

Oklahoma Bankers association

Questions?



**O K L A H O M A
B A N K E R S
A S S O C I A T I O N**

Board Director Expectations

Serving on the OBA Board of Directors is a rewarding and important responsibility. This quick guide will help inform current and prospective directors of the unique aspects of being a part of the OBA leadership.

OBA Board of Directors background

OBA board members are elected from each of the OBA's six geographic regions or groups. There are three board members from each of these six groups, each of which is an active officer of a member bank and serves a staggered three-year term.

- One director must be from a bank with deposits in the top one-third of banks in each group.
- One director must be from a bank in the middle one-third of bank deposits within each group.
- One director must be from a bank in the bottom one-third of deposits within each group.

Additionally, two at-large members are appointed by the current board chair. These at-large members will each serve one-year terms.

Also, the OBA Emerging Leaders membership will elect a chair from its group. The chair will serve a two-year term on the OBA Board of Directors.

• • •

Each member of the board of directors is also automatically a member of the OBA Government Relations Council.

OBA Board of Directors expectations

While there are few "must-do" responsibilities for an OBA board member during a board year, there are a number of expectations the Association and its membership looks to its leadership to achieve:

- In-person attendance to at least 80% of the non-conference call meetings during each board year.
- Each director makes contact with the president/CEO at member banks that fall under their group and deposit range.
- Attendance from the director, or another representative from his or her bank, at the OBA's major events (Convention, Washington Visit, Senior Management Forum).
- Encourage active participation from the director's bank in OBA schools and OBA Intern Program.
- Encourage active participation from the director's bank in OBA committees/councils.

• • •

Most importantly: We want our board members to be an active voice during our meetings! We value your views and opinions and want to hear from you!

2024-25 Oklahoma Bankers Association Strategic Plan

Mission Statement

We Make Bankers Better!

Vision Statement

The companion, voice and supporter of Oklahoma bankers

Values

PROTECT

UNITE

LEAD

SERVE

EDUCATE

Strategic Implications

- Internal and External Communications
- Member Engagement/Advocacy
- Delivery of Engaging Programs and Services
- Organizational Excellence

Priorities

- Internal and External Communications
 - Utilize social media at an appropriate level
 - Create articles with deeper impact and stronger message
 - Engage bankers for content

- Emphasize OBA programs in content
- Tell the OBA story
- Member Engagement/Advocacy
 - Expand OBA branding
 - Increase bank visits
 - Solicit referrals from current members
 - Re-establish PAC Council
 - Communicate PAC impact to membership
- Delivery of Engaging Programs and Services
 - Provide education
 - Evaluate new instructors
 - Utilize strengths of school boards
 - Recruit quality candidates for intern program
 - Increase OBA staff-developed programs for fraud and compliance
- Organizational Excellence
 - Continue timely review of financial statements
 - Regular reporting of budget variances and trends to management team and board
 - Develop and maintain up-to-date job descriptions for staff and board
 - Develop and maintain an organization chart inclusive of individual roles
 - Monitor and track bank visits

Metrics and Proposed Initiatives

Internal and External Communications

Metrics

- XX posts on social media per XXXX
- 12 banker-collaboration articles per year in newspaper
- 1-2 banker/staff articles per *Update*

Proposed Initiatives

- Add forward button to digital communications
- Add digital version to print newspaper subscriptions (password required?)
- Increase 'hard' content in newspaper
- Increase practical banking content
- Utilize LinkedIn to position association as experts

Member Engagement/Advocacy

Metrics

- Maintain or reduce number of non-member banks
- Increase number of seminar/conference/school attendees in the current fiscal year compared to prior year
- Increase # of contributors to PAC
- Increase dollar amount of contributions to PAC
- 75% or more of all member banks have a one-on-one engagement with a member of the OBA management team
- 100% of all member banks have some sort of engagement (one to many) with a member of the OBA management team

Proposed Initiatives

- Focus on banker-to-banker engagement
- Peer group lunches by board members for their group (OBA to help organize but not attend)
- Make GRC a requirement for board members (eliminates need for discussion in board meeting unless Board action needed)
- Explore change to BNO format to include lunch format to meet bankers close to their location and at their availability
- Change location of board meeting
- Re-establish PAC Council
- OBA Branded materials, e.g. t-shirts and swag
- Educate and inform bankers on how to engage
- Implement an official roster review process

Delivery of Engaging Programs and Services

Metrics

- Increase intern participants to a minimum of ten
- Increase banks participating in intern program to a minimum of 8
- All course evaluations have an average score of 4 or more
- Increase number of seminar/conference/school attendees in the current fiscal year compared to prior year
- Increase the number of sponsorships in the current fiscal year compared to prior year
- Increase the dollar amount of sponsorships in the current fiscal year compared to prior year

- Increase the number of strategic members in the current fiscal year compared to prior year

Proposed Initiatives

- Expand intern program beyond OU and OSU
- Expand intern program to include more than finance major
- Educate members about the added value of an internship program through the OBA
- Utilize school boards to find new instructors and/or be instructors
- Increase participation in OBA boards and committees by:
 - Proactively contacting bankers to serve
 - Clarifying roles and responsibilities
 - Encouraging board members to recommend individuals for service

Organizational Excellence

Metrics

- Obtain an unqualified audit opinion
- Maintain a budget variance of 10% or less for expenses
- Complete organizational chart with roles and responsibilities for each team member
- Complete job description for every team member
- Complete policies and procedures manual

Proposed initiatives

- Implement regular management meetings
- Routinely review financial results with management team
- Implement training for OBA staff
- Update job descriptions for all team members
- Update employee handbook
- Update policies and procedures manual

NON-MEMBER LIST AS OF 2/29/2024

- BancCentral, Alva
- BMO Bank (was Bank of the West (CA – the bear))
- Cadence Bank (MO)
- Central Trust Bank (MO)
- Commerce Bank, OKC & Tulsa (Kansas City)
- CrossFirst (KS)
- Farmers Bank & Trust (AR – Idabel & Broken Bow)
- First Farmers, Waurika
- First Oklahoma, Jenks
- First State Bank, Temple
- First-Citizens, OKC (NC)
- Great Southern
- Herring Bank, Altus (aka First State, Altus)(TX)
- Legacy Bank & Trust (MO)
- MapleMark (TX)
- MidFirst
- Oklahoma Fidelity (KS)
- Prosperity (TX)
- Simmons Bank (AR)
- TIB (TX)
- UMB (MO)
- Vast Bank, Tulsa
- Welch State Bank