



2021

ANNUAL REPORT

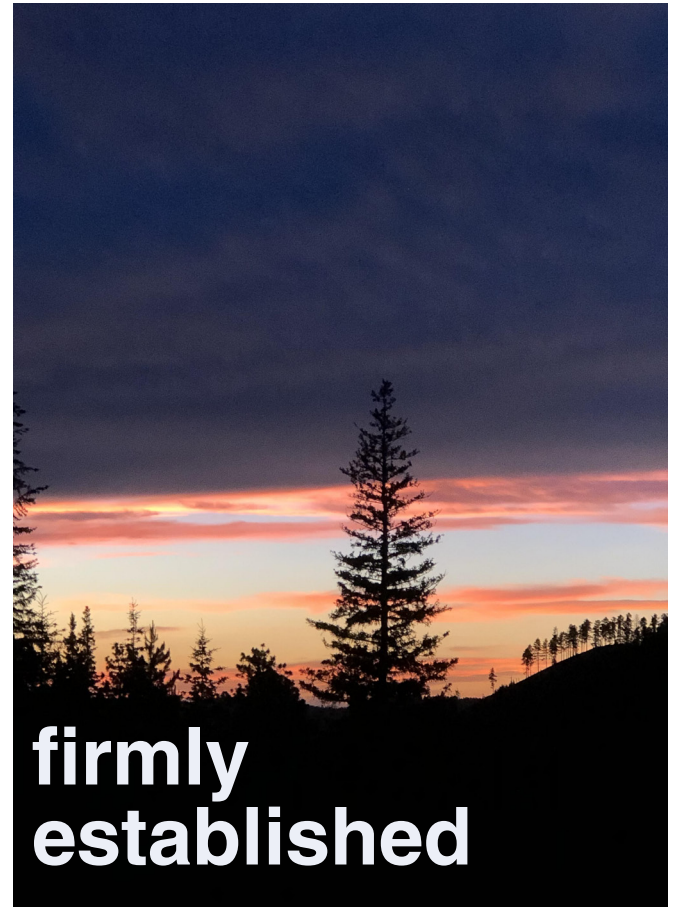
CHAIRMAN'S REPORT

Ben Treadwell, Board Chairman

Your Board of Directors' primary focus is to ensure the financial strength of Sentinel Federal Credit Union for today and strategic direction for years to come. We keep our member owners' best interest at the forefront when, along with the Executive Management team, we make decisions throughout the year to enhance and grow our credit union. We are your representatives and take seriously our responsibilities to you.

Your Board has complete trust in our credit union's Executive Management team and their ability to make sound business decisions for our future success. We're confident Sentinel FCU remains a safe, stable and beneficial financial institution.

We thank you for your valuable membership and we renew our commitment to you, your family and your business.



BOARD OF DIRECTORS



Ben Treadwell
Chairman
(Term 2021)



Doug Dlugosz
1st Vice Chairman
(Term 2022)



James Ramp
2nd Vice Chairman
(Term 2022)



Bruce Curington
Secretary/Treasurer
(Term 2021)



Mary Stein
Director
(Term 2021)



Janelle Chase
Director
(Term 2022)



Dave Fisk
Director
(Term 2021)



Sara Frankenstein
Director
(Term 2023)



Julia Tan
Director
(Term 2023)

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is appointed by the Board of Directors in accordance with the Federal Credit Union Act, and ensures that your credit union conducts its operations and activities in a safe and sound manner. The Committee, as the members' representative and official auditor, has the responsibility to review and evaluate the overall financial operations and performance of your credit union, including that of its management staff, to ensure that all the regulations, procedures and policies that govern this institution are properly followed.

To assist the Committee in carrying out its responsibilities, it retains the services of a certified public accounting (CPA) firm to perform the required audits. The financial statements presented in this report, and the latest certified audit by the firm Ketel Thorstenson have affirmed our belief that your credit union continues to be one of the soundest financial institutions around. The Committee is also committed to reviewing Bank Reconciliation, Internal Audit, and Corporate Visa Card reports. In addition,

one member from the Committee attends the monthly Board meeting. The Committee is also responsible to conduct Teller Cash and Vault audits during the year.

The committee always welcomes your suggestions and observations. Direct correspondence may be submitted to:

Supervisory Committee
P.O. Box 700
Box Elder, SD 57719

SUPERVISORY COMMITTEE



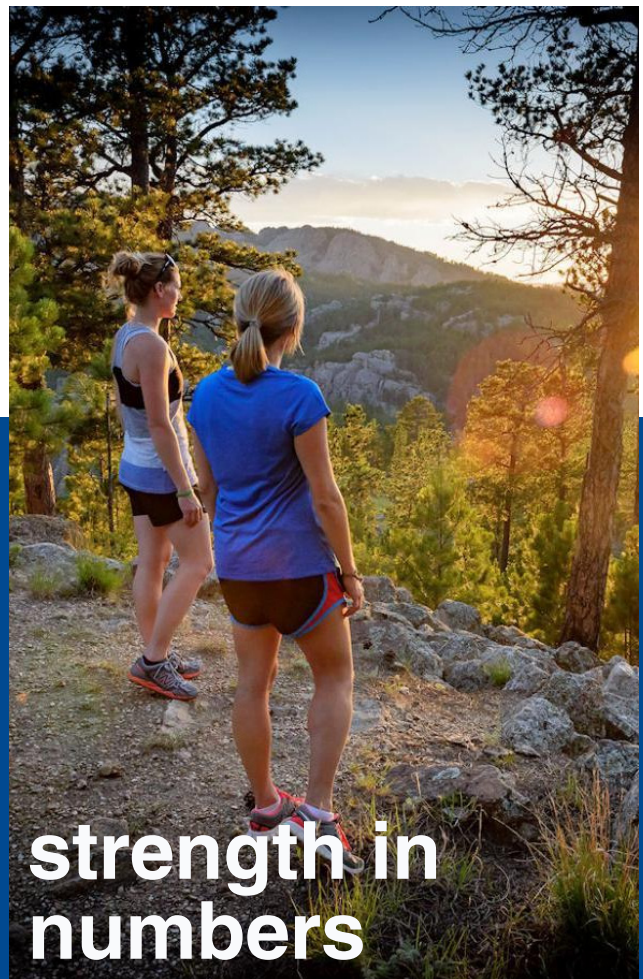
Colleen Fulton
Member



Rita Dupres
Member



Heidi Aker
Member



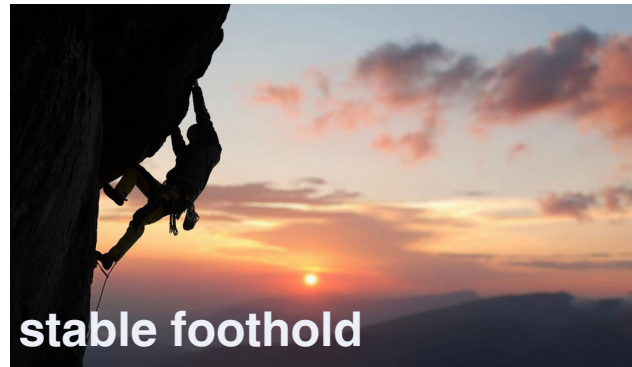
PRESIDENT'S MESSAGE

Keith Robbennolt, Chief Executive Officer

After a year of great uncertainty, it is beginning to feel as though the COVID-19 pandemic is behind us! During the unprecedented times COVID posed, I am beyond pleased with the Sentinel team and members for their patience while we managed through some very interesting times.

From a financial perspective, we, like all other financial institutions, were significantly impacted by the sudden drop in interest rates and demand for lending. Unlike the recession of 2008, members' spending habits shifted and coupled with the various government stimulus packages, we saw significant growth in deposits resulting in a 23% increase in total assets.

As our cash and assets continue to grow in 2021, our loan to deposit ratio declined from 78% pre-pandemic to 62.5% at the



end of 2020. Despite the unique challenges of 2020, I am happy to report that your credit union was able to operate profitably in 2020.

Through challenges and difficult times, 2020 was a year that showed us we can weather any storm and persevere through anything that is thrown our way. As we move into 2021, our goal is to stay relevant, improve the banking experience and focus on building a viable organization that allows us to continue to invest in our members and our communities.

Thank you, once again, for the trust you place in Sentinel FCU as your financial partner.

SENIOR MANAGEMENT



Keith Robbennolt
President &
CEO



Dorothy Voorhees
Chief Financial
Officer



Jane Carlson
Chief Information
Officer



Peter Kottwitz
VP/Business
Loan Officer



Sheila Hanneman
VP/Consumer
Lending Manager



Levi Brunmaier
VP/Risk
Management Officer

*Our mission is to
maintain integrity
and protect the
financial future of
our member owners.*

FINANCIALS

Sentinel has realized significant growth in assets in 2020 and year-to-date 2021. Since year end 2018, Sentinel has realized total asset growth of 22.7%, with the greatest increase occurring in 2020. The CARES Act stimulus that was enacted by congress in response to the COVID-19 pandemic has had a dramatic impact on our total shares, which has been the key factor for Sentinel's asset growth thus far in 2021.

9,512

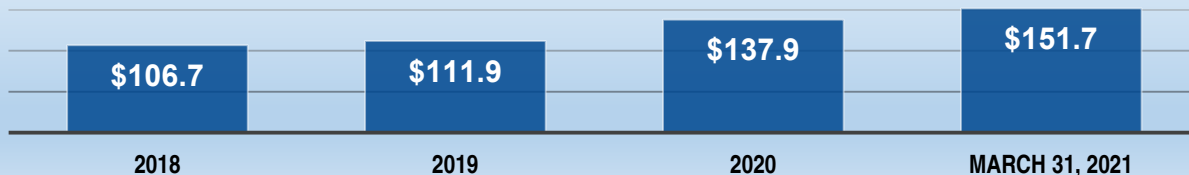
Total Members (March 2021)

8.51%

Net Worth Assets (March 2021)

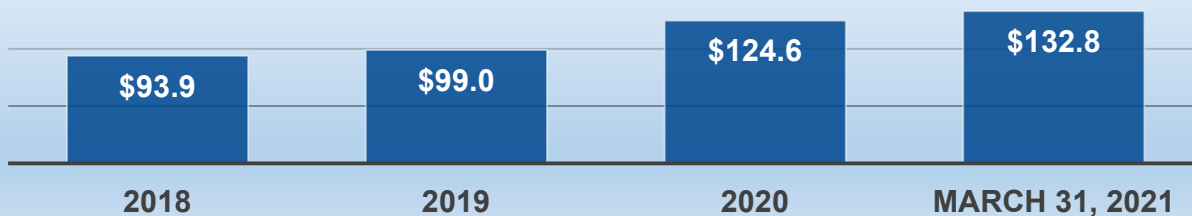
Assets

(Millions)



Shares

(Millions)



FINANCIALS

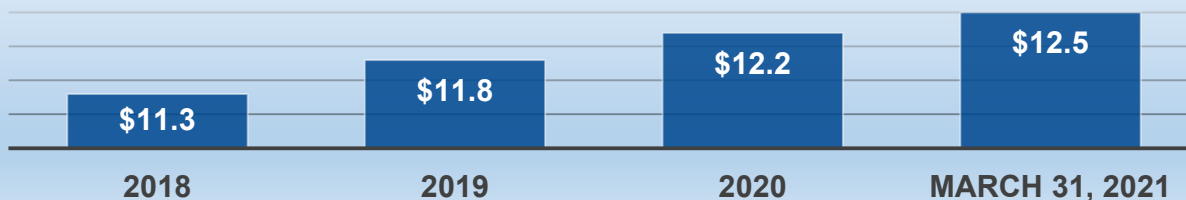
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Operating profits generated keeps Sentinel well capitalized, and ready to grow. The addition of commercial lending has helped Sentinel grow our loan portfolio and could be a catalyst for continued growth into the future. We have enhanced our credit philosophy, and it is expected that overall delinquencies and charged-off loans will diminish over time.



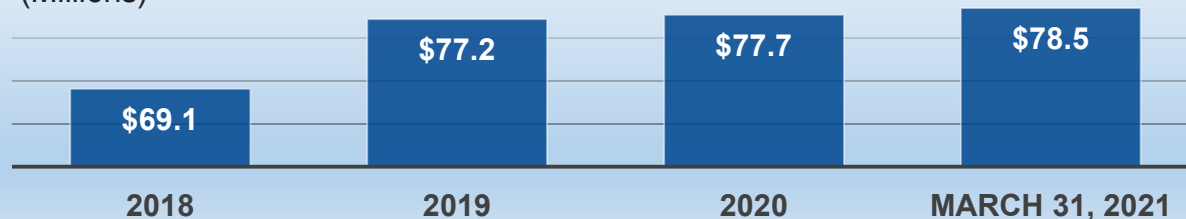
Net Worth

(Millions)



Loans

(Millions)

**0.56%**Delinquent Loans to Loans
(2020)**0.16%**Net Loans Charged-Off
(2020)

THANK YOU FOR YOUR SERVICE

As her Board of Director member term has recently come to a close, we would like to take this opportunity to thank Mary Stein for her hard work and commitment in building and growing Sentinel Federal Credit Union to what it is today.

With more than a decade of service, your stewardship of Sentinel FCU has been characterized by innovative ideas, strategic thinking, and most, valuable, your tireless efforts to increase the visibility of Sentinel FCU. The resulting recognition has become an asset to Sentinel FCU, and the relationships you have fostered will continue to offer opportunities to advance our credit union.

Thank you for your energy and devotion to the voluntary Board of Director member role. We wish you all the very best in your future endeavors.



Mary Stein, Director

Locations

Box Elder

22752 Mule Deer Trail
Box Elder SD 57719

Custer

18 Mount Rushmore Road
Custer, SD 57730

Ellsworth AFB - Main

2723 Lemay Blvd
Ellsworth AFB, SD 57706

Hill City

553 E. Main Street
Hill City, SD 57745

Rapid City - Haines

1430 Haines Ave Ste 101
Rapid City, SD 57701

Rapid City - Triple Crown

4011 Triple Crown Dr
Rapid City, SD 57701

Winner

511 E 2nd St
Winner, SD 57580

Contact Us

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F: 605-842-1370

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SentinelFCU.org



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www.sentinelfcu.org

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Sentinel Federal Credit Union is an Equal Housing Lender and Federally Insured by NCUA.