

CONSERVATION EMPLOYEES' CREDIT UNION 2022 ANNUAL REPORT

Statement of Condition

Assets

Loans to Members (net)	116,531,052.98
Accounts Receivable	348,895.95
Non-Interest Earning Cash	300,707.22
Corporate/Investments	33,604,457.78
Unrealized Gain/Loss Investments	-2,234,523.51
Furniture/Equipment	40,132.09
Building/Land	755,747.12
Accrued Income	307,856.10
PrePaid & Deferred Expenses	2,523,380.96
NCUSIF Share Insurance	1,393,223.13
<u>Other Assets</u>	<u>49,671.35</u>
Total Assets	153,620,601.17

Liabilities/Equity

Accts Payable	784,833.57
Dividends	72,782.37
All Other Liabilities	534,813.72
Members' Shares	53,896,999.68
Members' Share Drafts	23,404,117.95
Members' Share Certificates	25,272,783.40
Members' IRA Certificates	3,643,435.09
Members' IRA Shares	4,445,322.47
Members' Money Market Shares	30,594,946.57
<u>Life Savings</u>	<u>25,000.00</u>
Total	142,675,034.82
Pension Other Comprehensive	-1,407,777.02
Unrealized Gain(Loss) Investment	-2,234,523.51
<u>Undivided Earnings</u>	<u>14,587,866.88</u>
Total	10,945,566.35
Total Liabilities/Members Equity	153,620,601.17

Statement of Earnings

Income

Interest from Member Loans	3,765,526.49
VISA Interchange Income	281,953.49
Debit Interchange Income	347,222.27
Interest from Investments	601,291.69
Life and CDI	150,743.17
<u>Other Income</u>	<u>152,223.44</u>
Total Income	5,298,960.55

Operating Expenses

Salary and Benefits	1,343,174.87
Travel & Conference	23,587.86
Association Dues	34,011.00
Office Occupancy	36,396.46
Office Operations	196,377.04
Education/Marketing	168,358.92
Loan Servicing	540,584.21
Professional Outside Services	994,072.97
Supervision and Examinations	15,093.61
Depreciation Expense	66,947.22
Provision for Loan Loss	15,413.40
(Gain)/Loss Sale of Investment	-212.00
(Gain)/Loss on Sale of Assets	0.00
Other Non-Operating (Gain)/Loss	-905.90
<u>Misc.</u>	<u>51,307.64</u>
Total Operating Expenses	3,484,207.30

Interest Expense

Interest on Borrowed Money	0.00
Share/Sharedraft Dividends	181,979.30
Money Market Shares	273,092.81
IRA Shares and Certificates	82,964.98
<u>Share Certificates</u>	<u>271,632.85</u>
Total Cost of Funds	809,669.94

Total Expenses 4,293,877.24

Net Income 2022

Net Income 1,005,083.31



Conservation Employees' Credit Union

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Supervisory Committee Report

Loan Report Business Year 2022

Conservation Employees' Credit Union assisted members during 2022 by approving a total of \$47,092,424 in loans. The following data indicates the areas in which CECU assisted members during the year.

<u>LOAN TYPE</u>	<u>NUMBER</u>
New Vehicles	105
Used Vehicles	726
Mortgage	19
Morgage-15 yr. Fixed	41
Mortgage-10 yr. Balloon	8
Home Equity	762
Land Equity	47
Unimproved Land	8
Land-15 yr. Fixed	18
Recreation	149
Farm/Industrial	40
LOC/Overdraft	3,025
Adjustable Rate LOC	1,012
Student	76
Share Secured	15
Signature	107
Promotion Signature	17
Co-Maker	4
Payday	72
Total	6,251

The Supervisory Committee is responsible for reviewing procedures and examining the business operations of Conservation Employees' Credit Union (CECU). The Supervisory Committee met monthly and is pleased to report another year of outstanding performance by CECU leadership and employees.

Committee activities for 2022 included:

- Conducted quarterly surprise cash drawer audits.
- Reviewed and approved CECU employee monthly VISA charges.
- Continued the "Supervisory Committee's Checklist." This is a living document that summarized Supervisory Committee activities accomplished throughout the year.
- Conducted a review of randomly selected loans, new/closed accounts, and deceased member accounts.
- Verified that investments approved by the Board were completed.
- Audited other real estate owned (OREO) and repossessed assets disposition.
- Conducted a physical equipment inventory and vehicle audit.
- Completed required Bank Secrecy Act Compliance training.
- Met with the outside auditor and established a new five year contract.
- Continued quarterly "Learn from CECU Staff" sessions to understand their duties and responsibilities.
- Participated in the Annual Planning Session.
- A member of the Committee attended the monthly Board meetings. That member presented our monthly report and shared actions of the Board with other Supervisory Committee members.

I would like to recognize Supervisory Committee members Donna Linnenbrink, Shannon Haslag and Deepti Manglik for their dedicated service on this committee throughout 2022.

I would also like to thank CECU President Kevin Brueseke and his entire staff for their support, patience, and expertise in helping us fulfill the responsibilities, you, the CECU membership, have elected us to perform.

Pam Haverland, Supervisory Committee Chairperson



Chairman of the Board of Directors and President's Report 2022

Welcome to Conservation Employees' Credit Union's (CECU) 2023 annual meeting! We're excited to see everyone and share updates on your credit union.

In 2022, CECU added secure messaging to our website! Members can now communicate securely with the credit union through cecuonline.org by selecting the Secure Message button below the rotating banners. It's that simple! Safer than sending personal information through email, you can upload documents and include personal information, including ACH requests, income verification and membership documents. You'll receive a confirmation message, and the credit union typically responds within one business day.

We also upgraded our debit card program in order to serve our cardholders better. And finally, Conservation Employees' Credit Union separated its email addresses, phone numbers and other contact information from the Missouri Department of Conservation. Please be sure to update your records with the credit union's newest information, found on cecuonline.org/News.

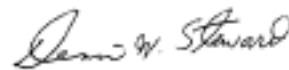
The next project our staff is working on is the April 2024 data processor conversion. Even though it's almost a year away, we want to make our members aware. At this point, we know online banking will be affected, and we'll also have to re-issue credit cards. Our staff will work hard to minimize the impact of this conversion by communicating what to expect through the newsletter, our website, social media and mailings. We sincerely appreciate your understanding!

On the transaction side, members increased the use of our digital channels. Compared to 2021, we had 2,224 more Virtual Branch online banking transactions, 454 more mobile deposits and 19,015 more debit card transactions. While this shakes out to be a 1.77% average increase from last year, these numbers reflect a nearly 20% increase compared to pre-pandemic levels. Conservation Employees' Credit Union offers these services for your convenience, so we encourage you to check them out if you haven't already.

You continued to take advantage of our special loan offers in 2022, resulting in 6,251 loans totaling \$47,092,424 – a 14.90% increase of \$15.13 million! Personal loans (68%), vehicle loans (17%) and real estate loans (15%) account for the top three kinds of loans the credit union made. Our cash-back promotion collateral/vehicle loan promotions brought in a total of 574 loans and \$16,139,887. And because our members choose CECU for their financing, we were able to return \$167,906 to our credit cardholders through our 1% cash-back program, a \$10,808 increase from 2021. Conservation Employees' Credit Union also helped 203 members skip payments on 379 loans through our annual skip-a-payment program.

Your credit union continued our overall growth trend in 2022, as well! Net income increased \$307,685 to \$1,005,083. Deposits grew 3.58%, \$4.8 million, and assets grew 2.47%, \$3.70 million. Our loan-to-share ratio, an important number to our state and national regulators, grew from 74.45% to 82.58%, outperforming our asset peer group average of 67.59%. Conservation Employees' Credit Union also added 175 members to the family, so now we're 8,965 strong. All these figures boil down to one thing: Conservation Employees' Credit Union continues to be a safe and sound place to keep your money and secure financing for whatever you need.

No matter the economic climate, Conservation Employees' Credit Union remains committed to providing personal financial service to each and every member. We are honored to serve you – in 2022 and in the years to come. Thank you for your continued support and participation.



Dennis Steward, Board Chairman



Kevin P. Brueseke, President



Your Money Is Safe

Recent headlines may have you second-guessing your financial security. If media reports are raising questions, you can rest easy knowing that CECU remains secure.

Since 1970, credit unions have been federally insured through the National Credit Union Share Insurance Fund (NCUSIF), an arm of the National Credit Union Administration. The United States government backs this fund with full faith and credit, just as it does the FDIC. That means that your finances are insured for up to \$250,000 per depositor, with an additional coverage of up to \$250,000 for other types of accounts, such as IRAs. If you have any further questions or concerns regarding the soundness of your credit union, please contact a CECU representative or stop by our office.

OUR MOBILE APP PUTS YOUR MONEY AT YOUR FINGERTIPS

CHECK DEPOSIT,
PAY SERVICES &
CREDIT SCORE
ACCESS



Important Conversion Notice

Save the Date: April 1, 2024

Even though it's a year away, Conservation Employees' Credit Union wants to make our members aware of a core processor system upgrade that will occur.

At this point, we know the following products and services will be affected:

- Credit cards (re-issue)
- Online banking

Our staff will work hard to minimize the impact of this conversion by communicating what to expect through this newsletter, our website, social media and mailings.

Board of Directors

Dennis Steward, Chairman
Mary Lyon, Vice-Chairperson
Rich Wehnes, Secretary/Treasurer
Dennis Cooke, Director
Heather Green, Director
Carl Hauser, Director
Shaun Zimmerman, Director

Supervisory Committee

Pam Haverland, Chairperson
Shannon Haslag, Member
Donna Linnenbrink, Member
Deepti Manglik, Member

Credit Union Staff

Kevin Brueseke, President
Kathy Kliethermes, Dir. of Office Admin
Jessica Stuenkel, Branch Manager
Ronda LePage, Lending-Vice Pres.
Maureen Ball, Senior Mortgage Officer
JoAnn Pointer, Mortgage Officer
Stacia Peters, Loan Officer
Dawn Ellis, Cards Services Manager
Bethany Poe, Financial Services Specialist
Harley Onstott, Financial Services Specialist
Carol Kimball, Loan Processor
Nick Bateman, Support Specialist
Sharon Bax, Support Specialist
Allison Samson, Member Services Rep.
Lisa Woodland, Member Services Rep.
Sherry Jacquin, Member Services Rep.
Suzi Lundy, Member Services Rep.
Roger Luebbert, Financial Advisor

