

CONSERVATION EMPLOYEES' CREDIT UNION 2023 ANNUAL REPORT

Statement of Condition

Assets

Loans to Members (net)	120,642,734.36
Accounts Receivable	414,273.13
Non-Interest Earning Cash	220,107.16
Corporate/Investments	31,633,010.89
Unrealized Gain/Loss Investments	-1,872,459.27
Furniture/Equipment	28,530.78
Building/Land	728,794.28
Accrued Income	335,811.29
PrePaid & Deferred Expenses	2,741,278.54
NCUSIF Share Insurance	1,360,259.03
<u>Other Assets</u>	<u>49,285.95</u>
Total Assets	156,281,626.14

Liabilities/Equity

Accts Payable	701,019.66
Dividends	205,759.39
All Other Liabilities	858,497.70
Members' Shares	48,939,186.12
Members' Share Drafts	25,295,670.57
Members' Share Certificates	38,554,876.08
Members' IRA Certificates	4,972,215.50
Members' IRA Shares	5,097,714.80
<u>Members' Money Market Shares</u>	<u>19,541,362.45</u>
Total	144,166,302.27

Pension Other Comprehensive	-1,280,768.54
Unrealized Gain(Loss) Investment	-1,872,459.27
<u>Undivided Earnings</u>	<u>15,268,551.68</u>
Total	12,115,323.87

Total Liabilities/Members Equity 156,281,626.14

Statement of Earnings

Income

Interest from Member Loans	4,867,586.35
VISA Interchange Income	414,447.92
Debit Interchange Income	348,368.82
Interest from Investments	642,748.98
Life, CDI and Debt Protection	162,894.94
<u>Other Income</u>	<u>87,122.52</u>
Total Income	6,523,169.53

Operating Expenses

Salary and Benefits	1,504,917.07
Travel & Conference	14,112.66
Association Dues	23,117.00
Office Occupancy	49,531.25
Office Operations	205,328.86
Education/Marketing	231,569.23
Loan Servicing	669,762.15
Professional Outside Services	1,254,238.75
Supervision and Examinations	16,209.48
Depreciation Expense	65,843.17
Provision for Loan Loss	-32,004.12
(Gain)/Loss Sale of Investment	0.00
(Gain)/Loss on Sale of Assets	0.00
Other Non-Operating (Gain)/Loss	0.00
<u>Misc.</u>	<u>58,449.49</u>
Total Operating Expenses	4,061,074.99

Interest Expense

Interest on Borrowed Money	28,084.07
Share/Sharedraft Dividends	176,471.92
Money Market Shares	314,645.18
IRA Shares and Certificates	275,742.77
<u>Share Certificates</u>	<u>916,398.80</u>
Total Cost of Funds	1,711,342.74
Total Expenses	5,772,417.73

Net Income 2023

Net Income 750,751.80



Conservation Employees' Credit Union
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Supervisory Committee Report

Loan Report Business Year 2023

Conservation Employees' Credit Union assisted members during 2023 by approving a total of \$35,993,868 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	102
Used Vehicles	560
Mortgage	7
Morgage-15 yr. Fixed	9
Mortgage-10 yr. Balloon	9
Home Equity	952
Land Equity	51
Unimproved Land	7
Land-15 yr. Fixed	8
Recreation	127
Farm/Industrial	41
LOC/Overdraft	2,878
Adjustable Rate LOC	901
Student	54
Share Secured	21
Signature	109
Promotion Signature	26
Co-Maker	2
Payday	59
Total	5,923



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 2023 included:

- Conducted quarterly surprise cash drawer audits.
- Reviewed and approved CECU employee monthly VISA charges.
- Continued using the "Supervisory Committee's Checklist" to accomplish activities 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.
- 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 the Supervisory Committee members Caleb Sevy, Deepti Manglik and Emily Franklin for their dedicated service on this committee throughout 2023.

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

Shannon Haslag, Supervisory Committee Chairperson

Chairman of the Board of Directors and President's Report 2023

Welcome to Conservation Employees' Credit Union's (CECU) 2024 annual meeting! We're excited to share updates on what was an especially busy year for your credit union.

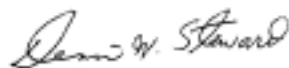
Earlier this year, CECU completed data processing and credit card conversions; however, preparation began in April 2023. This was the most important and impactful project we worked on in 2023. We appreciate your patience and understanding while we worked to transfer everything over to the new system, and we hope you're enjoying the improvements to online banking and the mobile app: increased security and more fraud prevention tools, easier navigation, external account transfers, Geezeo – a money management and budgeting tool – and enhanced communications tools, like push notifications and real-time texts. And like our debit cards, our credit cards now feature a 'tap to pay' option! We're also excited to unveil a new and enhanced credit card rewards program in a few short months.

Our digital touchpoints continued to grow in 2023. Our Virtual Branch online banking visits increased by 9,461 visits, and we had 39,456 more debit card transactions – a 4% increase from 2022. We processed 3,042 Zelle transactions – a 52% increase from 2022! And because fewer people are writing checks, we saw a 9% decline in mobile deposits.

You continued to take advantage of our loans in 2023, resulting in 5,923 loans totaling \$35,993,868! Vehicle loans (830 loans totaling \$19,381,960), real estate loans (1,043 loans totaling \$13,735,788) and personal loans (3,975 loans totaling \$2,001,005) are the most common loans we make. Our loan-to-deposit ratio, a key piece of financial information for our state and national regulators, increased from 82.58% to 84.82%, outperforming our peer average of 74.86%. Our annual Visa® credit card cash back program paid \$170,000 – \$2,000 more than we paid in 2022.

2023 also brought historically aggressive interest rate increases. On the positive side, our deposits grew .79% to \$142.4 million, and assets grew 1.73% or \$2.66 million. On the not-as-positive side, our net income declined \$254,331 to \$750,752. We're proud the credit union continues to post a positive bottom line. Our members must be proud as well because Conservation Employees' Credit Union added 207 members in 2023, so now we serve 9,172 consumers. We know a big part of that is because of you referring your family and co-workers to join us.

Conservation Employees' Credit Union will continue to meet members' needs with affordable financing and secure investments. We are honored to serve you – in 2023 and in the years to come. Thank you for your continued support and participation.



Dennis Steward, Board Chairman



Kevin P. Brueseke, President

Jump into warmer weather with an auto loan from Conservation Employees' Credit Union!

We make loans for vehicles and recreational vehicles, like boats, motorcycles ATVs and RVs.



Enjoy:

- Competitive Rates
- Flexible terms
- Optional low-cost loan protection

GET A HOME EQUITY LOAN

- No application or processing fees
- Borrow up to 90% of property value
- Multiple advances over 10-year draw period.

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Heather Green, Vice-Chairperson
Rich Wehnes, Secretary/Treasurer
Carl Hauser, Director
Chris Riggert, Director
Larry Yamnitz, Director
Shaun Zimmerman, Director

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Emily Franklin, Member
Deepti Manglik, Member
Caleb Sevy, Member

Credit Union Staff

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Kathy Kliethermes, Dir. of Office Admin
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Maureen Ball, Senior Mortgage Officer
JoAnn Pointer, Mortgage Officer
Stacia Peters, Loan Officer
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Paula McConnell, Member Services Rep.
Roger Luebbert, Financial Advisor

