

Financial Review

First Fiscal Quarter 2020

October 1 – December 31, 2019



Corporate Officers



(Pictured left to right)

Bob Frizzle, CFO

Randy Karnes, CEO

Geoff Johnson, COO/President

On the Back



Sign Up for the March Cooperative Campaign!

Board of Directors

Press Play

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A Message from the CEO

As an investor you're aware that our fiscal year starts October 1st, which means that as I write this, we've already finished our first quarter and are into the second month of our second quarter. Since CUs generally run on the calendar year, as you're just firing up for the second month of your new business year, we're already getting a better picture of how to attack 2020 for another successful annual.

Things look good! We're about \$450K ahead of plan after one quarter. That could be deceiving, though, since much of our good fortune and plan for activity was front-loaded for the 2020 business year. Some credit unions have adjusted their plans and moved on to other processors. The industry continues to consolidate. We have some big plans we're investing in for the future. Generally, I like to think we will always adjust our

financial forecasts up at the mid-year budget revision, but this year my hope is to hold our ground.

It's a little like the stock market. The Dow is approaching 30,000, causing people to wonder whether we'll have a recession. Yes, a few negative months in a row might lead to 28,000...but 28,000 is still better than at any time in the past! So you take two steps forward and one step back. As you take that step back, you might lament about going in the wrong direction, but if you look back and see it's only been one step, you remember to rejoice in how far you've come.

Dawn just rolled her eyes. Like you, she's wondering if I'm making a sales pitch to set everybody up for some less-

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Key Dates

February 11

Quarterly Collections Roundtable

<https://www.cuanswers.com/2020/01/here-comes-the-next-collections-roundtable-16>

February 19

Education Express – Automated Tracker Purges

<https://www.cuanswers.com/2020/01/join-us-for-a-free-education-express-webinar-27/>

February 24-28

Asterisk Intelligence Week

<https://www.cuanswers.com/2020/01/join-us-in-february-for-the-asterisk-intelligence-week-event/>



Income Statement

	YTD December 2019	Budget YTD
Income/Revenue		
Total CU*BASE Revenue	12,548,774	12,103,664
Total CNS/iSeries Revenue	2,616,132	2,162,446
Total External Business Revenue	1,149,797	1,054,106
Total Sales	16,314,703	15,320,215
Total Cost of Goods Sold	4,364,276	3,783,384
Gross Margin/Income	11,950,427	11,536,831
Expenses		
Total Employee Expenses	6,969,631	7,010,909
Total Non-Employee Expenses	2,688,551	2,691,805
Total Operating Expenses	9,658,182	9,702,715
Total Other Expenses	(1,579)	-
Gross Expenses	9,656,604	9,702,715
Net Income <i>(before taxes and dividends)</i>	2,293,824	1,834,116

Stock Value

The book value of Class A ownership shares as of 9/30/19 is \$151,608.
Ownership shares sell at \$330,000 or 2.18 times the book value.

Balance Sheet



Current Month
December 2019

Assets

Total Cash/On-Demand Deposits	18,936,145
Total Investments	612,305
Total Accounts Receivable	1,707,420
Total Pre-Paid Assets	4,109,692
Total Fixed Assets	8,444,327
Total Other Assets	5,342,636

Total Assets **39,152,525**

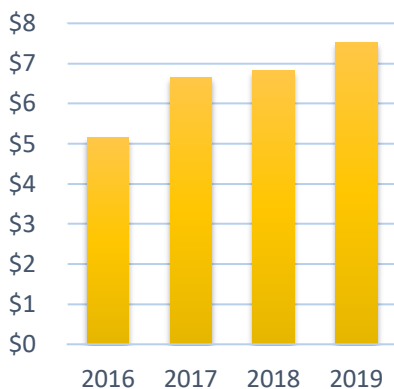
Liabilities & Equity

Total Short-Term Liabilities	8,358,580
Total Long-Term Liabilities	8,029,114
Total Liabilities	16,387,694
Total Equity	22,764,831
Total Liabilities & Equity	39,152,525

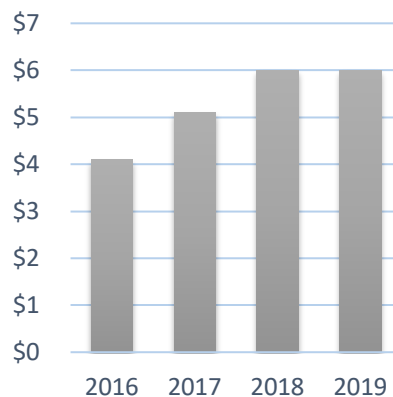
Numbers Snapshot

(Numbers in millions)

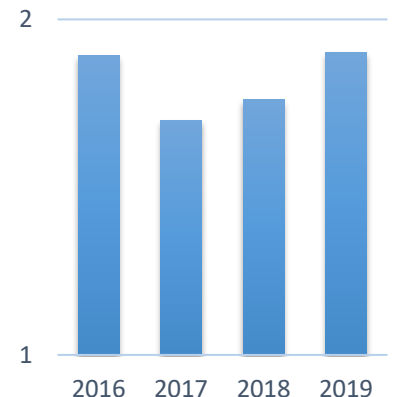
Net Income



Dividends Paid



Members Served



“So you take two steps forward and one step back. As you take that step back, you might lament about going in the wrong direction, but if you look back and see it’s only been one step, you remember to rejoice in how far you’ve come.”

Randy Karnes, CEO

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than-stellar results. People like to read between the lines. Just remember, when you read between the lines, you might be filtering out all of the positive possibilities, counting on your interpretation of the salesman making the pitch. Have a little faith.

I think it’s going to be a good year, and I think our CUSO is on a strong run, no matter what the weather predictions are for the future.

Take care,



Sign Up for the March Cooperative Campaign!



Let your members know that they can have quick and easy access to their accounts with your convenient mobile app! Various CU*Answers teams – including Marketing, Web Services, and the Internet Retailer Support Center (IRSC) – will work with you to execute the campaign to different channels including your Online Banking Community page (OBC), MAP site, and Mobile App for member engagement.

Sign up by February 19th: <https://store.cuanswers.com/product/2020-march-campaign-mobile-app/>

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Press Play



Check out our latest video at:
<https://ondemand.cuanswers.com/rate-inquiry-share/>

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