



CU*ANSWERS

Financial Review

Second Fiscal Quarter 2021

January 1 – March 31, 2021

Corporate Leaders



(Pictured left to right)

Randy Karnes, CU*Answers CEO

Scott McFarland, CU*Answers Board Chair,
CEO of Honor Credit Union

On the Back



Board of Directors

Press Play

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A Message from CEO Randy Karnes

As of March 31, we are 1.5 (and change) million dollars ahead of budget. Things are good. That's it.

Can you feel an uncomfortable silence in this report? Is your mind saying, "That's it, nothing else? We should accept that \$1.5 million ahead of budget is the whole story? Something's off here."

For 20+ years I've been writing this article, and in that time I have received fewer than 20 inquiries about the comments I've written. You're a trusting lot!

For 20+ years I've also warned myself to be careful what I ask for. I might have found myself spending the better part of a week every quarter following up on questions, had all of you been more curious about what we were doing with your money and other assets. So I'm only half-heartedly asking you to dig a little deeper here and send me a question or two.

But I am asking, if for no other reason than so you can practice and be ready for the next administration. That new administration will need your questions because your questions will lead it to the right answers. That new administration will need the confidence that comes from your focus and from your sense of wanting to make sure

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A Message from Board Chair Scott McFarland

Raving fan...

Are you one?

When you look at the numbers in this report, you should be a raving fan of one of the most unique CUSOs in the country. CU*Answers continues to show the movement that we are more than a data processor. We are a network of individual credit unions with individual strategies, visions, missions, and teams that are striving to show the value of ownership to our members on daily basis. This cooperative that stands alongside us and is constantly defending and driving the cooperative principles is what make us unique.

In a world where some come to the table offering "shiny" alternatives with potentially large checks to make things look even better, this cooperative is driven to support, so that we as individual credit unions can create raving fans in our members and our communities by helping members exceed their financial goals in life.

I read an article recently on "languishing." It has been a heck of a year plus. We have faced unprecedented challenges and unknowns, yet here we stand on the cusp of an awakening to a future that still holds tremendous opportunity. It is more important than ever to have the right partner on the journey into the future. While some

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Key Dates

June 9

Quarterly Collections Roundtable

<https://www.cuanswers.com/resources/edu/courses/syllabi/?course=SE.51W>

June 14

Teller Training Day

<https://www.cuanswers.com/resources/edu/courses/syllabi/?course=SE.TM>

June 15-17

2021 CU*Answers Leadership Conference: Experienced, Energized, Engaged

<https://www.cuanswers.com/events/lc/2021-experienced-energized-engaged/>



Income Statement

	YTD March 2021	Budget YTD
Income/Revenue		
Total CU*BASE Revenue	24,560,518	23,645,628
Total CNS/iSeries Revenue	4,466,097	4,035,864
Total External Business Revenue	2,547,013	2,286,470
Total Sales	31,573,628	29,967,962
Total Cost of Goods Sold	7,525,612	7,055,813
Gross Margin/Income	24,048,016	22,912,149
Expenses		
Total Employee Expenses	14,281,426	14,404,584
Total Non-Employee Expenses	4,650,910	4,845,632
Total Operating Expenses	18,932,336	19,250,216
Total Other Expenses	(82,069)	(26,575)
Gross Expenses	18,850,267	19,223,641
Net Income <i>(before taxes and dividends)</i>	5,197,749	3,688,508

Stock Value

The book value of Class A ownership shares as of 9/30/20 is \$164,517.90.
Ownership shares sell at \$360,000 or 2.19 times the book value.

Balance Sheet



Current Month
March 2021

Assets

Total Cash/On-Demand Deposits	26,109,540
Total Investments	617,082
Total Accounts Receivable	945,335
Total Pre-Paid Assets	4,662,521
Total Fixed Assets	7,062,997
Total Other Assets	6,169,060

Total Assets **45,566,535**

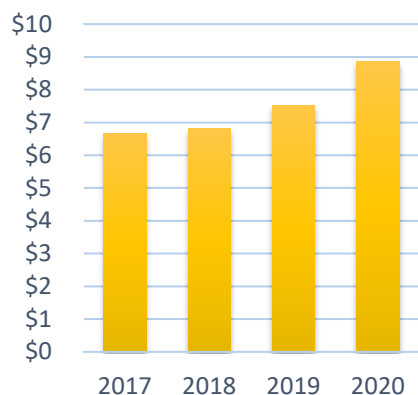
Liabilities & Equity

Total Short-Term Liabilities	11,061,462
Total Long-Term Liabilities	7,515,433
Total Liabilities	18,576,895
Total Equity	26,989,640
Total Liabilities & Equity	45,566,535

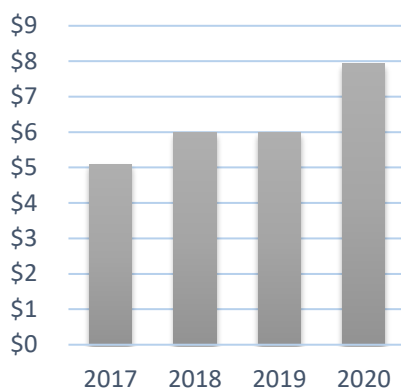
Numbers Snapshot

(Numbers in millions)

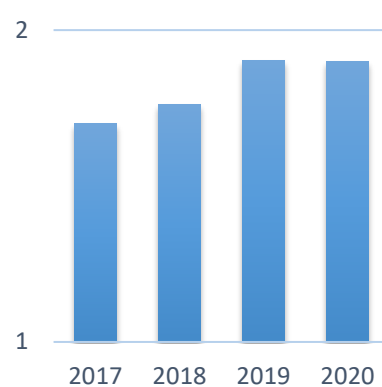
Net Income



Dividends Paid



Members Served



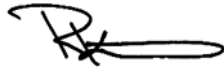
things are adding up for the next report...and the next ten reports after that.

Even if you do the simplest of analysis on these numbers (SWOT):

- What are the strengths in these numbers and how we're positioned, being \$1.5 million ahead of budget?
- Is there any weakness in not investing more at this time, and just banking \$1.5 million more than we planned for year-end?
- Are we foregoing any opportunities by being satisfied with \$1.5 million ahead of budget?
- Have we analyzed threats to our future, and is there an alternative use for the \$1.5 million over adding it to our retained earnings and paying it to our owners?

In the future, you will get the leadership you deserve. But it might not always be clear what you need to do to *build* the leaders you need for the future you want. Even the way you respond to a simple quarterly financial report might mean the difference between your future leadership taking you for granted, and those leaders learning from the brilliance of your inquiry.

Take care.



will point to what cannot be done, the winners will not give up. They will not languish... they will thrive and drive towards new opportunities.

Through these past months, CU*Answers has refused to "languish" and has remained a key resource for our credit unions to take care of members. This seems like a great reason to be a raving fan and a proponent for being different in a world where fitting may be safe, but not bold. Those that started our credit unions were bold. The founders of this CUSO over 50 years ago were bold and believed in the value of being different.

On behalf of the board, we are committed to being bold as we represent the owners of CU*Answers. Our commitment to the future and to being bold is reflected in the open dialogue and the constant improvement that is expected from our CUSO. It is also represented by the work being done to ensure strong leadership in the future at CU*Answers, and a robust plan to move into the next 50 years and beyond. Look for more information on this at the beginning of June.

Thanks for the opportunity to represent the owners of CU*Answers... be a raving fan.



Press Play

Check out our latest video at:
<https://ondemand.cuanswers.com/cubase-gold-first-time-login/>

CU*ANSWERS

6000 28th St. SE
Grand Rapids, MI 49546
www.cuanswers.com
800.327.3478



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