



CU\*ANSWERS

# Financial Review

Second Fiscal Quarter 2022

January 1 – March 31, 2022

## Corporate Leaders

(Pictured left to right)

Geoff Johnson, CU\*Answers CEO

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



## On the Back



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## A Message from CEO Geoff Johnson

Springtime is in the air and people are once again taking opportunities to travel. I recently had my first flight without any mask requirements – it was a bit of a strange feeling after the experience of the past two years. That said, I am very excited to be able to visit credit unions across the country again and I am glad we are now in a position where members no longer have to question whether the doors of their local branches are open.

Taking a look at our financials, the numbers are strong again this quarter. Throughout the 2022 business year, we will be concentrating on our investments in people, facilities, and technologies as we build towards the future. CU\*Answers remains focused on the ways that we can continue to develop solutions for all of our credit union clients and partner-owners.

Our annual Leadership Conference is coming up soon! The CU\*Answers team is looking forward to seeing you in person in Grand Rapids, Michigan, as we explore the CUSO's performance over the past year and look forward to where we're heading next. This year's conference will be hosted June 14<sup>th</sup> and 15<sup>th</sup>, at the JW Marriott, with a golf outing closing out the week on June 16<sup>th</sup>.

The Leadership Conference is an exciting opportunity to connect with your peers in the network and learn about the projects we are championing for 2022 and beyond. If you haven't signed up yet, be sure to visit our website and register by June 3<sup>rd</sup>! I look forward to having the chance to personally interact with you at this year's event.

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## A Message from Board Chair Scott McFarland

Time flies when you are having fun... are we having fun yet? You can see from Geoff's report that the CU\*Answers team is back on the road and in the air. It was great seeing Ed up at the UP Chapter Annual meeting this year. If you haven't ventured back out on the road or to an event, no better time than Leadership 2022 in beautiful Grand Rapids, June 14<sup>th</sup> – June 16<sup>th</sup>. It is great to be back together face to face (literally).

Here is some interesting information: there is re-investment happening in at our CUSO to make sure we are all well positioned for the future. Status quo is not an option for any of us – it never has been and it's best we do not lie to ourselves by ever believing 'good enough' will be good enough. The successes of CU\*Answers are a result of the owners and users within the network. This remains a unique experiment of the cooperative principles, which is difficult to find in the world today.

There are many things that continue to change and many things that continue to challenge us all not to settle. Banks keep getting bigger, resulting in more consumers being left behind. The same could happen with credit unions if we are not careful. 'Big or small' is only bad if we forget where we came from. In ALL our cases, we embrace a member-owned cooperative model. In the end, our members don't really care how big or small we are, but they will care if we cannot provide relevant solutions for their lives. These solutions vary from convenience to technology as well as the ability to

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## Key Dates

June 8

### Quarterly Collections Roundtable

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

June 14-16

### 2022 CU\*Answers Leadership Conference: *Our Next Adventure*

<https://www.cuanswers.com/events/lc/2022-our-next-adventure/>

June 22

### Analytics Booth Client Training (Post-Release)

<https://www.cuanswers.com/resources/edu/courses/syllabi/?course=SE.2022.34>



## Income Statement

	YTD March 2022	Budget YTD
<b>Income/Revenue</b>		
Total CU*BASE Revenue	24,620,708	24,121,333
Total CNS/iSeries Revenue	5,310,834	5,085,432
Total External Business Revenue	3,536,111	2,744,376
<b>Total Sales</b>	<b>33,467,653</b>	<b>31,951,141</b>
Total Cost of Goods Sold	8,468,102	8,113,758
<b>Gross Margin/Income</b>	<b>24,999,551</b>	<b>23,837,383</b>
<b>Expenses</b>		
Total Employee Expenses	15,240,808	15,155,267
Total Non-Employee Expenses	4,786,369	5,039,790
Total Operating Expenses	20,027,177	20,195,057
Total Other Expenses	(177,071)	(91,286)
<b>Gross Expenses</b>	<b>19,850,106</b>	<b>20,103,771</b>
<b>Net Income</b> <i>(before taxes and dividends)</i>	<b>5,149,445</b>	<b>3,733,612</b>

### Stock Value

The book value of Class A ownership shares as of 9/30/21 is \$182,532.57.  
Ownership shares sell at \$397,000 or 2.17 times the book value.

# Balance Sheet



## Current Month

March 2022

### Assets

Total Cash/On-Demand Deposits	27,531,319
Total Investments	618,286
Total Accounts Receivable	1,170,410
Total Pre-Paid Assets	2,933,303
Total Fixed Assets	7,236,779
Total Other Assets	8,305,719
<b>Total Assets</b>	<b>47,795,816</b>

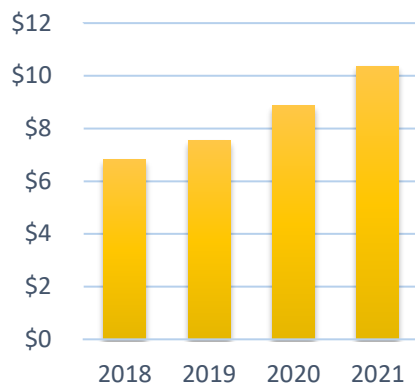
### Liabilities & Equity

Total Short-Term Liabilities	16,180,869
Total Long-Term Liabilities	1,247,968
Total Liabilities	17,428,837
Total Equity	30,366,979
<b>Total Liabilities &amp; Equity</b>	<b>47,795,816</b>

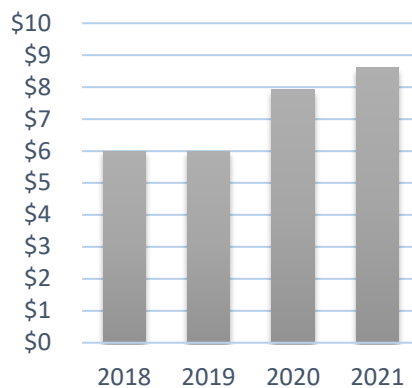
## Numbers Snapshot

*(Numbers in millions)*

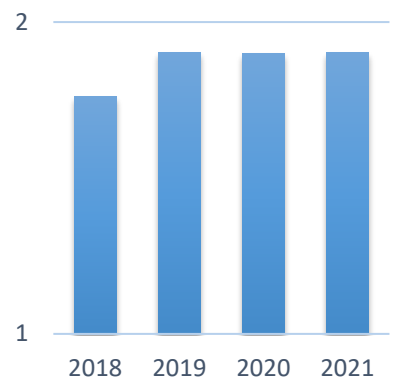
Net Income



Dividends Paid



Members Served



There have never been more opportunities in the cooperative environment than there are today. As we engage in conversations with future clients and they evaluate CU\*Answers alongside other vendors, we always ask that they take into consideration how these organizations operate and the ways in which they reflect the 7 Cooperative Principles.

If you have any questions or want to engage in conversation on opportunities for your organization, don't hesitate to reach out to me. I am happy to discuss the range of solutions we have available to meet the needs of your financial institution and can direct you to the teams that drive our broad range of services. I look forward to welcoming you to Grand Rapids soon. Thank you for your continued partnership and make it a great day!

*Geoff Johnson*



If you have not yet signed up for our 2022 Leadership Conference, make sure to register before Friday June 3<sup>rd</sup>! Visit the CU\*Answers website at: <https://www.cuanswers.com/events/lc/2022-our-next-adventure/>

keep their data safe. By working together in this network, we can all be stronger in how we help our members, how we gain new members, protect data and grow our business. The changes happening in financial services creates niches that we can work together to exploit.

So here are some homework questions:

- Are you coming to Leadership to collaborate and work together with peers?
- What are the top items you want to talk about in the network?
- What niche can you leverage now and into the future?
- What is the biggest risk to our bottom lines and financial success, now and into the future?

With great challenge comes great opportunity – but opportunities are taken, they are not just given out. What opportunities can we all work on together to stay strong for our members? I don't know about you, but this challenge sounds like fun to me.

Hope to see you in June!

*Scott McFarland*



## Board of Directors

### Chair

**Scott McFarland**  
Honor Credit Union  
St. Joseph, Michigan

### Vice Chair

**Vickie Schmitzer**  
Frankenmuth Credit Union  
Frankenmuth, Michigan

### Secretary/Treasurer

**Linda Bodie**  
Element Federal Credit Union  
Charleston, West Virginia

## Board Members

### Tom Gryp

Notre Dame Federal Credit Union  
Notre Dame, Indiana

### Jeff Jorgensen

Bluestone Federal Credit Union  
Sioux Falls, South Dakota

### Dean Wilson

FOCUS Credit Union  
Wauwatosa, Wisconsin

### Kris Lewis

Allegan Community Credit Union  
Allegan, Michigan

## Associate Board Members

### Bill Burke

Day Air Credit Union  
Dayton, Ohio

### Carolyn Mikesell

Public Service Credit Union  
Fort Wayne, Indiana



## Press Play

Check out our latest video at:

<https://ondemand.cuanswers.com/launching-mobile-app-6-0/>