



CU\*ANSWERS

# Financial Review

Third Fiscal Quarter 2022

April 1 – June 30, 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



Board of Directors

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## A Message from CEO Geoff Johnson

It is hard to believe that summer is nearly behind us and that we are already discussing plans for the fall, including our 2023 business plan and budget. As we move into that rolling 18-month planning period, we look forward to working with the board of directors on strategic planning for the 2023 business year.

Contrary to (or perhaps in spite of) recent economic forecasts, the rising gas prices and ongoing supply chain issues, the last 90 days saw another solid period of performance for your cooperative. We have and will continue to make investments to grow the firm and bring the benefits to our credit unions, just as you expect of us.

As we near the end of summer and the end of the fiscal year, we are still looking at a strong return to owners this year. With that in mind, the returns for 2022 will not reach the record levels of the previous year. The returns witnessed during the 2021 business year were driven by many one-time events, including returns on investments and early termination fees, and many of these will not be occurring again in 2022.

In 2023, we will be introducing our new 'Conversations On' series – expect to see and hear more from the many teams that drive CU\*Answers, as they engage with our clients both in-person and via digital channels. Look forward to more details on the 'Conversations On' series in the months ahead.

The 2022 CEO Strategies event is coming up soon! This year's event will be hosted at the M Resort in Las Vegas, Nevada. Day one of CEO Strategies will focus on the awareness and utilization of our CU\*BASE software and the Analytics Booth platform. Day two will be highlighted by collaborative presentations by CEOs within the

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## A Message from Board Chair Scott McFarland

My favorite time of the year is approaching. While I enjoy summer and the break it provides from the cool to cold weather in Michigan, I truly love fall. It's a time of color and change and brings the football season along with it – let's talk about this for a few minutes.

As fall approaches, it comes with the inevitable change of season (at least for those of us that don't enjoy the warm temperatures year-round) and the closure of another summer. This change brings a fall harvest of amazing fruit in my region and the wonderful smell of grapes that will eventually be harvested for wine and grape juice. We also have the change in color as the trees magically paint a canvas of reds, yellows, and orange before they rest for the winter months. I look forward to fall and anticipate these changes with excitement and pause as we prepare for the next season of cold and snow.

I compare this change in seasons to what we face as credit unions, with excitement and anticipation, but also pause and preparation. The common theme: change is coming whether we like it or not – how are we committed to prepare for it? We see this every day within our organizations, with CU\*Answers and in our individual lives. Those that are not preparing... well, the season will be challenging and hard. Those that do prepare know that hope is not a plan, but that focus, drive and determination will get us through the seasons and should provide "fruit" from our labor and planning.

On the football side of the equation, I love the sport for all that it teaches and demonstrates on the field, including the practice leading up to the game. Football is one example of a sport that

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# Key Dates

September 22

## Member Services Training Day

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

September 27

## Meet Advantage CIO – A Cooperative Approach to Cybersecurity Assessments

<https://www.cuanswers.com/resources/edu/courses/syllabi/?course=SE.2022.03>

October 3-7

## CU\*Answers University Week

<https://www.cuanswers.com/resources/edu/university-weeks/>



# Income Statement

	YTD June 2022	Budget YTD
<b>Income/Revenue</b>		
Total CU*BASE Revenue	36,801,075	36,748,024
Total CNS/iSeries Revenue	8,077,254	7,645,457
Total External Business Revenue	5,323,987	5,038,165
Total Sales	50,202,315	49,431,646
Total Cost of Goods Sold	12,857,218	12,366,712
<b>Gross Margin/Income</b>	<b>37,345,098</b>	<b>37,064,934</b>
<b>Expenses</b>		
Total Employee Expenses	22,840,769	23,057,820
Total Non-Employee Expenses	7,642,199	7,725,152
Total Operating Expenses	30,482,968	30,782,971
Total Other Expenses	(47,655)	(252,071)
<b>Gross Expenses</b>	<b>30,435,313</b>	<b>30,530,900</b>
<b>Net Income</b> <i>(before taxes and dividends)</i>	<b>6,909,785</b>	<b>6,534,033</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

June 2022

### Assets

Total Cash/On-Demand Deposits	30,991,652
Total Investments	618,591
Total Accounts Receivable	1,660,907
Total Pre-Paid Assets	3,224,053
Total Fixed Assets	8,540,902
Total Other Assets	8,040,466
<b>Total Assets</b>	<b>53,076,571</b>

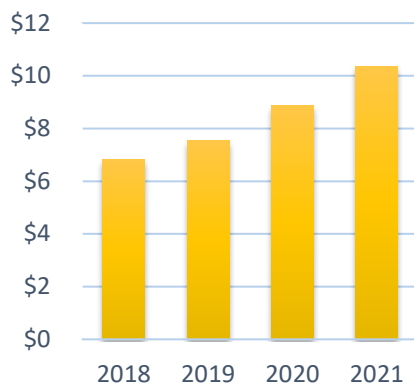
### Liabilities & Equity

Total Short-Term Liabilities	13,029,097
Total Long-Term Liabilities	8,770,536
Total Liabilities	21,799,633
Total Equity	31,276,938
<b>Total Liabilities &amp; Equity</b>	<b>53,076,571</b>

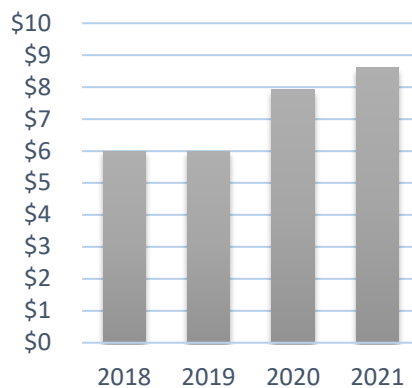
## Numbers Snapshot

*(Numbers in millions)*

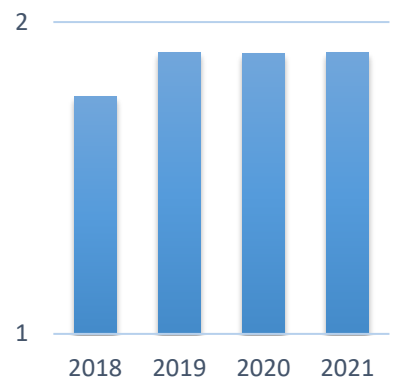
Net Income



Dividends Paid



Members Served



network, with a focus on their use of third-party tools, vendors and business practices, while offering ‘compare and contrast’ of implementation options.

I look forward to seeing you at this day-and-a-half event as we pursue these educational and collaborative opportunities. If you have not already done so, there is still time to visit our website and register for this exciting event!

I appreciate all that you do for your cooperative and I look forward to what the fall has in store for us. Make it a great day!

*Geoff Johnson*



The 2022 CEO Strategies event will take place November 15<sup>th</sup> and 16<sup>th</sup> at the M Resort Spa Casino in Las Vegas, Nevada. Join us for a discussion on strategic development plans for the network, including a big picture look at our tools and implementation strategies for the coming year.

This event is open to all CEOs within the cuasterisk.com network. Register today: <https://www.cuanswers.com/events/ceo-strat/ceo-strategies-2022/>

is 100% dependent on teamwork to achieve a common goal. The rules are clear, the strategies, planning, and practice all essential for success. A team’s ability to stop the other team from scoring while also finding ways to score points for themselves determines their success. CU\*Answers just completed a planning season with a plan and a budget that lays out how our CUSO will work towards winning in the market for our clients, owners, and future clients in the movement.

As individual credit unions, we all need to be working toward the same thing or we will lose. We need to find ways to keep the competition (banks, finance companies, fintechs, mortgage brokers) from scoring with the consumer and our members, and execute game plans that provide channels for our members to win and thus allow our credit unions to win. We all know we are the underdog, so it remains important that we work collaboratively as a team, both inside and outside our organizations. Are you building your game plans? Are you designing your trick plays? Are you leveraging opportunities against the competition’s weaknesses? Game on – let’s go!

On behalf of your board, thank you for your continued support and the drive to constantly improve. We are humbled to serve and look forward to an exciting and successful year for this network.

*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/cubase-preferences/>