



CU*ANSWERS

Financial Review

First Fiscal Quarter 2023

October 1 – December 31, 2022

Corporate Leaders

(Pictured left to right)

Geoff Johnson, CU*Answers CEO

Linda Bodie, CU*Answers Board Chair,
CEO of Element Federal Credit Union



On the Back



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Today I woke up to 7-degree weather and a foot of snow on the ground. It may be hard to believe that we are already discussing the end of the first fiscal quarter, but here we are. Though the temperatures outside may be chilly for some, we're coming up on a great time to enjoy the beauty that Michigan offers us – I hope spring brings a pop of bright color to your neck of the woods as well.

Just because it's cold outside at the moment, that doesn't mean things aren't actively heating up for your cooperative. CU*Answers is heading into a strong year for our conversions calendar – we're currently looking at over one dozen new conversions in the 2023 business year. I'm very excited that we will be inviting credit unions from across the country into the network, reaching all the way out to the Hawaiian Islands.

We are currently ahead of budget, as we have been throughout the year thus far. I'm pleased to share the numbers with you for this quarter's Income Sheet and Balance Statement. Our teams have done a great job of getting us to where we currently stand and we look forward to carrying on a strong momentum throughout the year. Our mid-year budget revision is also just around the corner – we look forward to where these financial numbers land.



The theme of our 2023 Leadership Conference is 'Base Camp'. During the 2023 Leadership Conference, you can expect to hear about several of our long-term investments, from the people who

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A Message from Board Chair Linda Bodie

I'm excited to write my first message to you as the new Chair of the CU*Answers Board of Directors. I've been passionate about our CUSO since the day we joined in 2010. That passion has translated to a desire to serve and contribute to the success of the organization. Over the past 10 years, I've devoted countless hours to the cooperative and I still love it just as much as that first day I started.

How do we keep that passion and love alive in our CUSO and our own credit unions? I think this has been fairly easy in our industries.

We believe in our cause. We have strong personal connections to our members and communities. We want to make a difference for all our people. Seeing the impact of all the things we provide and accomplish are incredibly rewarding and motivating. Whether it's helping individuals directly or contributing to a larger goal, being able to see the positive results of our efforts keeps our passion alive. At CU*Answers, we have lots of positives!

Building relationships is also key to helping us grow, evolve, and stay engaged with our missions. I know I've personally loved gaining new friendships, peers, and allies in the CU*Answers network. The more people I meet, the more I grow as an individual and gain a renewed sense of service to the cooperative and my own credit union. I think many of you might feel the same.

Even with rapid changes in technology, crazy regulatory ideas, a lack of employees to get the jobs done and interest rate changes that never seem to stop, we're still in a good place. We

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Key Dates

March 8

Conversations On Bill Pay/P2P

<https://www.cuanswers.com/resources/edu/courses/syllabi/?course=SE.2023.02>

March 27

Conversations On Education

<https://www.cuanswers.com/resources/edu/courses/syllabi/?course=SE.2023.18>

March 29

Conversations On Fraud

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



Income Statement

	YTD December 2022	Budget YTD
Income/Revenue		
Total CU*BASE Revenue	13,102,540	12,642,678
Total CNS/iSeries Revenue	2,735,782	2,337,629
Total External Business Revenue	1,784,368	1,697,435
Total Sales	17,622,690	16,677,742
Total Cost of Goods Sold	4,381,590	4,024,601
Gross Margin/Income	13,241,100	12,653,141
Expenses		
Total Employee Expenses	7,924,394	7,816,089
Total Non-Employee Expenses	2,766,701	2,872,801
Total Operating Expenses	10,691,095	10,688,890
Total Other Expenses	28,264	-
Gross Expenses	10,719,359	10,688,890
Net Income <i>(before taxes and dividends)</i>	2,521,742	1,964,250

Stock Value

The book value of Class A ownership shares as of 9/30/22 is \$199,796.72.
Ownership shares sell at \$425,000 or 2.16 times the book value.

Balance Sheet



Current Month
December 2022

Assets

Total Cash/On-Demand Deposits	25,162,877
Total Investments	863,895
Total Accounts Receivable	2,991,826
Total Pre-Paid Assets	5,650,506
Total Fixed Assets	8,226,108
Total Other Assets	8,458,820
Total Assets	51,354,032

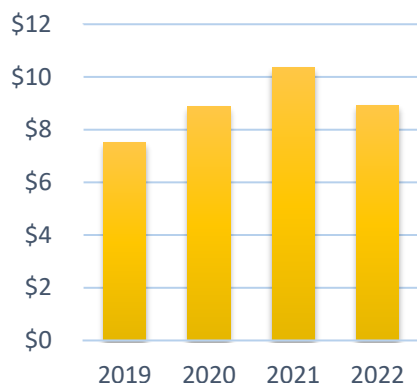
Liabilities & Equity

Total Short-Term Liabilities	9,972,952
Total Long-Term Liabilities	8,930,857
Total Liabilities	18,903,809
Total Equity	32,450,223
Total Liabilities & Equity	51,354,032

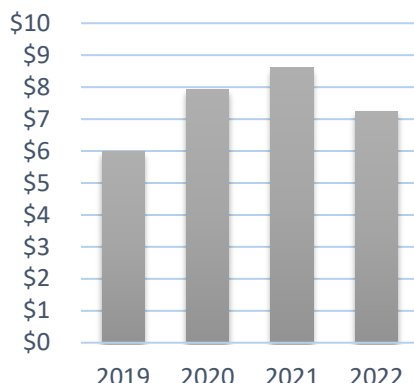
Numbers Snapshot

(Numbers in millions)

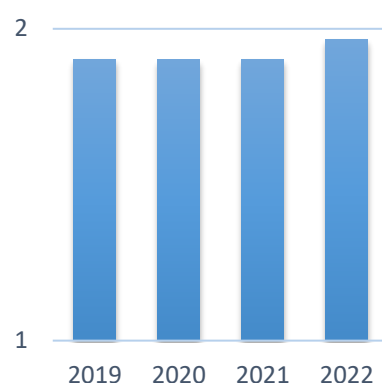
Net Income



Dividends Paid



Members Served



keep our day-to-day operations running smoothly, to the infrastructure that supports our CUSO, as well as available options for the real-time movement of money (including RTP[®], FedNowSM and P2P). Look forward to this and so much more from this year's event – I hope many of you already have the 2023 Leadership Conference marked on your calendars! Stay tuned for more details coming soon, including how to sign up for this year's event.

Additionally, our teams are thrilled about the many opportunities presented by our new *Conversations On* series. This is an exciting new avenue for the many teams at CU*Answers to engage with you, the members of our cooperative, on topics that are currently creating 'buzz' within the credit union scene. If you haven't already done so, I encourage you to visit the CU*Answers website and take a look at our upcoming *Conversations On* webinars – these events may provide valuable insight for your own current business goals.

As the cold begins to thaw, I hope all is well in your part of the country. As always, if there is anything that you need or if there are any questions that you have for me, please don't hesitate to reach out. Make it a great day!

Geoff Johnson

weather the storms and we make things work – and things usually turn out better than they were before. We turn threats into opportunities and keep moving forward because of our strong passion for our cause.

Let's keep the love alive even when the going gets tough. Better times will always come around... especially with good friends like ours.

On behalf of the board of directors, we are thankful for all of you and your support of our big, happy, cooperative family!

Linda C Bodie

Conversations on*

CU*Answers Collaboration Groups

*Conversations On takes focus groups to a whole new level by dialing into specific topics: credit union core disciplines, tools for members and employees, as well as current hot topics that people are buzzing about. This series presents opportunities for open conversations with CU*Answers subject-matter experts and product designers and gives CUs an insider's view of the project management and design process.*

Learn more – check out our current **Conversations On** groups by visiting our website: <https://www.cuanswers.com/resources/conversations-on/>



Board of Directors

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Press Play

Check out our latest video at:

<https://ondemand.cuanswers.com/adding-account-to-payroll-group/>