



Montana  
CREDIT UNION

# 2022 ANNUAL REPORT



*Rooted* in Montana  
to Better Serve You.



Welcome back to Montana Credit Union's Annual Meeting! While we met via Zoom in 2020 and 2021, nothing compares to our annual in-person celebration of our credit union's shared successes. This year's event is even more meaningful as it falls on International Credit Union Day. This day serves as a way to reflect on the history of credit unions, the value we bring to our members and communities, and to raise awareness of financial empowerment for all...a true reason to celebrate!

We have lots of exciting news here at Montana Credit Union. About this time last year, at the direction of our board of directors' strategic plan, we put together a project team to start diving in to what it would take if we wanted to expand MCU beyond its 3-county field of membership of Cascade, Chouteau and Teton counties. Working with a company called CUCollaborate, we prepared a plan to bring Montana Credit Union's products and services to a broader sector of Montanans. I'm happy to say that in June of 2022, NCUA granted us permission to open our field of membership up to 44 counties within our great state, and the opportunity to serve nearly 1 million potential MCU members. Wow!

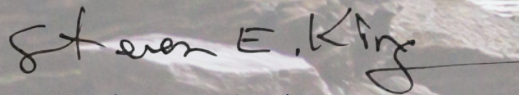
Since that news, that same project team has been working diligently to put in place processes and procedures so that we can serve this expanded area to the best of our ability. In order to do this well, we have not made any official, large-scale announcements on this until now, but rather doing so in a limited capacity, so that we can ensure we are serving our membership to the best of our ability. Service is at the heart of what we do and regardless of size and scope, our true mission is to Guide You Ahead to your best financial future, and we take that very seriously.

As a result, we are working behind the scenes to upgrade technology, while still remaining loyal to our traditional brick and mortar branches. We are investing in our digital banking channels, adding features and benefits that make it more member-friendly to use. This will also allow potential members, both near Great Falls and those in the far reaches of the state, to conduct business with us as seamlessly as they would if they were to walk in to a branch. When we launch this new digital banking experience in the spring of 2023, you'll experience a more user-friendly digital banking, be able to open accounts online, manage your debit, credit and ATM cards, and more, all in addition to services you currently enjoy, including remote deposit, bill pay, and person to person transfers.

In our branches, our Personal Teller Machines (PTMs) continue to be an integral part of our daily operations here at the credit union, allowing our teller team to serve you more efficiently both through the drive ups and in our lobbies. In addition to increased efficiencies and less wait time, they have allowed us to expand our Saturday service to the west side of town, something we may not have been able to accomplish otherwise.

This year's International Credit Union Day theme is Empower Your Future With a Credit Union. Daily, our staff gets to be a part of your financial future as they work alongside you to improve your financial health and well-being. This is a very exciting time of growth and expansion for Montana Credit Union, and we are honored to be part of the journey.

Sincerely,



**Steve King**, President/CEO

October 20<sup>th</sup>, 2022

**EMPOWER**  
**YOUR FINANCIAL FUTURE**  
**WITH A CREDIT UNION™**

INTERNATIONAL CREDIT UNION DAY







2021 Board Chairman Message  
**Paul Dockter, Chairman of the Board**

It is great to be back in person for this year's annual meeting! With our last two annual meetings held online, we have some notable news that you may have missed:

*We have added two board members in John Huber and Jim Zadick, and one associate board member, Tammy Stubbs. All three of these additions bring great energy and ideas to our active and engaged board of directors!*

*Our sincere thanks go to Cheryl Patton and Colleen Holzheimer, who both retired from board service over the past couple years. Both of these ladies contributed several years of volunteer service to our credit union, and for that we are very thankful!*

Your board of directors is actively involved in helping set strategic vision and goals for Montana Credit Union. In November, we will meet with strategic planner Jeff Rendel to help chart the course for the next couple years. Jeff brings great energy to the table, and led us to the decision to expand our field of membership in 2019. We are looking forward to the ideas and new opportunities he'll discuss, as well as opportunities to enhance member service and delivery at Montana Credit Union. And finally, I would like to thank President/CEO Steve King for his heartfelt guidance and direction, as well as the leadership team at the credit union. These folks work tirelessly to ensure that MCU does all it can for our members and the community.

---



2021 Treasurer's Report  
**Dale Bimler, Treasurer**

As Treasurer, I am pleased to report to the membership that Montana Credit Union continues to operate as a financially sound credit union. The Board of Directors and staff regularly review the credit union's policies and procedures to ensure safe and sound financial practices. In addition, the Board also reviews the financial status of the credit union on a monthly basis, and works closely with management to develop and approve long-range funding strategies, an annual budget and overall growth strategy.

2021 saw more typical trends for MCU, but reflected the impact of the current economic uncertainty and volatility from the Federal Reserve. We saw deposit growth of \$32.8 million, and loan growth of \$7.4 million. Overall, we saw our asset size grow by \$32.8 million, or about an 11% increase over the prior year.

The auditing firm of Anderson ZurMuehlen & Co completed our annual audit for fiscal year end 2021 and affirmed that the financial statements of your credit union were presented fairly in all aspects. In addition to the annual independent audit, the credit union conducts ongoing monthly internal reviews of financial statements to ensure consistency and compliance with credit union policies and procedures. I would like to thank management and staff for their foresight and guidance in preparing monthly financial statements and reports for the Board. Their diligence and attention to detail helps our oversight process immensely.

---



2021 Supervisory Committee Report  
**Carrie Boysun, Committee Chair**

The Supervisory Committee is appointed by the Board of Directors and is responsible for the oversight of management's use of sound accounting and financial reporting processes in accordance with generally accepted accounting principles. The Supervisory Committee meets quarterly to review and discuss auditing and accounting matters relating to Montana Credit Union. In addition to myself, the Supervisory Committee includes Judy Schroeder and Terry Kangas.

The Supervisory Committee retained the audit services of Anderson ZurMuehlen & Co. P.C. to perform an independent audit on the Credit Union's 2021 financial statements. MCU once again received an unmodified opinion on its' 2021 financial statements. Steven Halsted serves as our Internal Auditor/Compliance Specialist at the credit union. Steven performs daily audit procedures and related inspections, and provides the Supervisory Committee a monthly report that outlines his procedures and findings.

Additionally, the Supervisory Committee investigates member questions and inquiries not resolved to satisfaction. As always, please contact any of the Supervisory Committee members if you have questions regarding your account or other matters concerning Montana Credit Union.



COMPARATIVE INCOME AND EXPENSES  
For the Year Ended December 31

Income	2021	2020
Interest on Loans	\$6,787,174	\$7,203,536
Investment Income	\$715,377	\$851,435
Other Income	\$4,326,621	\$3,515,919
<b>Gross Income</b>	<b>\$11,829,172</b>	<b>\$11,570,890</b>

Expenses	2021	2020
Compensation and Benefits	\$4,383,860	\$4,312,718
Travel and Conference	\$85,847	\$70,776
Office Occupancy	\$517,397	\$500,114
Office Operations	\$2,229,589	\$2,046,540
Education and Promotion	\$222,700	\$277,997
Loan Servicing Expenses	\$738,013	\$616,430
Professional and Outside Services	\$1,012,457	\$990,274
Member Insurance	-	-
Examination/Supervisory Fees	\$57,126	\$65,489
Misc. Operating Expenses	\$163,173	\$143,425
<b>Total Expenses</b>	<b>\$9,410,162</b>	<b>\$9,023,763</b>
Allowance for Loan Loss	\$65,000	\$445,000
Gain from Operations	\$2,354,010	\$2,102,127

Earnings Distribution	2021	2020
Dividends	\$451,628	\$753,041
Net Income	\$1,902,382	\$1,349,086
<b>Total Earnings</b>	<b>\$2,354,010</b>	<b>\$2,102,127</b>

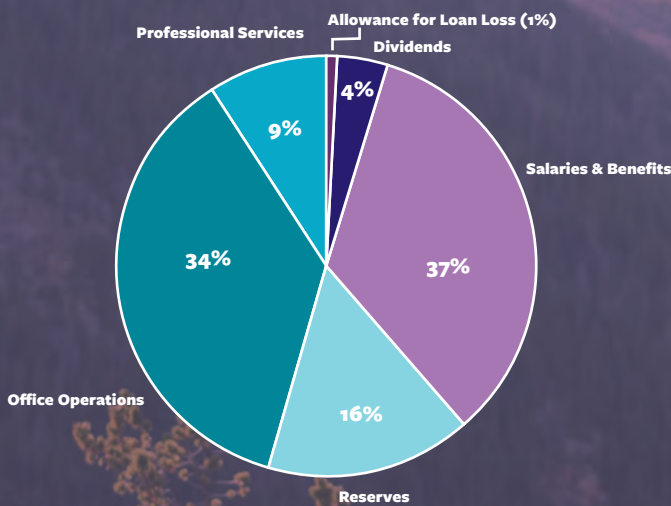
COMPARATIVE STATEMENT OF CONDITION  
For the Year Ended December 31

Assets	2021	2020
Loans to Members (Net)	\$167,430,282	\$159,984,602
Cash on Hand	\$3,365,532	\$3,132,056
Cash Deposits	\$62,950,507	\$57,490,832
Investments	\$65,979	\$46,213,195
Land & Building	\$9,419,593	\$9,632,502
Furniture, Fixtures & Equipment	\$1,139,177	\$1,400,130
Accrued Income	\$471,834	\$479,174
Share Insurance Reserve	\$2,672,324	\$2,318,475
Other Assets	\$11,697,386	\$11,593,220
<b>Total Assets</b>	<b>\$325,125,945</b>	<b>\$292,244,185</b>

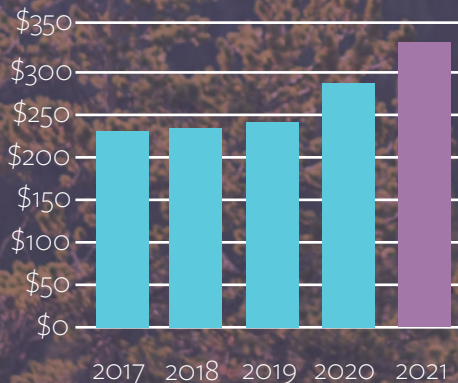
Liabilities	2021	2020
Borrowings	-	-
Other Liabilities	\$309,638	\$1,488,496
<b>Total Liabilities</b>	<b>\$309,638</b>	<b>\$1,488,496</b>

Equity	2021	2020
Share Drafts	\$62,867,586	\$58,949,977
Regular Shares	\$147,456,699	\$124,241,568
Money Market Shares	\$60,241,021	\$46,734,178
Certificates	\$12,365,916	\$20,253,789
IRA's	\$11,336,377	\$11,290,984
All Other Shares	\$456,144	\$440,600
Reserves	\$2,450,338	\$2,450,338
Undivided Earnings	\$27,642,225	\$26,394,254
<b>Total Liabilities/Equity</b>	<b>\$325,125,945</b>	<b>\$292,244,185</b>

Distribution of Gross Earnings



Assets in Millions



# FINANCIALS

