



Montana
CREDIT UNION

ANNUAL REPORT

New Digital Banking

Now Available!



October 26, 2023

Mansfield Convention Center. Great Falls, MT



**DESTINATION
DIGITAL**

Federally Insured by NCUA.

2022 President's Report



I am pleased to present this annual report to our membership. As I reflect on just under a year in my new role as President/CEO of Montana, I am amazed by the dedication and work ethic of our staff, and the impact our credit union can have on the greater good of our community and members.

2022 was a year filled with change. I am thankful for previous President/CEO Steve King's diligence in setting up our credit union and leadership team so that we were poised to transition to new leadership and hit the ground running as well as we have. We've been very ambitious with projects and goals this year, with no plans to slow down anytime soon.

Financial Strength & Growth:

We are pleased to report that Montana Credit Union remains financially robust, and continues to grow within our new field of membership. Despite the uncertainties of the global economy, we have maintained our dedication to prudent financial management and risk mitigation, ensuring that your investments and deposits are secure.

Member-Centric Services:

We confidently believe our members are at the heart of everything we do. We continue to look at our products, services, and internal processes to determine how we can better serve you. Our most recent digital banking launch is one such example of how we can better serve you, while also helping to safeguard and protect your assets. Our new digital banking has increased layers of security to protect you – from multi-factor authentication to account aggregation by social security number, all while adding additional features and benefits that many of you have been asking for. This new digital banking platform will further set us up to eventually allow members and potential members to apply for accounts online – a huge convenience for those that live within our field of membership yet still far from a brick and mortar branch. Digital banking will continue to evolve to better serve you.

Community Involvement:

We believe in giving back to the communities we serve. In 2022, Montana Credit Union donated \$70,500 to local nonprofits and fundraising events. Our staff participated in countless volunteer hours with organizations such as the Great Falls Community Food Bank, Big Brothers Big Sisters of Great Falls, United Way of Cascade County, the Boys & Girls Clubs of Cascade County, the Belt Performing Arts Center, NeighborWorks Great Falls, the Children's Museum of Montana, and Great Falls Development Authority. We are proud to be a pillar of support for our communities, and we are excited to continue making a positive impact in the years ahead.

Looking Ahead:

While we celebrate our achievements in 2022, we also look forward to the future with optimism and determination. Our strategic vision for our credit union continues to pick up speed, as we work through projects and goals to achieve that vision.

As we move forward, your feedback and input are invaluable to us. Please feel free to share your thoughts, suggestions, and concerns with us. Together, we will continue to shape the future of Montana Credit Union. It is our privilege to serve you, and we are excited about the opportunities the future holds for us all. Here's to another year of continued success for your credit union!

Sincerely,

A handwritten signature in black ink, appearing to read 'John'.

John Hageman, President/CEO
Montana Credit Union



Board 2022 Reports



Paul Dockter, Chairman of the Board

2022 was a big year for Montana Credit Union in a number of ways. In December, we wished previous President/CEO Steve King a happy retirement, after serving Montana Credit Union for 30-plus years. Steve left some big shoes to fill, but we are thankful that John Hageman, our new President/CEO has settled into his role and will continue to guide us on an ambitious and successful path forward.

I want to extend my sincere thanks to Dale Bimler, who retired from board service this past year. Dale contributed many years of volunteer service to our credit union, and was a great advocate for Montana Credit Union. Thank you, Dale! We also welcome Terry Kangas to the board as an Associate Director. Terry has been involved with our Supervisory Committee for a few years now, so is familiar with how our board operates, and brings a wealth of financial acumen to the table. Welcome, Terry!

Your board of directors is actively engaged in the financial health and advancement of Montana Credit Union. We have diverse professional backgrounds and bring many unique perspectives to our discussions, which is helpful as we look toward the future of our credit union. Our upcoming goals are ambitious, but we are confident in John's leadership and the commitment of our management team and staff to achieving these goals.



John Huber, 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.

2022 continued to exhibit 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 \$5.3 million, and loan growth of \$33.6 million. Overall, we saw our asset size grow by \$4.6 million, or about an 1.4% increase over the prior year.

The auditing firm of KCoe Isom completed our annual audit for fiscal year end 2022 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.



Carrie Boysun, Supervisory 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 Mike Osweiler.

The Supervisory Committee retained the audit services of KCoe Isom (formerly Anderson ZurMuehlen & Co. P.C.) to perform an independent audit on the credit union's 2022 financial statements. MCU once again received an unmodified opinion on its 2022 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.

Montana Credit Union Board of Directors

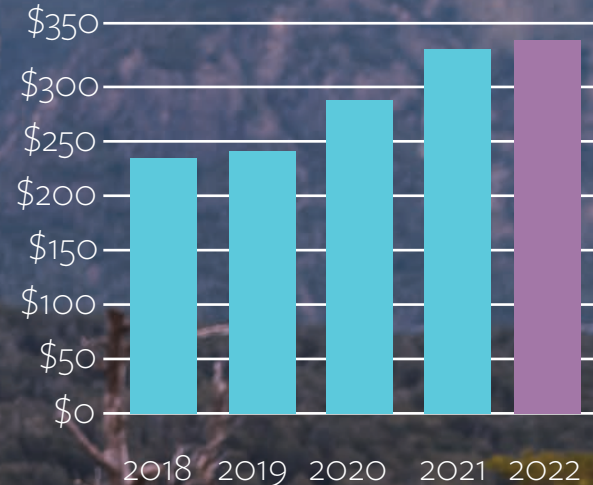
Paul Dockter, Chairman • **Mark Nash, Vice Chairman** • **Joanie Agamenoni, Secretary** • **John Huber, Treasurer**
Dale Bimler, Director • **Carrie Boysun, Director** • **Jim Zadick, Director**
Terry Kangas, Associate Director • **Tammy Stubbs, Associate Director**

Balance Sheet

For the Year Ended December 31

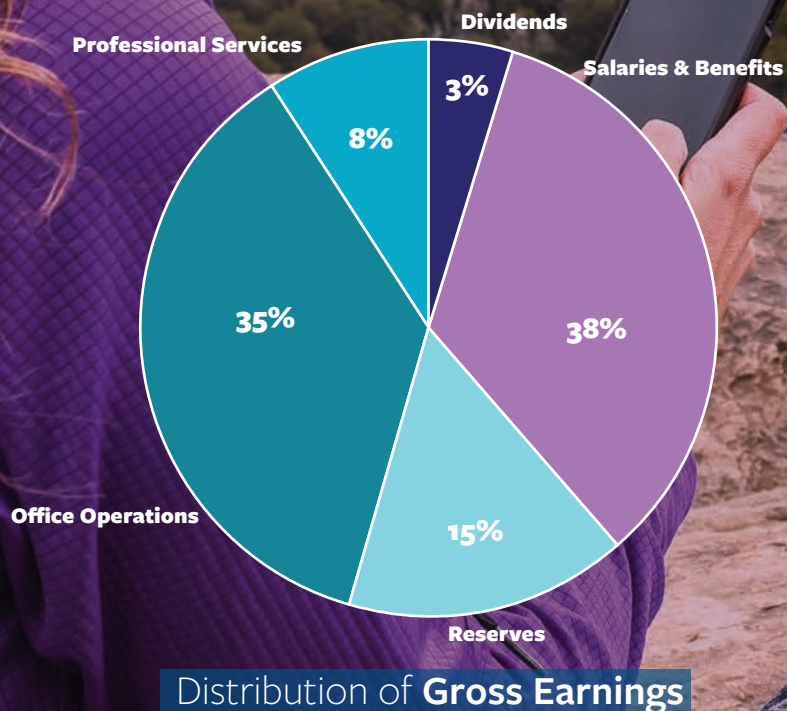
Assets	2022	2021
Loans to Members (Net)	\$201,013,916	\$167,430,282
Cash on Hand	\$3,266,315	\$3,365,532
Cash Deposits	\$27,607,728	\$62,950,507
Investments	\$68,837,793	\$65,979,310
Land & Building	\$10,580,639	\$9,419,593
Furniture, Fixtures & Equipment	\$872,165	\$1,139,177
Accrued Income	\$619,356	\$471,834
Share Insurance Reserve	\$2,912,444	\$2,672,324
Other Assets	\$13,990,554	\$11,697,386
Total Assets	\$329,700,911	\$325,125,945
Liabilities		
Borrowings	-	-
Other Liabilities	\$2,018,442	\$309,638
Total Liabilities	\$2,018,442	\$309,638
Equity		
Share Drafts	\$64,060,966	\$62,867,586
Regular Shares	\$151,604,121	\$147,456,699
Money Market Shares	\$60,428,015	\$60,241,021
Certificates	\$12,292,938	\$12,365,916
IRA's	\$11,220,192	\$11,336,377
All Other Shares	\$462,866	\$456,144
Reserves	\$2,450,338	\$2,450,338
Undivided Earnings	\$25,163,034	\$27,642,225
Total Liabilities/Equity	\$329,700,911	\$325,125,945

Assets in Millions



Income Statement

For the Year Ended December 31



Income	2022	2021
Interest on Loans	\$7,000,834	\$6,787,174
Investment Income	\$1,616,264	\$715,377
Other Income	\$4,217,779	\$4,326,621
Gross Income	\$12,834,877	\$11,829,172
Expenses		
Compensation and Benefits	\$4,886,610	\$4,383,860
Travel and Conference	\$94,489	\$85,847
Office Occupancy	\$550,639	\$517,397
Office Operations	\$2,496,498	\$2,229,589
Education and Promotion	\$312,875	\$222,700
Loan Servicing Expenses	\$821,731	\$738,013
Professional and Outside Services	\$1,066,490	\$1,012,457
Member Insurance	-	-
Examination/Supervisory Fees	\$51,180	\$57,126
Misc. Operating Expenses	\$172,420	\$163,173
Total Expenses	\$9,10,452,933	\$9,410,162
Allowance for Loan Loss	-	\$65,000
Gain from Operations	\$2,381,945	\$2,354,010
Earnings Distribution		
Dividends	\$410,528	\$451,628
Net Income	\$1,971,416	\$1,902,382
Total Earnings	\$2,381,945	\$2,354,010