



Montana
CREDIT UNION

2024 ANNUAL REPORT

We're *branching out*
to better serve our *community*.

Visit our new branch! **2828 10th Ave S.**

84TH ANNUAL MEETING

Thursday October 24, 2024
Mansfield Convention Center

President's Report



Dear Montana Credit Union Members,

As we head into the last few months of 2024, I am excited to share our 2023 Annual Report, celebrating a year of growth, innovation, and commitment to our members. Despite the ever-evolving financial landscape, we remain steadfast in our mission to empower your financial journey, and this year has been a testament to that promise.

Enhanced Member Services:

2023 and 2024 year to date have been transformative for our members' credit union experience. We successfully launched our new branch on 10th Avenue South in Great Falls, and also rolled out the ability to open an account online, making banking with us easier and more accessible than ever before. Next up, we are working to add the capability for existing members to open a new share online. We feel this will be a huge time-saver and convenience for you.

Digital Innovation:

We have made significant strides in our digital transformation efforts. With the successful rollout of our enhanced online banking platform and mobile app, we have ensured you can manage your finances more conveniently, efficiently, and securely. Our focus on innovation doesn't stop here—future digital enhancements are on the horizon to keep us at the cutting edge of member service.

Community Engagement:

We believe in giving back and supporting the communities we serve, not only financially, but in lending our efforts to make sure our local community resources are strong and viable. In 2023, we were able to donate \$78,465 to nonprofit organizations within our field of membership, impacting youth, senior citizens, veterans, families, education, arts and culture, and more. Additionally, many of our staff are actively involved on nonprofit boards and volunteer efforts to help our community thrive.

Staff Development:

Our employees, and the member service they provide on a daily basis, are truly what makes our credit union special. We make it a priority to equip them with the training, tools, and resources they need as employees, and because we value their professional development, we will be closing for the business day to members on Wednesday, March 12, 2025 so that we can hold an all staff training day. This is something new for us, but for the amount of training and development we would like to accomplish, we really need the time to devote to them. Our online services will still be available, and our PTMs will be available at all 4 branches for withdrawals and deposits on that day.

Looking Ahead:

Our board of directors and senior leadership team will meet in early 2025 for a strategic planning session to chart the course of MCU over the next couple of years. This plan will guide our priorities, allowing us to seek out new opportunities while maintaining our steady, sustainable growth and continued success.

As always, we are grateful for your trust, loyalty, and partnership. Montana Credit Union exists to serve you, and your input is critical to our success. We encourage you to stay engaged and continue sharing your thoughts with us.

On behalf of the entire team at Montana Credit Union, thank you for your ongoing support. We are honored to be your trusted financial partner, and we look forward to achieving even greater success together in the coming year.

With gratitude,

A handwritten signature in black ink that reads "John Hageman". The signature is stylized and fluid.

John Hageman, President/CEO
Montana Credit Union



Board of Directors' Reports



Paul Dockter, Chairman of the Board

It is amazing to me how Montana Credit Union continues to grow! 2023 was a unique year, combining economic uncertainty with a rising rate environment. It is in times like these that the value our local credit unions bring to Montana families and local economies really has an opportunity to shine.

The board of directors works collaboratively with MCU leadership to ensure our credit union is strong and stable, while also offering a blend of products and services that will benefit our members. Our board is diverse in professional backgrounds, and each one of us brings many unique perspectives to our discussions, governance, and future planning. Our MCU staff is ambitious and forward-thinking, and it is exciting to work alongside them for the benefit of our members. We are looking forward to building out a strong future for Montana Credit Union!



Jim Zadick, 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 credit union's financial status on a monthly basis and works closely with management to develop and approve long-range funding strategies, an annual budget, and an overall growth strategy.

At Montana Credit Union, 2023 reflected the impact we saw due to economic uncertainty and volatility from the Federal Reserve. We saw deposit decline of \$11.1 million, but loan growth of \$19.9 million. Overall, we saw our asset size drop by \$6.1 million, about a 1.8% decrease from the prior year. This has shifted our board and leadership's strategic thinking to focus more on loan and deposit concentration, and the balance between the two.

The auditing firm K. Coe Isom completed our annual audit for fiscal year end 2023 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 help 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 Darren Brown and Mike Osweiler.

The Supervisory Committee retained the audit services of Pinion (formerly Anderson ZurMuehlen & Co. P.C.) to perform an independent audit on the credit union's 2023 financial statements. MCU once again received an unmodified opinion on its' 2023 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.

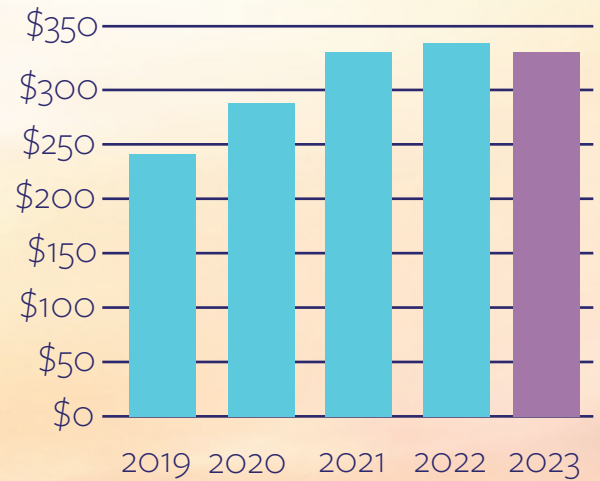
Additionally, the Supervisory Committee investigates member questions and inquiries not resolved to satisfaction. As always, please contact any of the Supervisory Committee members if you have questions regarding your account or other matters concerning Montana Credit Union.

Balance Sheet

For the Year Ended December 31

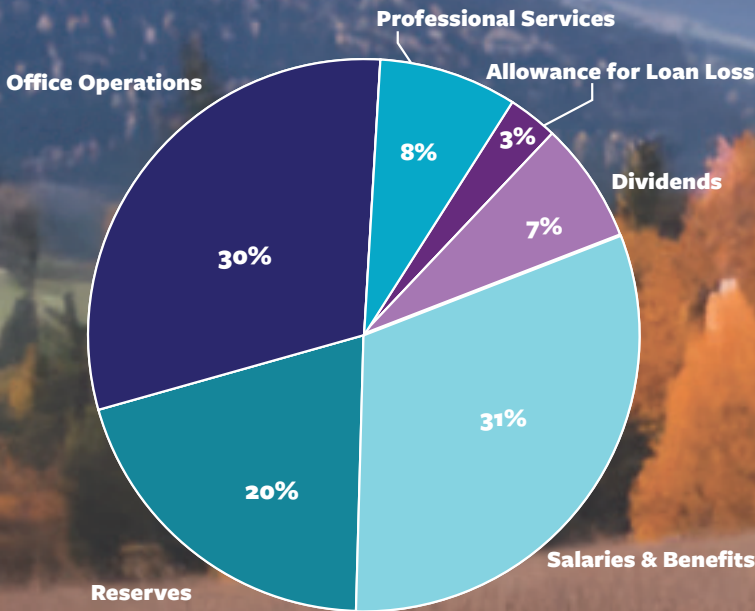
Assets	2023	2022
Loans to Members (Net)	\$220,708,547	\$201,013,916
Cash on Hand	\$3,018,524	\$3,266,315
Cash Deposits	\$16,091,272	\$27,607,728
Investments	\$54,299,871	\$68,837,793
Land & Building	\$10,352,168	\$10,580,639
Furniture, Fixtures & Equipment	\$687,262	\$872,165
Accrued Income	\$780,090	\$619,356
Share Insurance Reserve	\$2,837,314	\$2,912,444
Other Assets	\$14,835,916	\$13,990,554
Total Assets	\$323,610,965	\$329,700,911
Liabilities		
Borrowings	-	-
Other Liabilities	\$2,742,997	\$2,018,442
Total Liabilities	\$2,742,997	\$2,018,442
Equity		
Share Drafts	\$64,668,208	\$64,060,966
Regular Shares	\$138,572,853	\$151,604,121
Money Market Shares	\$45,401,568	\$60,428,015
Certificates	\$29,794,693	\$12,292,938
IRA's	\$10,068,406	\$11,220,192
All Other Shares	\$456,040	\$462,866
Reserves	\$2,450,338	\$2,450,338
Undivided Earnings	\$29,455,863	\$25,163,034
Total Liabilities/Equity	\$323,610,965	\$329,700,911

Assets in Millions



Income Statement

For the Year Ended December 31



Distribution of Gross Earnings

Income	2023	2022
Interest on Loans	\$9,570,773	\$7,000,834
Investment Income	\$1,985,720	\$1,616,264
Other Income	\$4,181,585	\$4,217,779
Gross Income	\$15,738,077	\$12,834,877
Expenses		
Compensation and Benefits	\$4,950,657	\$4,886,610
Travel and Conference	\$130,434	\$94,489
Office Occupancy	\$600,809	\$550,639
Office Operations	\$2,550,237	\$2,496,498
Education and Promotion	\$312,660	\$312,875
Loan Servicing Expenses	\$937,156	\$821,731
Professional and Outside Services	\$1,270,782	\$1,066,490
Member Insurance	-	-
Examination/Supervisory Fees	\$54,769	\$51,180
Misc. Operating Expenses	\$186,325	\$172,420
Total Expenses	\$10,993,828	\$10,452,933
Allowance for Loan Loss	\$500,000	-
Gain from Operations	\$4,244,250	\$2,381,945
Earnings Distribution		
Dividends	\$1,142,438	\$410,528
Net Income	\$3,101,812	\$1,971,416
Total Earnings	\$4,244,250	\$2,381,945