



EXPLORERS

CREDIT UNION

June 19, 2020



Annual Report

CHIEF EXECUTIVE OFFICER'S REPORT

The roots of Explorers Credit Union (formerly SCFCU) started in 1962, when the employees of the Yankton State Hospital organized and chartered the Yankton State Hospital Employees Federal Credit Union to serve their employees. Over the years, the credit union went through several transformations, just after the Yankton State Hospital changed their name to South Dakota Human Services Center, the Credit Union changed their name to the South Dakota Human Services Center Federal Credit Union. The name was shortened to Services Center Federal Credit Union in the early 1980's, with the granting of our community charter. While many things have changed in the last 57 years, our core purpose is steady and unwavering. We are a not for profit Credit Union committed to serving you, our members.



April Tompkins, CEO

Looking back, 2019 was another year of growth and change. We welcomed an additional 12 counties to our Field of Membership. We now serve 18 counties from Lincoln County, SD down to Platte County, NE. We reached new milestones, serving over 8,000 Members with a record breaking \$50 million in loans and over \$72 million in assets. We introduced exciting new products and services to our members including the option to e-sign documents, open a membership, sub accounts, and certificates of deposit online.

Thank you for your membership and continued loyalty to Explorers Credit Union. Already in 2020, we introduced a new name and brand. Our new name reflects the growth that our Credit Union has seen in exploring new communities and ways to serve our members. As members, we are all on a journey together but exploring on our own financial paths. The name also represents our local heritage of Lewis and Clark and their exploration. We look forward to growing our relationship with you, our member-owners, and adapting to support your changing needs.

BOARD OF DIRECTORS REPORT

"Welcome" new member-owners and "Thank You" all member-owners for choosing Explorers Credit Union as your place for financial business.

The year 2019 brought transitions for our CU. In the spring, our Field of Membership expansion approval by the NCUA (National Credit Union Administration), and new CEO leadership guided us through the change. In the fall, a strategic planning session prepared the CU for an updated name change (approved by NCUA), new branding, and a new branch office in our expanded area (in Tea, SD).

As you read through the 2019 reports you will see our CU is in a sound position. We are growing, thriving, and providing services and support to our members and communities. As part of giving back to the community, spring and fall shredding events in Yankton were well-utilized. Scholarships, through an application process, were awarded to six graduating high school seniors to further their education. A coaster promotion provided financial support to United Way of Greater Yankton. Surcharge-free ATM services were expanded coast to coast with the Nationwide CO-OP Network.

Starting new terms on the Board in June 2019 were Mark Brannen and Jon Economy, replacing Steve Anderson and Wayne (Bob) Diede. Mark and Jon joined current board members Michele Gordon, Mary Malchow, Michelle Schulte, Cheryl Slowey, and Nancy Teachout.

Presently June 2020, routine aspects have changed to adapt to the current Covid-19 pandemic. The CU staff, along with our members, have responded tremendously and we appreciate everyone's efforts. . As we proceed, we are guided by Our Promise: we have a vision of financial empowerment for everyone, we are all driven to make an impact, we believe working together gets us there, and we are all on a journey.



Board of Directors

LOCATIONS:

YANKTON:

609 West 21st Street
Yankton, SD 57078
(605) 665-4309

Lobby Hours:

Mon – Fri: 8:30 AM – 5:00 PM
Sat: 8:30 AM – 12:00 PM

Drive-up Hours:

Mon – Fri: 7:30 AM – 5:30 PM
Sat: 8:30 AM – 12:00 PM

SPRINGFIELD

1501 Walnut Street
Springfield, SD 57062
(605) 369-2909

Lobby Hours:

Mon – Fri: 9:00 AM – 1:00 PM
1:30 PM – 5:00 PM

Drive-up Hours:

Mon – Fri: 9:00 AM – 1:00 PM
1:30 PM – 5:00 PM
Sat: 9:00 AM – 12:00 PM

PARKSTON:

302 SD HWY 37
Parkston, SD 57366
(605) 928-7520

Lobby Hours:

Mon: 9:00 AM – 1:15 PM
1:45 PM – 5:00 PM
Sat: 9:00 AM – 12:00 PM

TEA:

730 East 1st Street
Tea, SD 57064
(605) 213-7520

Lobby Hours:

Mon – Fri: 8:30 AM – 5:00 PM

Drive-up Hours:

Mon – Fri: 7:30 AM – 5:30 PM
Sat: 8:30 AM – 12:00 PM

STATEMENT OF FINANCIAL CONDITION

ASSETS

	2019	Thru 05/2020
Total Loans	\$ 50,237,474	\$ 50,810,327
Allowance for Losses	\$ (124,038)	\$ (128,951)
Accounts Receivable	\$ 5,158,687	\$ 9,914,364
Total Investments	\$ 12,167,937	\$ 15,494,583
Other Assets	\$ 5,269,062	\$ 5,376,717
Total Assets	\$ 72,709,122	\$ 81,467,040

LIABILITIES

Total Liabilities	\$ 623,805	\$ 1,380,566
Share Drafts	\$ 14,614,191	\$ 17,984,943
Regular Shares	\$ 34,348,809	\$ 40,260,359
All Other Shares	\$ 16,773,407	\$ 15,349,239
Total Reserves	\$ 6,348,911	\$ 6,491,933
Total Liability & Equity	\$ 72,709,122	\$ 81,467,040

INCOME

Interest on Loans	\$ 2,085,320	\$ 948,595
Investment Income	\$ 409,595	\$ 152,519
Other Operating	\$ 1,004,817	\$ 405,866
Income	\$ 3,499,732	\$ 1,506,980
Total Operating Income	\$ 658,915	\$ 202,035

OPERATING EXPENSES

Total Operating Expense	\$ 2,840,818	\$ 1,304,944
Total Dividends	\$ 245,252	\$ 74,608

NET INCOME

\$ 452,446	\$ 143,023
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SUPERVISORY COMMITTEE REPORT

The year 2019 at your Credit Union has had changes that have affected us all.

Your Supervisory Committee has been hard at work being the overseer of the transactions completed by you, our members. In addition, there are many regulations that Credit Unions must follow. Our committee checks to make sure that Explorers CU is compliant in those areas.

It may not be a well-known fact, but the Supervisory Committee is the body that "hires" the CPA firm that performs an annual audit of the finances of the credit union. Our committee is also on hand to talk to the NCUA examiner when they look at things such as asset growth & liability & risk associated with investments. History has shown us that your credit union has received very high ratings from NCUA over the past years, due to the diligence of all the staff and management team members.

On a monthly basis, the committee sends welcome letters to some of the new members. Likewise a sampling of those accounts that were closed during the month, receive letters to ensure that there was not a discrepancy and the account really was meant to be closed.

These are just a few of the things that the Supervisory Committee does throughout the year. Most are "behind the scenes" things that we look into for verification of accuracy in reporting etc. The Supervisory Committee is appointed by and reports to the Board of Directors.

Your 2019 Supervisory Committee Members:
Don Fiedler, Committee Chair
Annette Kohoutek
Michael Scheuring

At Explorers CU, we care about relationships with our members and our communities. Since the best relationships start with a conversation, we invite you to tell us about your branch experience, ask us a question, or learn more about what's happening at Explorers CU.

You can do that by:

- Join our Social Media Community on Facebook, Instagram, LinkedIn and Twitter.
- Get the latest news about Explorers CU and see what we are up to in your community on our News & Updates website page.
- Give us a call at 800-491-8309
- Or provide member feedback via our website.

