



# EXPLORERS

— CREDIT UNION —



## Annual Report 2022

### CHIEF EXECUTIVE OFFICER'S REPORT

2022 was another successful year for Explorers Credit Union. Through our new financial wellness programs and our day-to-day interactions with members, we help people get on track financially and stay on track. We recognized that there was a need for more financial literacy in our communities, including educating students, first time home buyers setting a family budget, or members preparing for retirement. Your membership at Explorers Credit Union now includes free financial counseling through Greenpath. The Greenpath team are experts in topics ranging from setting a budget to debt management. Members and community members also have the option of downloading and using Zogo. Zogo is an app designed to break down bigger topics in a typical member's financial life into "bite-sized" teaching modules that are easy and fun.



Because our growth enables us to benefit more people, we are happy to share that in 2022 our assets grew by 6.2% and we welcomed over 950 new members. Your credit union remains one of the strongest financial institutions. As we grow, you can continue to feel good about the safety and security of your money with Explorers. We have extremely low exposure to uninsured deposits or bond investments and hold significant funds in low-risk assets for quick availability when needed. We are local, serving people and businesses in South Dakota and Nebraska, and are what NCUA considers to be well-capitalized. We are glad to bring the value of peace of mind to our members.

### BOARD OF DIRECTORS REPORT

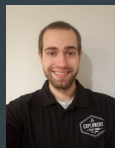
The Board of Directors would like to thank you for becoming or continuing to be members of Explorers Credit Union. It is our responsibility to maintain member confidence, improve member experience based on your evolving financial needs, and ensure the financial success and stability of the credit union.

To do this, the Directors work with the Executive Management Team to periodically conduct a member survey to get feedback on our performance and work with private financial experts to analyze the health of ECU's finances compared to other regional and national credit unions. The IT staff continually updates and tests computer security. Each fall, Directors and the Management Team develop a strategic plan for the future. ECU participates in annual audits by the National Credit Union Administration to ensure that Explorers CU operations are in compliance with national regulations. These actions continue to make Explorers Credit Union a secure institution for your financial business.

As Directors, it is encouraging to see the membership and assets of Explorers Credit Union continue to grow. Thank you for your continued loyalty!



MARK BRANNEN, CHAIR



BRENDAN GRAMKOW, VICE CHAIR



CHERYL SLOWEY, TREASURER



MICHELE GORDON, SECRETARY



DAN BENTLEY, BOARD MEMBER



STEVE ANDERSON, BOARD MEMBER



MARY MALCHOW, EMERITUS DIRECTOR

#### LOCATIONS:

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

**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

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

**Lobby & Drive Up Hours:**  
Mon & Fri: 9:00 AM – 1:15 PM  
2:00 PM – 5:30 PM  
Tues – Thurs: 9:00 AM – 1:15 PM  
2:00 PM – 5:00 PM

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

**Lobby Hours:**  
Mon & Fri: 9:00 AM – 1:15 PM  
2:00 PM – 5:30 PM  
Tues-Thurs: 9:00AM - 1:15PM  
2:00 PM – 5:00PM

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

**Lobby Hours:**  
Mon – Fri: 8:30 AM – 1:15 PM  
2:00 PM – 5:00 PM

**Drive-up Hours:**  
Mon – Fri: 7:30 AM – 1:15 PM  
2:00 PM – 5:30 PM  
Sat: 8:30 AM – 12:00 PM

# STATEMENT OF FINANCIAL CONDITION

## ASSETS

|                      | FY 2022               | FY as of 4/2023       |
|----------------------|-----------------------|-----------------------|
| Total Loans          | \$ 73,247,433         | \$ 71,412,688         |
| Allowance for Losses | \$ (221,929)          | \$ (254,986)          |
| Accounts Receivable  | \$ 14,203,440         | \$ 11,992,993         |
| Total Investments    | \$ 14,647,489         | \$ 15,906,167         |
| Other Assets         | \$ 6,279,620          | \$ 6,281,067          |
| <b>Total Assets</b>  | <b>\$ 108,156,053</b> | <b>\$ 105,337,929</b> |

## LIABILITIES

|                                     |                       |                       |
|-------------------------------------|-----------------------|-----------------------|
| Total Liabilities                   | \$ 1,235,694          | \$ 1,394,708          |
| Share Drafts                        | \$ 25,582,039         | \$ 25,634,672         |
| Regular Shares                      | \$ 57,244,050         | \$ 54,477,842         |
| All Other Shares                    | \$ 16,223,294         | \$ 15,679,272         |
| Total Reserves                      | \$ 7,870,977          | \$ 8,151,435          |
| <b>Total Liability &amp; Equity</b> | <b>\$ 108,156,053</b> | <b>\$ 105,337,929</b> |

## Equity

## INCOME

|                            |                     |                     |
|----------------------------|---------------------|---------------------|
| Interest on Loans          | \$ 2,918,471        | \$ 1,047,807        |
| Investment Income          | \$ 449,019          | \$ 277,203          |
| Other Operating            | \$ 1,311,372        | \$ 466,172          |
| <b>Total Operating</b>     | <b>\$ 4,678,862</b> | <b>\$ 1,791,182</b> |
| <b>Total Non-Operating</b> | <b>97,697</b>       | <b>7,608</b>        |

## OPERATING EXPENSES

|                         |              |              |
|-------------------------|--------------|--------------|
| Total Operating Expense | \$ 4,230,144 | \$ 1,502,399 |
| Total Dividends         | \$ 77,133    | \$ 15,933    |

## NET INCOME

**\$ 469,282**      **\$ 280,458**

# SUPERVISORY COMMITTEE REPORT

As you may already be aware, we the members of Explorers Credit union, have something in common. We are member/owners of our credit union. Because of this our committee wants to ensure that everything is done to make sure that the management and staff of Explorers keep our accounts safe and growing. One of the ways we do that is an auditing firm is engaged to perform an audit of our credit union's financial standing.

It has been said that this committee is the "watch dog of the credit union". The supervisory committee is appointed by and reports to the Board of Directors.

Because we are a federally chartered credit union there are many regulations with which your credit union must be compliant. The Supervisory Committee is one tool used to make sure that your Credit Union is diligent in those areas. There are a number of national and regional conferences for supervisory committees to attend. These are sometimes referred as continuing education. Attendees are provided with invaluable tools that allow us to do our "watch dog" jobs better. Two of our committee attended one such session in 2022.

Our committee is also on hand to talk to the National Credit Union Association examiner when they periodically examine things such as asset growth, net worth, and a multitude of ratios that let the management and staff know how we are doing. Over the years our credit union has consistently received very high ratings from NCUA.

On a monthly basis the committee performs various audits of procedures performed by staff of Explorers Credit Union. They include random counts of the drawers of the Members Service Representatives (tellers) at our front line. As your Credit Union grows, so too does the need for ongoing auditing. It is planned that our committee will be working more closely with staff members in the future to accomplish this.

Your Supervisory Committee members appointed in July, 2022 are:

Michelle Boese  
Don Fiedler  
Denise Hepper  
Tim Schwasinger

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:

- Joining our Social Media Community on Facebook, Instagram, LinkedIn
- Visiting [ExplorersCU.com/news](https://ExplorersCU.com/news) or [ExplorersCU.com/contact-us/member-feedback](https://ExplorersCU.com/contact-us/member-feedback)
- Giving us a call or texting us at 800-491-4309

