



HEARTLAND

CREDIT UNION | Here when you need us®



2022 ANNUAL REPORT

WHERE THERE IS A TEAM
THERE IS A WAY

Joint Message

from the Chairman and President



We started 2022 by celebrating our first anniversary in Hugo, MN. Our newest, full-service branch, serves members in the northeast metro and welcomes new members from Ramsey, Washington, Anoka and Chisago counties. With only one year under our belt in this new community, our team was honored to be nominated and awarded by the readers of the local *Citizen* newspaper, Best Financial, Best Customer Service and Best Mortgage company. But, the awards didn't stop there!

Our President was named by Finance & Commerce a 2022 Top Women in Finance award honoree. The Top Women in Finance award recognizes the outstanding contributions and dedication of women to their profession, their communities, and society at large. These are the leaders in financial innovation, taking their companies and colleagues to new heights in career achievement.

Our team also had reason to celebrate the financials. Heartland's net income exceeded \$1 million for the second time in our history. Total assets ended the year at \$175.1 million. The net worth ratio improved from 9.14% to 9.31% from year-end 2021 to year-end 2022. And, the loan to share ratio improved from 61.94% to 64.57% from year-end 2021 to year-end 2022. Plus, two of our loan officers achieved a million dollar lending month in 2022.

We continued to look for ways to improve our products and services and introduced the following:

- Mobile wallets for debit and credit cards
- Enhanced mobile banking
- A new mortgage software
- Upgraded online banking platform for credit cards

Our team also remained committed to serving the community and we set a new Heartland volunteer record of over 300 hours. From local food truck events to business expos and street fairs, the Heartland team was out making a difference.

Great things at Heartland are done as a team and we're all working together to help our members get the most from their money.

Kathy Harrington

Kathy Harrington
President

Rex Carlson

Rex Carlson
Chairman



Board of Directors

Rex Carlson
Chairman

Gene Traxler
Vice Chairman

Nanci Lilja
Secretary

Dale Lieb
Board Member

Jeremy Hjelm
Board Member

David Seehusen
Board Member

Kent Zimmer
Board Member

Noel Larson
Associate Board Member

Eric Spandl
Associate Board Member

Supervisory Committee Report

The Supervisory Committee is responsible for ensuring that proper controls are in place and operating as intended to ensure that your credit union is managed professionally, efficiently, and confidentially. The Supervisory Committee has established an annual audit plan and performs audit functions throughout the year in accordance with that plan. In addition, in 2022 we hired a CPA to assist us with a financial statement opinion audit. Your credit union is also required to follow all Minnesota Department of Commerce and National Credit Union Administration (NCUA) regulations. To ensure full compliance with these regulations, we file semi-annual reports with the Department of Commerce and the credit union participates in regulatory agency audits.

To protect your interests in the credit union, the Supervisory Committee functions independently of the board of directors and staff. We acknowledge and appreciate the fine job that everyone has done this past year.

Please contact us at supervisory@heartlandcu.com if you have an issue with the credit union that you feel needs our attention. We recommend for efficiency, you utilize normal channels in contacting staff to resolve any credit union problem. However, if that proves unsuccessful, please contact us.

Thank you for the opportunity to be of service and for your continued support of your credit union.

STATEMENT OF INCOME AND EXPENSE DECEMBER 31, 2022 and 2021 (Unaudited)

Income	2022	2021
Interest from Loans	\$ 3,803,505	\$ 3,651,838
Interest from Investments	1,007,179	754,816
Total Interest Income	\$ 4,810,685	\$ 4,406,654
Interest and Dividend Expense		
Dividends on Shares	\$ 42,934	\$ 34,698
Interest on Deposits	336,860	279,197
Interest on Borrowed Money	81,539	43
Total Interest Expense	\$ 461,334	\$ 313,939
Net Interest Income	\$ 4,349,351	\$ 4,092,715
Provision for Loan Losses	108,044	(340,545)
Net Interest Income After Provision	\$ 4,241,307	\$ 4,433,260
Non-Interest Income		
Fee Income	\$ 592,281	\$ 550,596
Other Operating Income	1,468,141	2,313,875
Gain (Loss) on Investments	-	12,607
Gain (Loss) on Fixed Assets	-	-
Other Non-Operating Income (Exp.)	-	-
Total Non-Interest Income	\$ 2,060,422	\$ 2,877,078
Non-Interest Expense		
Compensation and Benefits	\$ 2,390,041	\$ 2,306,257
Travel and Conference	39,137	23,050
Office Occupancy	456,819	406,623
Office Operations	990,489	910,041
Education and Promotion	255,083	248,363
Loan Servicing	363,647	373,805
Professional and Outside Services	652,052	672,698
Member Insurance	5,981	4,929
Operating Fees	15,338	2,629
Fraud Losses	14,498	26,923
Miscellaneous Operating	97,493	91,803
Total Non-Interest Expense	\$ 5,280,579	\$ 5,067,120
Net Income	\$ 1,021,150	\$ 2,243,219

Supervisory Committee

Greg Sippl
Chairman

Connie LaCombe
Committee Member

Shaun Van Deurzen
Committee Member



Federally insured by NCUA.



STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2022 and 2021 (Unaudited)

Assets	2022	2021
Loans to Members	\$ 102,129,325	\$ 93,761,911
Allowance for Loan Losses	(500,512)	(500,213)
Net Loans	\$101,628,814	\$ 93,261,697
Loans Held for Sale	\$ -	\$ -
Cash and Equivalents	971,052	7,845,376
Investments	61,695,259	56,062,908
Land and Buildings	5,647,017	5,057,011
NCUA Share Insurance Deposit	1,446,109	1,346,179
Other Assets	3,712,156	3,598,891
Total Assets	\$175,100,407	\$167,172,062
Liabilities		
Notes Payable	\$4,900,000	\$ -
Dividends Payable	538	475
Accounts Payable & Other Liabilities	1,381,952	1,122,203
Shares and Deposits	158,176,489	151,380,947
Total Liabilities	\$164,458,979	\$ 152,503,625
Members' Equity		
Undividend Earnings	\$12,825,332	\$ 10,582,112
Regular Reserves	2,338,125	2,338,125
Equity Acquired in Merger	123,188	123,188
Other Reserves	(5,666,366)	(618,208)
Net Income	1,021,150	2,243,219
Total Members' Equity	\$10,641,428	\$ 14,668,437
Total Liabilities and Members' Equity	\$175,100,407	\$167,172,062

Financial Highlights

Net Income: Exceeded \$1 million for the second time in Heartland history

Total Assets: \$175.1 million

Net Worth Ratio: Improved from 9.14% in 2021 to 9.31% in 2022

Loan to Share Ratio: Improved from 61.94% in 2021 to 64.57% in 2022

Products and Services

Savings Accounts

Membership Savings Account
Business Savings Account
Bean Sprout Savings Account (Youth)
iSave Savings Account (Youth)
Automatic Savings Account
Money Market Account
Certificate of Deposit
Individual Retirement Accounts

Checking Accounts

Free Checking
eChecking
Rewards Checking
Free 55 Checking
Business Checking
iSave Checking (Youth)

Investments

Loans

New and Used Auto Loans
Student Auto Loan
Auto Savings Loan
Recreational Vehicle Loans
Personal Loans
Student Loans
Ready Cash Plus Loan
Home Loans
Home Free Refinance Loan
Home Equity Loans
Home Improvement Loans
Business Loans

Visa® Credit Cards

including rewards and chip technology

Online and Mobile Services

Online Banking
Mobile Banking featuring Mobile Deposit
Card Manager App for Credit/Debit Cards
e-Statements
Online Bill Pay
View Cleared Checks Online
Online Visa® Statements and Account Access
Online Mortgage Account Access
Scheduled Transfers
Account Alerts
Secure Messaging
Check Reorders

Convenient Services

Fee-Free ATM Network
Shared Service Centers
Saturday Hours
24/7 Phone Account Access
Mastercard Debit Chip Card
Direct Deposit