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ANNUAL REPORT

PLANTING THE SEEDS TO GROWTH



HEARTLAND

CREDIT UNION | Here when you need us®

Joint Message

from the Chairman and President



From record-breaking heat around the world to the official declaration that the COVID-19 pandemic was over, 2023 was a year of change and challenge.

Grocery and gas prices spiked, interest rates climbed and multiple regional banks collapsed. While we've always lived the credit union philosophy of "people helping people," we embraced it more than ever to help you weather a year of uncertainty.

We helped you grow your savings with our Automatic Savings account that helps build the savings habit and rewards you for it with a high rate. We helped you pay off high-rate credit card balances to ease the stress on monthly budgets. And, we extended the "people helping people" philosophy into our communities by volunteering more hours than ever before. From helping at a variety of community events, to joining credit unions across the state in a day of service, we collectively volunteered 414 hours!

In addition to our community involvement, Heartland proudly earned the top spot in five Readers' Choice 2023 Best of the Press - Quad Community categories: Best Financial, Best Place to Work, Best Customer Service, Best Financial Planner, and Best Mortgage Company. We were also honored with a nomination for the New Prague Chamber's 2023 Business of the Year Awards.

During a year of uncertainty, we're proud to report that we remained healthy and well-capitalized with a net-worth of 8.69%, total assets ending the year at \$189.8 million and the loan to share ratio improving from 64.57% to 74.04% from year-end 2022 to year-end 2023.

As we reflect on the challenges and uncertainties that defined 2023, we're delighted to know we tackled the unknown together and we're grateful for your trust.

We will continue to prioritize service, grow our products and provide value to you, our member-owners, as we have for the last 84 years. We also look forward to celebrating, with you, 85 years of service in 2024.

Thank you for choosing us as your financial partner. We appreciate your continued support.

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

David Seehusen
Board Member

Jedd Wennerberg
Associate Board Member

Noel Larson
Board Member

Eric Spandl
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 2023 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, 2023 and 2022 (Unaudited)

Income	2023	2022
Interest from Loans	\$ 5,146,666	\$ 3,803,505
Interest from Investments	1,320,128	1,007,179
Total Interest Income	\$ 6,466,795	\$ 4,810,685
Interest and Dividend Expense		
Dividends on Shares	\$ 325,291	\$ 42,934
Interest on Deposits	1,009,971	336,860
Interest on Borrowed Money	588,668	81,539
Total Interest Expense	\$ 1,923,930	\$ 461,334
Net Interest Income	\$ 4,542,864	\$ 4,349,351
Provision for Loan Losses	145,837	108,044
Net Interest Income After Provision	\$ 4,397,027	\$ 4,241,307
Non-Interest Income		
Fee Income	\$ 692,771	\$ 592,281
Other Operating Income	1,155,768	1,468,141
Gain (Loss) on Investments	-	-
Gain (Loss) on Fixed Assets	-	-
Other Non-Operating Income (Exp.)	-	-
Total Non-Interest Income	\$ 1,848,540	\$ 2,060,422
Non-Interest Expense		
Compensation and Benefits	\$ 2,621,443	\$ 2,390,041
Travel and Conference	42,588	39,137
Office Occupancy	418,731	456,819
Office Operations	1,107,161	990,489
Education and Promotion	265,712	255,083
Loan Servicing	406,606	363,647
Professional and Outside Services	629,712	652,052
Member Insurance	4,980	5,981
Operating Fees	-	15,338
Fraud Losses	26,481	14,498
Miscellaneous Operating	116,633	97,493
Total Non-Interest Expense	\$ 5,640,046	\$ 5,280,579
Net Income	\$ 605,521	\$ 1,021,150

Supervisory Committee

Greg Sippl
Chairman

Connie LaCombe
Committee Member

Shaun Van Deurzen
Committee Member



Federally insured by NCUA.



STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2023 and 2022 (Unaudited)

Assets	2023	2022
Loans to Members	\$ 118,369,451	\$ 102,129,325
Allowance for Loan Losses	(913,342)	(500,512)
Net Loans	\$117,456,109	\$ 101,628,814
Loans Held for Sale	\$ -	\$ -
Cash and Equivalents	4,275,313	971,052
Investments	54,460,197	61,695,259
Land and Buildings	5,479,400	5,647,017
NCUA Share Insurance Deposit	1,466,426	1,446,109
Other Assets	6,752,619	3,712,156
Total Assets	\$189,890,064	\$175,100,407
Liabilities		
Notes Payable	\$16,607,834	\$ 4,900,000
Dividends Payable	571	538
Accounts Payable & Other Liabilities	1,478,372	1,381,952
Shares and Deposits	159,873,869	158,176,489
Total Liabilities	\$177,960,645	\$164,458,979
Members' Equity		
Undividend Earnings	\$13,434,660	\$ 12,825,332
Regular Reserves	2,338,125	2,338,125
Equity Acquired in Merger	123,188	123,188
Other Reserves	(4,572,075)	(5,666,366)
Net Income	605,521	1,021,150
Total Members' Equity	\$11,929,419	\$10,641,428
Total Liabilities and Members' Equity	\$189,890,064	\$175,100,407

Products and Services

Savings Accounts

- Membership Savings Account
- Business Savings Account
- Youth Savings Accounts
- Automatic Savings Account
- Money Market Account
- Certificate of Deposit
- Individual Retirement Accounts

Checking Accounts

- Free Checking
- eChecking
- Rewards Checking
- Free 55 Checking
- Business Checking
- Youth Checking

Investments

Loans

- New and Used Auto Loans
- 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
- Night Deposit
- Notary Service
- Money Orders
- Wire Transfers
- Overdraft Protection
- Visa® Gift Cards
- Safe Deposit Box

Giving Back

Thanks to the incredible dedication of our staff, we achieved a record-breaking number of volunteer hours in 2023.

Collectively, our staff volunteered 414 hours! This accomplishment reflects our commitment to making a positive impact beyond financial services.

