

ANNUAL REPORT 2025



HEARTLAND
CREDIT UNION

Joint Message *from the Chairman of the Board and President*

As we reflect on 2025, we are proud of the strength and stability we demonstrated while continuing to support our members and communities.

Total assets finished the year at \$173 million, while member loans remained strong at more than \$101 million, reflecting a continued need for affordable lending solutions. Our net worth ratio improved to 9.81% and we remained well-capitalized.

Supporting Members

In 2025, interest rates remained high and many families faced increased costs for housing, groceries and everyday essentials. Through competitive loan options and personalized financial guidance, we worked closely with members to refinance debt, manage borrowing costs, and plan for their financial futures.

Protecting the Credit Union Difference

In 2025, credit unions across the country had to actively defend the credit union difference. Large banking interests pushed discussions in Washington, D.C., to eliminate the federal income tax exemption that allows credit unions to return more value to members.

While credit unions hold only a small share of the nation's financial institution assets, this cooperative model provides an important alternative focused on people over profit.

Throughout the year, we joined credit unions nationwide in advocating for our mission and educating members and policymakers about the importance of protecting the credit union model.

Community Engagement and Giving Back

Being part of the community means showing up, supporting local initiatives, and providing resources that make a difference. Throughout 2025, our team participated in a variety of community events and strengthened relationships

with members and neighbors through 400 hours of volunteerism.

We were also honored to partner with Federal Home Loan Bank of Des Moines to provide a Member Impact Fund grant of \$10,000 to Neighbors, Inc. - a local non-profit that provides emergency assistance and support services to low-income individuals.

A highlight of 2025 included our participation in the first-ever Credit Unions Fighting Fraud event. This collaborative fraud prevention seminar brought seven credit unions together to help members and community residents better protect themselves from financial scams.

Investing in Our Community

In 2025, we took an exciting step toward the future by breaking ground on a new standalone branch in New Prague MN. This reflects our long-term commitment to the people and businesses in the New Prague community. With this new branch, we'll have more space to connect with members, welcome new members in, support the community, and continue our growth in New Prague.

Looking Ahead

We are grateful to our members, volunteers, and staff for their continued support and dedication. As we look ahead we remain focused on delivering you the best possible products and service.

Rex Carlson

Rex Carlson
Chairman

Kathy Harrington

Kathy Harrington
President

Board of Directors

Rex Carlson
Chairman

Gene Traxler
Vice Chairman

Eric Spandl
Secretary

Dale Lieb
Board Member

Ann Young
Board Member

Jeff Schuetz
Board Member

Noel Larson
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 2025 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.

Greg Sippl - Chairman
Connie LaCombe - Committee Member
Shaun Van Deurzen - Committee Member
Gary Haider - Committee Member

STATEMENT OF INCOME AND EXPENSE DECEMBER 31, 2025 and 2024 (Unaudited)

Income	2025	2024
Interest from Loans	\$ 6,268,752	\$ 6,230,120
Interest from Investments	1,623,986	1,461,849
Total Interest Income	\$ 7,892,737	\$ 7,691,969
Interest and Dividend Expense		
Dividends on Shares	\$ 558,305	\$ 437,155
Interest on Deposits	1,356,127	1,727,310
Interest on Borrowed Money	471,244	610,872
Total Interest Expense	\$ 2,385,676	\$ 2,775,337
Net Interest Income	\$ 5,507,062	\$ 4,916,632
Provision for Loan Losses	674,051	462,072
Net Interest Income After Provision	\$ 4,833,011	\$ 4,454,560
Non-Interest Income		
Fee Income	\$ 716,326	\$ 715,072
Other Operating Income	1,348,023	1,264,951
Gain (Loss) on Investments	-	-
Gain (Loss) on Fixed Assets	390	-
Other Non-Operating Income (Exp.)	-	-
Total Non-Interest Income	\$ 2,064,739	\$ 1,980,023
Non-Interest Expense		
Compensation and Benefits	\$ 2,988,495	\$ 2,943,535
Travel and Conference	48,452	49,127
Office Occupancy	462,848	422,202
Office Operations	1,216,019	1,123,598
Education and Promotion	280,473	320,091
Loan Servicing	511,654	444,049
Professional and Outside Services	755,967	719,161
Member Insurance	3,926	3,830
Operating Fees	18,733	27,443
Fraud Losses	47,636	31,220
Miscellaneous Operating	186,826	169,925
Total Non-Interest Expense	\$ 6,521,028	\$ 6,254,180
Net Income	\$ 376,722	\$ 180,403



New Branch

**Our newest branch will open
 Spring 2026 in New Prague, MN.**

STATEMENT OF FINANCIAL CONDITION

DECEMBER 31, 2025 and 2024 (Unaudited)

Assets	2025	2024
Loans to Members	\$ 107,201,748	\$ 107,428,280
Allowance for Loan Losses	(782,015)	(688,836)
Net Loans	\$106,419,733	\$106,739,444
Loans Held for Sale	\$ -	\$ -
Cash and Equivalents	1,115,183	3,957,722
Investments	51,473,685	53,269,702
Land and Buildings	5,426,326	5,613,368
NCUA Share Insurance Deposit	1,444,907	1,514,910
Other Assets	8,060,768	6,524,012
Total Assets	\$173,940,602	\$177,619,157
Liabilities		
Notes Payable	\$10,300,000	\$ 7,895,000
Dividends Payable	635	581
Accounts Payable & Other Liabilities	1,247,823	2,628,287
Shares and Deposits	147,761,370	154,636,088
Total Liabilities	\$159,309,827	\$165,159,956
Members' Equity		
Undividend Earnings	\$14,220,584	\$ 14,040,180
Regular Reserves	2,338,125	2,338,125
Equity Acquired in Merger	123,188	123,188
Other Reserves	(2,427,844)	(4,222,695)
Net Income	376,722	180,403
Total Members' Equity	\$14,630,775	\$12,459,201
Total Liabilities and Members' Equity	\$173,940,602	\$177,619,157

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
Free 55 Checking
High-Yield Checking
eChecking
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

Online and Mobile Services

Online Banking
Mobile Banking with Mobile Deposit
Card Manager App
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
Direct Deposit
Night Deposit
Notary Service
Money Orders
Wire Transfers
Overdraft Protection
Visa® Gift Cards
Safe Deposit Box



Giving Back

Collectively, our staff volunteered
407 hours in our communities in 2025.



Federally insured by NCUA.



Equal Housing Lender.
NMLS #422990