

2022



Annual Report



President's Message



Frank Shoffner

Chief Executive Officer

Do you know when something great is coming, and you can just feel it? That's the feeling that we have at Credit Union of America.

We've weathered the pandemic storm for almost three years, providing extra support to members and staff. We still had some lobby closures in early 2022 due to COVID-19, and like most other companies, we experienced "the great resignation." Employees and members struggled to balance work and family, overcome inflation, and still pay the bills.

Members were encouraged to continue their education and professional development through CUA's student and nurse scholarships, and the staff was encouraged to continue with internal training and tuition reimbursement programs. We cared for our employees with competitive wages and unexpected perks like flexible work-from-home schedules. We also worked on processes and systems to improve experiences for members and employees.

Will things ever be back to normal? Likely a new normal is in store for all of us. It feels positive, and we're optimistic for the future with our continued commitment to our members. Here are a few highlights of last year's accomplishments and what's on the horizon for 2023.

2022

- We are now serving over 91,200 members.
- 700 new members joined through education and healthcare employer groups.
- CUA scored 4.53 out of 5 on member satisfaction surveys.
- Almost 52,000 members have checking accounts at CUA.
- 3,657 members opened a Balance Boost account to maximize their earnings.
- CUA remains a top contender in the real estate market, as 660 members trusted CUA to help them navigate through an unstable mortgage market.
- 2022 showed an increase of 23.6% in new home equity lines of credit, helping members with the price increases of home repair/remodeling, vehicles, and even a bit of travel.
- Real estate loans have grown to 37.36% of total loans.
- CUA remains the #1 auto lender in Kansas.
- CUA implemented a new LEAP high school student work program, including \$10,000 in scholarships for each of the six students. LEAP showcases a partnership between CUA, Wichita Public Schools, and East High School. It invests in college-bound students — many of whom will be first-generation college students — while giving them work experience at the credit union.
- CUA invested over \$250,000 in diversity, equity, and inclusion projects.

2023

- **A new branch** is on the way! We will relocate our North Rock Road Wichita branch to a new office in the 3800 block of N. Woodlawn. The Bel Aire branch will have the convenient amenities of our other locations while providing easier access and room for member growth. We expect construction to be complete in time for the Bel Aire branch to open in late October 2023.
- **EarlyPay** allows ACH deposits to be available up to two days early. Member availability is scheduled for Q1 2023.
- **Robust online account openings** for non-members just joining and expanding types of account openings for all members can be expected. Ultimately, this system helps members and employees alike. It will simplify staff training and knowledge and instill consistency throughout the credit union, whether you open your account online, by phone, or at a branch.
- **New phone center software** will allow members to obtain expanded services and account information quickly. This system will reduce member hold times, and it will extend access to transactions beyond business hours to 24/7.
- **Internal system updates** will make it easier for members to do business with CUA, and employees' jobs will be more efficient.

We remain focused on serving our members in the friendliest manner possible as we add these exciting enhancements. The future is surely returning to some sense of normalcy, and we're excited to be a part of your new world.



Chairman's Report



Richard Gilstrap

Chairman of the Board

A stylized, handwritten signature of Richard Gilstrap in dark ink.

Hello Members,

Credit Union of America is healthy, growing, and doing very well when compared to other credit unions of our size. Historically, credit unions, and CUA in particular, have offered higher yields on deposits, lower rates on loans, and better customer service than traditional financial institutions, and it is our desire to keep that trend going.

This year CUA members enjoyed an 82% higher yield than our peer credit unions, our dividends paid to members totaled over \$8 million, and our assets grew another 9.43% to \$1.4 billion.

I want to address the changes you have seen us make over the last few years. Peter Drucker, the Austrian American consultant, educator, and author, once said, "The greatest danger in times of turbulence is not the turbulence; it is to act with yesterday's logic."

This is a transformative time for financial institutions. I think we all realize that the future of financial services is digital, and COVID-19 highlighted the urgency of being able to meet the needs of consumers with frictionless mobile

convenience. I am proud to say that CUA has been, and continues to be, a leader in delivering the digital experience that many members now expect. As you can see from the performance numbers, our strategies are working. While we invest in digital, we continue to invest in traditional banking channels that many members depend on. Frank and his team have done a great job of anticipating change and keeping CUA on the cutting edge.

I know that sometimes change can be scary, but as John F. Kennedy said, "Change is the law of life, and those who look only to the past or present are certain to miss the future."

Each and every member is important to us, and I want to thank you for trusting us to help you with your financial needs.



Treasurer's Report



Stan Longhofer

Treasurer

A handwritten signature in black ink that reads "Stan Longhofer".

Credit Union of America had another year of outstanding financial performance. We continue to serve our fellow members well, offering competitive rates on member loans while offering above-average dividend rates to our savers. In fact, last year, CUA provided the fifth-best total return to its members among 192 similarly sized credit unions nationwide, according to the independent rating firm Callahan & Associates.

Our credit union is also incredibly strong and safe. Our net worth grew nearly 10% last year, and our net worth capital ratio is an outstanding 12.6%. We have accomplished this all while making strategic investments in facilities and technology to continually improve our members' experience.

As board treasurer, I am deeply grateful to all our employees and the work they do to help make CUA a sound, stable, and "friendly" place for members to meet their financial needs.

2022 Financial Highlights

Member-Driven

- Deposit growth = \$58.4 million, reaching \$1.1 billion
- Share growth = 5.48%
- Member loan growth = 12.15%, totaling \$1.2 billion
- Visa balances total over \$58 million
- Delinquency stays at a low 0.37%
- Net charge-offs = 0.22%

Strong Financial Ratings

- Net worth grew by 9.87%, with a net worth capital ratio of 12.55%
- Return on assets = 1.51%
- Return on equity = 13.03% (peer 9.07%)
- Net income = \$20.3 million
- Net operating expense/average assets = 2.92%
- Superior 5-star top rating from Bauer Financial

Financial Investments in Members

- Renovation and modernization of the Maize branch lobby, including interactive teller technology
- Competitive lending rates and above-average dividends paid only to members
- Return to the member: rated fifth highest of 192 credit unions nationwide with assets between \$1 billion and \$2 billion by Callahan & Associates, an independent analyst of credit union performance

Supervisory Report



Joy McLain

Chairperson, Supervisory Committee

A handwritten signature of Joy McLain in black ink.

Credit Union of America's supervisory committee of volunteers oversees the risk management functions of the credit union, including internal audit, compliance, vendor management, and security. We assist in the review of board policies and practices. These responsibilities protect our members, ensuring safety and soundness, as well as the overall solvency of our financial cooperative. 2022 projects included:

- An external CPA firm performed a financial statement audit as of December 31, 2021. The audit firm issued an unmodified opinion.
- An independent audit performed on CUA's information technology confirmed that CUA's infrastructure provides appropriate security.
- The routine 2022 annual exam by the Kansas Department of Credit Unions and the National Credit Union Administration verified that CUA continues to be well managed.

On behalf of the supervisory committee, I am pleased to report that your credit union continues to be a solid and stable financial cooperative.



Total 2022 Giving: Over \$530,000

\$250,000+ supporting diversity, equity, and inclusion projects

\$250,000+ in Educational Gifts

INCLUDING

- **\$50,000** to WSU College of Applied Studies
- **\$39,740** in TGIF classroom grants
- **\$36,741** to Wichita Unified School District 259
- **\$22,000** in John Michener Student Scholarships
- **\$16,000** to Haysville/KU school-based healthcare
- **\$15,000** in LEAP Student Scholarships
- **\$6,000** in Teachers of Promise Scholarships at Friends University
- **\$5,000** supporting McKinney-Vento students

\$128,000+ in Healthcare Gifts

INCLUDING

- **\$99,245** to Children's Miracle Network Hospitals
- **\$22,500** to Ascension Via Christi Foundation
- **\$6,000** for Nurse Scholarships
- **\$1,000** to GraceMed Health Clinic

\$150,000+ in Community Gifts

INCLUDING

- **\$35,725** to United Way
- **\$10,000** for Wichita Police Foundation's therapy dog, Stewie
- **\$5,000** to Greater Wichita YMCA
- **\$5,000** to HumanKind Ministries
- **\$2,500** to Giving the Basics

594 Hours in Gifts of Time

INCLUDING

- Habitat for Humanity
- Kansas Food Bank
- Operation Holiday
- Zoobilee

Statement of Condition
(Unaudited)

Dec. 31, 2022

ASSETS

Loans & Loans Held for Sale	1,188,803,828
Less: Allowance for Loan Losses	(5,999,976)
Net Loans	1,182,803,852
Investments	125,537,640
Premises & Equipment	31,190,268
Other Assets	66,274,021
Total Assets	1,405,805,782

LIABILITIES, SHARES & EQUITY

Liabilities	105,636,947
Member Shares	
Membership & Other Shares	147,713,784
Money Markets	396,695,041
Share Certificates	310,081,518
IRA	83,060,493
Checking	186,237,981
Total Shares	1,123,788,817
Reserves	5,623,179
Undivided Earnings	170,756,838
Total Equity	176,380,017
Member Shares & Equity	1,300,168,835
Total Liabilities, Shares & Equity	1,405,805,782

Statement of Operations
(Unaudited)

For the Period
Jan. 1 - Dec. 31

Operating Income	
Interest from Loans	\$ 50,395,448
Interest from Investments	4,951,764
Non-Interest & Misc. Income	22,084,997
Total Operating Income	77,432,209
Operating Expenses	
Compensation & Benefits	22,203,396
Provision for Loan Losses	1,610,964
Office Operations	7,174,932
Checking, Debit Card & ATM	3,272,360
Loan Servicing	4,616,923
Professional & Data Services	3,126,121
Member Education & Marketing	2,400,440
Office Occupancy	3,152,605
Interest on Borrowed Funds	1,422,142
Other Expenses	883,757
Total Operating Expense	49,863,640
Net Operating Income	27,568,569
Non-Operating Gain (Loss/Expense)	800,095
Net Income Before Dividends	28,368,664
Member Dividends	8,049,014
Net Income	\$ 20,319,649



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