



ANNUAL REPORT

2021

EXPEDITION
CREDIT UNION

www.expeditioncu.com

PRESIDENT'S REPORT

Greetings Expedition Credit Union Members!

Back in March of 2020 when the pandemic struck, we thought we would be in for a tough year. 2021 proved to be more of a challenge as the pandemic persisted and resulted in periodic branch closures and staffing shortages, along with key vendors being impacted by similar challenges including the slowdowns in the supply chain. We feel we are nearing the end of the ongoing effects of the pandemic and look forward to an exciting 2022.

With all the challenges to overcome, 2021 did prove to be an exceptional year. After planning for over a year, the decision to rebrand the credit union culminated with the announcement of our new name: **Expedition Credit Union!**

We understand that life is a series of financial journeys. Our new name reflects our mission to inspire and educate members on their life's financial journey. Our members inspire us to serve, and we simply want to help and inspire our members along the way. The new name also makes us relevant to the many groups of individuals who qualify for membership.

Financially, your Credit Union is operationally sound and well-managed as reported from our annual CPA audit and state and federal regulatory exam. In 2021, assets increased \$16.9 Million to \$237 Million. Our Net Worth Ratio ended the year at 9.06%; well above the regulatory requirement of being well-capitalized at 7%. During the year, our delinquent loan ratio and net charge-off ratio continued to decline and is well below peer averages.

For 2022, we have further exciting news to share. In May, all members who have a debit card with their checking account will receive a new card with our new name and design. It will be the same card number, so activating the card will be similar to when a card expires or is replaced for damage. Then, in mid-June we will be converting to a new online and mobile banking platform designed to give you enhancements such as more debit & credit card features and putting all your payments – whether between your friends, Expedition accounts, or for bill payments – together in one location. Finally, in August we will be announcing a new VISA® Credit Card product with an improved rewards program.

We understand many changes have occurred these past few years. We have thought diligently about all of them and knew they were necessary to provide you with the best banking experience possible and allow us to compete in the communities we serve.

We sincerely appreciate your business and look forward to being on an Expedition with you! Lastly, I would like to thank our Board of Directors for their support and leadership and thank our staff for the expert job they do serving you, our members/owners!

Paul Dammann
President/CEO

DIRECTOR'S REPORT

Welcome to the 65th Annual Meeting of your credit union, and the first under our new name Expedition Credit Union! It is our pleasure to share the financial condition of the Credit Union, with you, the members who own this credit union.

During 2021, Expedition Credit Union remained operationally sound, and even during these unique times, remains in very healthy financial condition. This is evidenced by our financial statements, which President Paul Dammann will describe in his report, and the comprehensive independent audit completed in 2021 by CliftonLarsonAllen LLP, our Certified Public Accountant.

This year, when extraordinary circumstances impacted many public spaces, Expedition remained open and ready to serve our members as an essential service, while focusing on safety first. Expedition kept members and employees safe by encouraging the use of drive-up services for in-person transactions and the use of our Online & Mobile Banking systems, which allow members to safely complete financial transactions from the comfort of their homes.

Expedition Credit Union considers its members as our greatest asset. Everything Expedition does is intended to help our members find their focus on their life's journey. In addition to a vast array of products and services, Expedition also continues to support the Minnesota education community. We are proud of our ongoing sponsorships of the Minnesota Teacher of the Year, Minnesota Education Support Professional of the Year, Education Minnesota's Foundation, school sponsorships, and scholarships for high school students, college education majors, and educators.

On behalf of the Board of Directors and the Supervisory Committee, we are extremely grateful to the staff, management team, and Paul Dammann for their dedication during the last year. They have all demonstrated forward thinking, extraordinary resilience, and creativity throughout a most challenging year. Their efforts were instrumental in keeping members and staff safe, so that members could access necessary services without interruption, at the highest quality level of service you expect.

Lastly, I thank you, our members for your understanding, ongoing support, and for sharing the value of the credit union with your family, co-workers, and friends. We appreciate and value the opportunity to serve you all year long.

Ramona Springis-Doss
Board of Directors Chair

**Our individual courses may vary
but we're all journeying toward
the same thing: a life well-lived.**

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CREDIT REPORT

In 2021, we worked very hard on enhancing our lending platform to offer members competitive low rates and great lending promotions. During the year, a key focus was to streamline our loan processes to better assist members online and in person while providing an overall great experience for our members' borrowing needs.

Members work with Expedition's dedicated staff, along with our various partners, on their life's financial journey. As in past years, we have partnered with third parties such as Tradition Mortgage, CUAC for new & used autos, and boat & recreational vehicle dealerships to help members thrive and achieve our lending goals.

2022 will provide challenges, as related to a changing rate environment, COVID-19 effects, supply chain challenges, and overall economic factors. We continue to focus on the technology initiatives which create efficiencies in our lending process with the goal of improving your experience.

Stay tuned as we continue to advertise lending promotions throughout the year that are designed to provide our members with affordable options when their financing needs arise. Thank you very much for your business. We sincerely appreciate your trust, and we look forward to being of service to you!

Shawn Lannier
Vice President of Lending

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee consists of three elected volunteers, who are responsible for safeguarding Expedition Credit Union member assets.

Highlights of 2021 included:

- The Committee reviewed a certified audit of the financial records as of September 30, 2021, conducted by our contracted CPA firm, CliftonLarsonAllen LLP. We once again received a clean opinion report with no material deficiencies or weakness, indicating the credit union is well managed.
- The Committee reviewed the MN State Department of Commerce examination performed in September and October 2021. The exam was completed successfully and without material findings.
- The Committee reviewed all regulatory compliance reviews conducted by the Minnesota Credit Union Network. Each review was completed successfully, and your credit union's operational processes are sound.
- Through internal audits of monthly documents, the Committee completed and submitted the Semi-Annual Supervisory Committee Audit Reports to the Minnesota Department of Commerce.
- The Committee Chair participates in and attends Board meetings. The committee is invited to attend Board and Management strategic planning sessions.
- In addition, the Committee received regulatory education in the Bank Secrecy Act and updates related to the Supervisory Committee duties. The Committee received additional education in the duties and responsibilities of the Supervisory Committee. During their regular meetings, review and clarification of these responsibilities are a continuing principle throughout every session.

The Supervisory Committee has fulfilled the responsibilities assigned to it by Expedition Credit Union's charter and the Board of Directors and is pleased to confirm that Expedition Credit Union is a safe, secure cooperative in sound financial condition.

Jim Lindstrom
Supervisory Committee Chair

STATEMENTS OF FINANCIAL CONDITION

	2020	2021
ASSETS		
Cash and Cash Equivalents	\$31,491,212.25	\$32,368,205.36
Investment Funds	\$44,513,081.89	\$60,855,926.83
Net Loans	\$129,572,787.09	\$128,575,781.27
Accrued Interest Receivable	\$397,498.56	\$348,631.24
Property and Equipment	\$4,817,766.82	\$4,568,354.66
NCUSIF Deposit	\$1,834,971.35	\$2,015,592.52
Other Assets	\$7,536,954.60	\$8,360,752.79
Total Assets	\$220,164,272.56	\$237,093,244.67
LIABILITIES AND EQUITY RESERVES		
Member Deposit Accounts	\$198,340,156.40	\$215,085,499.70
Accrued Interest Payable	\$70,521.52	\$52,047.44
Accrued Expenses and Other Liabilities	\$1,006,600.60	\$1,095,649.19
Total Liabilities	\$199,417,278.52	\$216,233,196.33
EQUITY RESERVES		
Unrealized Gain/Loss on Securities	\$433,432.17	\$(613,131.10)
Statutory Reserve	\$2,536,406.48	\$2,536,406.48
Undivided Earnings	\$16,870,810.98	\$18,030,428.55
Merged in Equity	\$906,344.41	\$906,344.41
Total Members' Equity	\$20,746,994.04	\$20,860,048.34
Total Liabilities and Members' Equity	\$220,164,272.56	\$237,093,244.67

STATEMENTS OF INCOME

INTEREST INCOME		
Loan Interest Income	\$5,625,855.69	\$5,167,077.88
Investment Interest Income	\$814,493.00	\$660,994.69
Total Interest Income	\$6,440,348.69	\$5,828,072.57
Interest and Dividend Expense	\$821,413.90	\$557,179.75
Net Interest Income	\$5,618,934.79	\$5,270,892.82
Provision for Loan Loss	\$(335,442.15)	\$(110,652.09)
Net Interest Income after Provision	\$5,283,492.64	\$5,160,240.73
NON-INTEREST INCOME		
Service Charges and Fees	\$449,385.53	\$417,011.40
Other	\$1,070,944.61	\$1,804,961.29
Total Non-Interest Income	\$1,520,330.14	\$2,221,972.69
NON-INTEREST OPERATING EXPENSES		
Compensation and Benefits	\$2,652,510.79	\$2,510,630.06
Office Operations	\$2,613,353.42	\$1,548,944.36
Office Occupancy	\$597,328.67	\$695,385.03
Other	\$241,161.68	\$1,467,636.40
Total Non-Interest Operating Expenses	\$6,104,354.56	\$6,222,595.85
Net Income	\$699,468.22	\$1,159,617.57
NCUA Premium and Assessment	\$-	\$-
Adjusted Net Income	\$699,468.22	\$1,159,617.57

2021 SNAPSHOT.



Welcome to Expedition Credit Union! United Educators Credit Union made the name change official on November 1, 2021.



BOARD OF DIRECTORS

Chair	Ramona Springis-Doss
Secretary	James Smola
Director	Steve Scarrella
Director	Kany Seck
Director	Vacancy

SUPERVISORY COMMITTEE

Chair	Jim Lindstrom
Member	Jess Kenley
Member	Jordan Ford

✕ 2020 ✕ 2021



220.2mm

237.1mm

TOTAL ASSETS

16,369

198.3mm

16,680

215.1mm

TOTAL MEMBERS

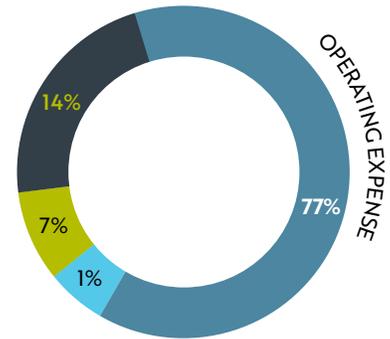
MEMBER SHARES & DEPOSITS

HOW WE SPENT OUR INCOME.

EQUITY RESERVES

MEMBER DIVIDENDS

PROVISION FOR LOAN LOSS



ELECTRONIC SERVICES USAGE

ONLINE BANKING USERS



9,087
+7.4%

E-STATEMENT USERS



6,521
+5.4%

BILL PAY USERS



984
-3%

MOBILE APP USERS



7,695
+15.9%

MOBILE DEPOSIT USERS



4,928
+13.1%

