



EXPEDITION[®]
CREDIT UNION

2023
ANNUAL REPORT

expeditioncu.com

DIRECTOR'S REPORT

RAMONA SPRINGIS-DOSS, BOARD OF DIRECTORS CHAIR

Welcome to Expedition Credit Union's 67th Annual Meeting. Thank you for taking time out of your busy schedule to join us tonight, we are glad you are here.

The primary purpose of the Annual Meeting is to review the financial reports and highlight the results from the prior year. You will be pleased to know that Expedition Credit Union is in excellent, sound, financial condition. President/CEO Paul Dammann will provide more details in his report, coming up next.

Since 1957, your credit union has grown to serve the needs of a broad array of people in the educational and local communities. Members have moved or traveled to all corners of the world while accessing Expedition's services and support through safe & secure online or mobile technology, phone or in-person contact. We are proud of our member service; it really is the best as our employees focus on the individual in front of them and our systems provide the convenience you expect. We are here to support you and your financial needs as you travel on your life's journey—wherever it may take you.

In addition to supporting our diverse membership, Expedition Credit Union continues to provide support for educators and our greater community. Examples of this support include sponsorship of the Minnesota Teacher of the Year program, Education Minnesota's Foundation, financial support to local schools, and donations to community scholarship funds. Even Expedition Foundation's scholarship program grants awards for high school seniors, education majors, and current educators.

In summary, we love helping our members meet their financial goals. It is our mission to inspire and educate members on their life's financial journey. We are grateful that you have chosen Expedition Credit Union as your credit union, and we thank you for your membership. Now, don't keep it a secret. Go tell all your friends to become a member. We'll help them too!

On behalf of the Board of Directors, thank you for being a member and we wish you all the best.

GIVING BACK IN 2023

Expedition has given back more than \$23,000 to our community in 2023. Causes including, but not limited to:

- Educator Scholarships
- Senior Scholarships
- Financial Literacy grants
- Kids in Need Foundation
- Teacher of Year
- Education Minnesota Foundation Golf Tournament
- Minnesota Book Awards
- PeaceMaker Minnesota



Expedition participating in CU Forward Day, a day where Minnesota Credit Unions give back. Employees made tie blankets for Kids in Need Foundation.



PRESIDENT'S REPORT

PAUL R. DAMMANN, PRESIDENT/CEO

GREETINGS EXPEDITION CREDIT UNION MEMBERS!

As we begin a new year, we are grateful to look back and celebrate the progress we've made over the last year. 2023 was particularly unusual as inflation and a rising interest rate environment have persisted longer than expected. While inflation can have a negative impact on the Credit Union in terms of higher operating costs and higher costs from our vendors, we are pleased to be able to continue to offer attractive CD rates to help our members grow their savings as well as offering even more robust Free Checking Rewards on our Cash Back & High Yield Checking accounts.

Financially, your Credit Union remains operationally sound. Despite a deposit and asset growth decline from last year, strong earnings enabled our key financial strength ratio, the Net Worth Ratio, to increase from 9.67% to 10.10%. Expedition Credit Union remains well above the regulatory requirement of being well-capitalized at 7%. Our regulatory exam conducted in the fall of 2023 was very successful, and I am happy to pass on their comments that the Credit Union is 'sound, safe, and well managed.'

Many operational and technology-related changes have been made these past few years to help guide our credit union and our membership through 'life's

Expedition' with resources and staff support to be successful. Recent introductions include establishing access to 5,000+ branches at participating Shared Branch locations nationwide, a fully operational contact center with staff ready to help you on your financial trek, and our new Platinum Rewards Visa® Credit Card equipped with attractive cash back rewards.

In 2024, we will continue to improve your experiences with our online/mobile banking, invest in our employees' development, offer a competitive Student Checking program, and promote many loan specials throughout the year—All while growing our cooperative with more members within our communities served.

We sincerely appreciate your membership and look forward to being on this Expedition with you! Lastly, I would like to take this opportunity to thank our volunteer Board of Directors for their support & leadership and thank our staff for the expertise and passion they provide while serving you, our members/owners!



STATEMENTS OF FINANCIAL CONDITION

	2022	2023
ASSETS		
Cash and Cash Equivalents	\$1,129,200.65	\$672,757.53
Investment Funds	\$72,484,736.93	\$77,517,136.99
Net Loans	\$144,175,694.24	\$136,408,331.45
Accrued Interest Receivable	\$532,025.52	\$600,372.12
Property and Equipment	\$4,306,050.44	\$4,002,798.15
NCUSIF Deposit	\$2,013,318.82	\$1,899,433.31
Other Assets	\$5,958,814.49	\$5,807,359.03
Total Assets	\$230,599,841.09	\$226,908,188.58
LIABILITIES AND EQUITY RESERVES		
Member Deposit Accounts	\$206,547,971.63	\$194,221,514.77
Accrued Interest Payable	\$69,549.09	\$192,410.24
Accrued Expenses and Other Liabilities	\$7,487,630.61	\$13,797,948.98
Total Liabilities	\$214,105,151.33	\$208,211,873.99
EQUITY RESERVES		
Unrealized Gain/Loss on Securities	\$(5,797,869.79)	\$(4,210,341.06)
Statutory Reserve	\$2,536,406.48	\$2,536,406.48
Undivided Earnings	\$18,849,808.66	\$19,463,904.76
Merged in Equity	\$906,344.41	\$906,344.41
Total Members' Equity	\$16,494,689.76	\$18,696,314.59
Total Liabilities and Members' Equity	\$230,599,841.09	\$226,908,188.58

STATEMENTS OF INCOME

INTEREST INCOME		
Loan Interest Income	\$5,820,561.59	\$7,179,433.29
Investment Interest Income	\$935,367.87	\$1,454,565.29
Total Interest Income	\$6,755,929.46	\$8,633,998.58
Interest and Dividend Expense	\$738,413.54	\$2,467,597.73
Net Interest Income	\$6,017,515.92	\$6,166,400.85
Provision for Loan Loss	\$(165,261.21)	\$(163,700.11)
Net Interest Income after Provision	\$5,852,254.71	\$6,002,700.74
NON-INTEREST INCOME		
Service Charges and Fees	\$465,207.49	\$445,622.69
Other	\$1,335,481.84	\$879,433.78
Total Non-Interest Income	\$1,800,689.33	\$1,325,056.47
NON-INTEREST OPERATING EXPENSES		
Compensation and Benefits	\$2,799,998.69	\$2,926,505.23
Office Operations	\$1,776,225.81	\$1,740,695.04
Office Occupancy	\$638,901.54	\$660,367.55
Other	\$1,618,437.89	\$1,386,093.29
Total Non-Interest Operating Expenses	\$6,833,563.93	\$6,713,661.11
Net Income	\$819,380.11	\$614,096.10
NCUA Premium and Assessment	\$-	\$-
Adjusted Net Income	\$819,380.11	\$614,096.10

CREDIT REPORT

ANGIE SEELEY, VICE PRESIDENT OF LENDING

In 2023, we continued to work 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 up with third parties such as Tradition Mortgage, CU Alliance Corporation for new & used autos, and boat and recreational vehicle dealerships to help members thrive and achieve our lending goals.

2024 will provide challenges, as related to a changing rate environment and overall economic factors. We continue to focus on the technology initiatives which create efficiencies in our lending process with the goal of improved member 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!

SUPERVISORY COMMITTEE REPORT

JIM LINDSTROM, SUPERVISORY COMMITTEE CHAIR

The Supervisory Committee are elected volunteers, who are responsible for safeguarding member assets in the Expedition Credit Union.

The Supervisory Committee meets on a regular basis during the year and has fulfilled its responsibilities as required by our regulatory authorities and board of directors. These activities include, but are not limited to, performing internal audits of monthly documents, and the required submission of semi-annual reports to the Minnesota Department of Commerce. The committee also received regulatory education providing an overview and update of the duties and responsibilities of the Supervisory Committee.

The committee is pleased to confirm that Expedition Credit Union is a safe, secure cooperative and is in sound financial condition.



BOARD OF DIRECTORS

Ramona Springis-Doss
CHAIR

James Smola
VICE CHAIR

Jordan Ford
SECRETARY

Kany Seck
DIRECTOR

Dwayne Johnson
DIRECTOR

SUPERVISORY COMMITTEE

Jim Lindstrom
CHAIR

Jordan Ford
MEMBER

Noemi Garcia
MEMBER

Phillip Sterner
MEMBER

2023 SNAPSHOT



2022 2023

TOTAL ASSETS

230.6mm

226.9mm

MEMBER SHARES & DEPOSITS

206.5mm

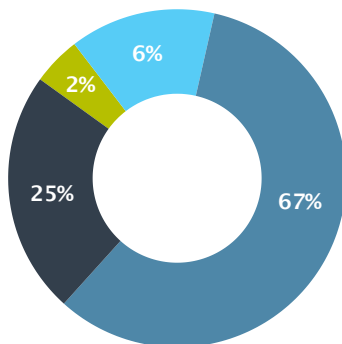
194.2mm

TOTAL MEMBERS

17,028

16,928

HOW WE SPENT OUR INCOME.



- OPERATING EXPENSES
- MEMBER DIVIDENDS
- PROVISION FOR LOAN LOSS
- EQUITY RESERVES

ELECTRONIC SERVICES USAGE

ONLINE BANKING



8,540

EDOCUMENTS



6,880

BILL PAY



1,333

MOBILE APP



7,561

MOBILE DEPOSIT



3,443

