



2024 **ANNUAL REPORT**

Millennium Corporate Credit Union

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OUR MISSION

Channeling our cooperative spirit into delivering solutions that meet our credit union partners' unique challenges, ensuring every voice is heard, and every solution is tailored to meet the needs of those we serve.

OUR VISION

Creating innovative pathways and fostering cooperation to advance the credit union movement.

Our Values

RELIABILITY

We deliver dependable solutions and responsive support that our credit union partners can count on every time.

COMMITMENT

We dedicate ourselves to the success and growth of each credit union member and the entire credit union system.

COOPERATION

We work together to strengthen our collective impact on the credit unions we serve and their members.

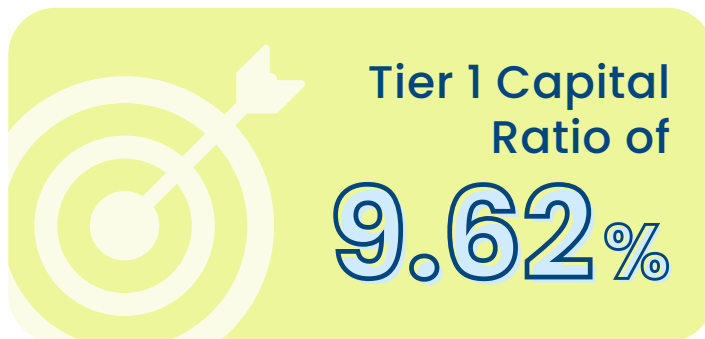
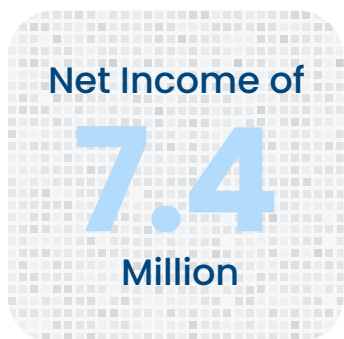
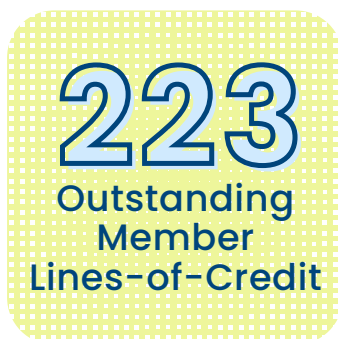
EXCELLENCE

We strive for superior quality and continuous improvement in everything we do.

INTEGRITY

We build trust and lasting relationships through honesty, respect, accountability, and a strong sense of responsibility.

2024 Year In Review



Board of Directors

The Millennium Corporate Credit Union Board of Directors represents the community and regions served by the independent, not-for-profit corporate. The nine Board Members volunteer their time to manage and direct the organization's affairs and funds to ensure the longevity of Millennium Corporate Credit Union.



Greg Winkler
Azura Credit Union

CHAIRMAN



Michael Augustine
Frontier Community Credit Union

VICE-CHAIRMAN



Ted Underwood
Golden Plains Credit Union

TREASURER &
SECRETARY



Dee Schriener
Trius Federal Credit Union



Jay Neathery
United Consumers Credit Union



John Hageman
Montana Credit Union



Kevin Brueseke
Conservation Employees'
Credit Union



Kevin Stubblefield
Metro Credit Union



LaRae Kraemer
K-State Federal Credit Union

Committee Volunteers & Executive Team

Asset Liability Committee

Brady McLeod | Millennium Corporate Credit Union
Chris Hageman | Millennium Corporate Credit Union
Cyrus Malkin | Rocky Mountain Credit Union
Sam Grove | Credit Union of America
Ted Underwood | Golden Plains Credit Union
Walter Thompson | Millennium Corporate Credit Union

Supervisory Committee

Chuck Bullock | Quantum Credit Union
Ronny Miller | Gallup Federal Credit Union
Steve Grooms | 1st Liberty Federal Credit Union
Teri Krakowka | Southwest Montana Community Federal Credit Union

Credit Committee

Ashley Bautista | Wichita Federal Credit Union
Elesa Parsons | Kansas Teachers Community Credit Union
Gerry Veis | Altana Credit Union
Linda Carter | MembersOwn Credit Union

Executive Team

Brady McLeod | President/CEO
Elizabeth Neighbors | VP - Accounting/Controller
Kip Poe | VP - Information & Technology

A Message from the President & Board Chair

This year, Millennium Corporate proudly celebrated 73 years of serving our members – 73 years of partnership, innovation, and dedication to the credit union movement. As a member-owned financial cooperative, our foundation has always been built on trust, top-of-the-line service, and a commitment to ensuring credit unions have the solutions they need to succeed. In 2024, we took significant steps forward, strengthening our organization with a renewed mission, vision, and values that reflect who we are and where we are headed. Our mission – channeling our cooperative spirit into delivering solutions that meet our credit union partners’ unique challenges, ensuring every voice is heard, and every solution is tailored to meet the needs of those we serve – guides our work every day. Our vision – creating innovative pathways and fostering cooperation to advance the credit union movement – pushes us to think beyond the present and focus on what’s next for us and you, our members.

A key part of our focus this year was the continued modernization of our item processing platform. When we took on the responsibility of owning and operating the item processing service, we knew improvements were necessary. In 2023, we rolled out the first phase of our modernization plan, and in 2024, we completed phase two, ensuring all program users were transitioned to the same advanced platform. With phase two behind us, we began work on phase three, which focuses on enhancing the inclearings system. These improvements are not just about technology – they are about creating a more efficient, reliable, and future-ready system that benefits the credit unions we serve. We know change isn’t always easy, and we deeply appreciate the patience, trust, and feedback from our members throughout this process. To show our gratitude, we gave back \$184,000 in item processing rebates this year.

Beyond item processing, 2024 was a year of achievements. In June, we said farewell to our retiring President/CEO Larry Eisenhauer, who worked at Millennium Corporate for 39 years. We then welcomed Kent Gleason as our new President/CEO, bringing a fresh perspective to lead Millennium Corporate forward. Kent began his credit union career in 1990 as a League Consultant and held various leadership roles, including EVP & CFO.

Our member satisfaction remained strong, reflected in a Net Promoter Score of 81 on our annual survey. Financially, we returned \$65 million in dividends to our members, maintained a tier 1 capital ratio of 9.62%, and ended the year with \$85.2 million in retained earnings and \$7.4 million in net income. We continued to offer the best rates in the market and provided essential liquidity to our members with over \$1.5 billion in outstanding lines of credit.

Innovation continued to be a driving force for Millennium Corporate in 2024, particularly through our involvement with CURQL, a collaborative fintech ecosystem focused on advancing credit union technology. CURQL serves as a bridge between credit unions and fintech startups, fostering the development of cutting-edge financial solutions that enhance member experiences and improve operational efficiencies. By supporting CURQL’s efforts, we are ensuring that our members remain at the forefront of fintech innovation, equipped with the tools they need to navigate an ever-evolving financial landscape.

Our engagement with credit unions was stronger than ever, with a renewed focus on strengthening relationships and understanding the unique needs of our members. Between April and December, we visited 132 credit unions, reinforcing our commitment to personalized service and support. We also hosted a number of events throughout the year, including our Annual Meeting in Kansas City, webinars, and Nosh & Network gatherings that brought credit union leaders together for collaboration and discussion. Notably, our 2024 Annual Meeting featured keynote speakers like Mitch Holthus, and many engaging activities.

A Message from the President & Board Chair

In addition to our operational achievements, Millennium Corporate demonstrated a strong commitment to community involvement in 2024. Our team participated in various volunteer activities and supported local initiatives, reflecting our dedication to the communities we serve. We believe that giving back is integral to our mission and helps strengthen the bond between credit unions and their communities.

As we reflect on 2024, we are proud of the progress we have made, particularly in modernizing our item processing services, strengthening our financial position, and deepening our engagement with members. We remain committed to innovation, cooperation, and delivering the best possible solutions for credit unions. Looking ahead, we know that success is built together - with our members, our partners, and our dedicated team. We are grateful for your trust, your partnership, and the opportunity to serve you. Here's to another year of progress, service, and innovation.

Cooperatively,



Brady H. McLeod
President/CEO



Greg Winkler
Board Chairman

Treasurer's Report

Millennium Corporate ended 2024 with Total Assets of \$1,639,527,718, an increase of \$352,266,663 over year-end 2023 assets. December 2024 DANA (daily average net assets) was \$1,683,188,559, above budget by \$666.5 million or 39.6%, an increase of \$658 million or 39.1% compared to 2023. The 12-month moving daily average net assets (MDANA) of \$1,421,919,425 was higher than the previous month's MDANA and \$342.1 million higher than budgeted.

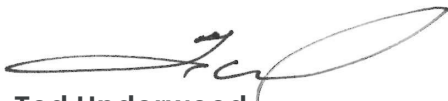
The Retained Earnings Ratio (which is undivided earnings, excluding allowance for loan and lease losses account, accumulated unrealized gains and losses on available for sale securities, or other comprehensive income items divided by MDANA) at the end of December was 5.99%, slightly slower than the previous month's 6.187% and lower than the budgeted amount of 7.920%. The year-end Tier 1 Capital Ratio was 9.624%, lower than budget by 3.086%. With the Tier 1 Capital Ratio above 5.0%, Millennium Corporate is considered a "Well Capitalized" corporate credit union per NCUA Reg. 704.4. Total Retained Earnings ended the year at \$85,170,792, up from \$77,763,905 in December 2023.

As previously stated, on-balance sheet assets at the end of December 2024 were \$1,639,527,718. Off-balance sheet assets at year-end were \$1,759,002,752, equating to Total Managed Assets of \$3,046,263,807.

December month-end Net Income was \$584,664 which contributed to Total 2024 Net Income of \$7,406,887. Significant contributors to Net Income include above budget Interest Income of \$842,011 due to the positive impact of our floating-rate investments and over budget income from our CUSO investments of \$59,868. Millennium Corporate did not receive any distributions from the U.S. Central Credit Union Asset Management Estate in 2024.

Perpetual Contributed Capital dividends to members equaled \$3,415,811 for the year and dividends paid on our other share accounts totaled \$58,144,548 for 2024. Non-interest income exceeded \$7 million again in 2024. The 2024 Return on Assets (ROA) was 41.7% in December.

Financially, Millennium Corporate is well positioned, as well as Well Capitalized, to serve members in the coming years. Please refer to the audit for additional financial reporting and details.



Ted Underwood
Secretary/Treasurer

Asset Liability Committee Report

The Asset Liability Committee (ALCO) of Millennium Corporate is composed of senior staff and experienced volunteer credit union professionals with deep expertise in credit union finance. The Committee meets monthly to monitor and manage key areas including interest rate risk, liquidity risk, investment activity, member behavior and trends, economic conditions, and broader market dynamics.

Net Economic Value (NEV) is evaluated monthly through various rate shock scenarios, ranging from a 300-basis point (bp) decrease to a 300bp increase. In the current interest rate environment, these scenarios provide meaningful insights that were less visible during the near-zero rate years. Millennium Corporate's NEV remains well within regulatory thresholds. The Federal Open Market Committee (FOMC) cut rates three times in 2024, and markets anticipate additional reductions in 2025.

Regarding the U.S. Central Asset Management Estate (USC AME), distributions began in 2021 and continued through 2023. No distributions were made in 2024, and while the timing of future payments remains uncertain, we expect additional distributions. Any future payments will remain with Millennium Corporate, as all member claims have been satisfied.

To support long-term financial management, Millennium staff developed a Capital Plan in 2024. Prior to the USC AME distributions, corporate credit unions were focused on rebuilding capital and meeting regulatory minimums. With strengthened capital levels driven by distributions and favorable market conditions, Millennium transitioned into a strong capital position, necessitating a formal management strategy. The Capital Plan, approved by the Board of Directors in November 2024, outlines a framework tailored to the specific needs of a corporate credit union. Millennium continues to meet all capital requirements and retains its "Well Capitalized" designation from the NCUA.

The Committee also oversees Millennium's suite of financial products. Among them is CECLution, our current expected credit losses (CECL) solution brought to market in conjunction with Catalyst Corporate FCU in 2021, now used by 27 credit unions. CU Investment Solutions, LLC (ISI) is our credit union service organization (CUSO) that provides brokerage services through registered representatives who serve as dual employees of both ISI and Millennium Corporate. In 2024, the dual employees, who are members of the AIM (Asset & Investment Management) team, executed 166 marketable securities trades, supported by improved liquidity.

Millennium also partners with SimpliCD, a streamlined custodial CD investment platform. As of year-end 2024, 240 member credit unions had active SimpliCD investments totaling \$459.5 million. SimpliCD also offers an issuance program, used to attract non-member deposits, that had 15 active participants with outstanding balances of \$96.6 million.

Following the acquisition of item processing services in August 2022, the Committee began monitoring transaction volumes for Inclearings, Returns, and Remote Deposit Capture. After an extensive effort consolidating the IP service from two antiquated systems onto a new single system over the past couple of years, Millennium will be focused on growing use of this service in 2025 and beyond.

Liquidity remained extremely strong in 2024. Investment activity totaled \$391 million in purchases - an increase of \$338 million over 2023 - and \$38.6 million in maturities. Over the past four years, average annual purchases and maturities were \$196 million and \$55 million, respectively.

Millennium continues to maintain access to multiple liquidity sources. In November 2022, we received approval to access the Federal Reserve Bank Discount Window by waiving our bankers' bank exemption under Regulation D. We also maintain a line of credit with the Federal Home Loan Bank (FHLB). Both

Asset Liability Committee Report

sources were tested in 2024 with one operational borrowing from each institution.

Our members also benefited from competitive returns on Perpetual Contributed Capital (PCC), Membership Deposit Shares (MDS), and overnight Managed Liquidity Shares (MLS) – all paying market-leading rates in 2024.

While this report summarizes the Committee's activities, please know it reflects the dedication and expertise of our staff and member volunteers in supporting the financial strength and long-term stability of your Corporate. We are grateful for the continued opportunity to serve you and look forward to a lasting, successful partnership.



Brady H. McLeod
President/CEO

Supervisory Committee Report

The Millennium Corporate Supervisory Committee responsibilities include oversight of regulatory exams, audits – internal and external – and risk assessments to ensure compliance with all applicable laws and regulations. Annually, the Committee and management analyze and prioritize areas of focus based upon the greatest risk to the Corporate.

The Enterprise Risk Management Committee (ERM), comprised of management and an outside ERM expert, also monitors risk across the entire organization and has been doing so since 2013. The residual risk the Corporate assumes, as a percentage of Retained Earnings (RE), has decreased over time, due to the increase in RE and risk management practices, and currently sits at 3.93%, a level the ERM Committee has deemed appropriate and manageable.

Committee oversight in 2024 included the following Internal Audits (IA), Risk Assessments (RA) & Testing Exercises (TE) –

- Accounts Payable **IA**
- International Services **IA**
- ACH Trans Cap. Review
- Authority Level **IA**
- External Device/Remote Access **IA**
- FHLB & FRB Borrowing Procedures **IA**
- FedLine Solution Security and Resiliency Program Review **IA**
- BCP Testing/Training/Documents **IA**
- BSA **RA**
- IT **RA**
- Juniper Payments **RA**
- Safekeeping **RA**
- JHA **RA**
- FIS **RA**
- ViewPointe **RA**
- ACH **RA**
- Wire Transfer **RA**
- NSI **RA**
- Abrigo/TPG **RA**
- AIM Tabletop **TE**
- Admin/Accounting/Management Tabletop **TE**
- Marketing Tabletop **TE**
- Item Processing Tabletop **TE**
- ACH Recovery **TE**
- Centurion Remote DATA **TE**
- Telephone System Recovery **TE**
- Network File Recovery **TE**

Supervisory Committee Report

External Audits and Regulatory Exams of 2024 include –

- Annual Financial Statement Audit – J. Tenbrink & Associates (JTA) | 3rd year of 5-year contract
- ACH Compliance Audit – JTA
- BSA Audit – JTA
- Information Technology Audit – TraceSecurity
 - External Penetration
 - Smishing
 - Vishing
- Regulatory Examination – Kansas Department of Credit Union (KDCU) & the National Credit Union Administration (NCUA)
- Excess Balance Account Agent Compliance – Federal Reserve Bank (FRB)

The Committee oversees all audits, reviews, assessments, and tests to provide members confidence that their investment with Millennium Corporate is secure. Based upon the review of all independent auditors, accountants, and regulators, the Committee believes, to the best of their ability, Millennium Corporate is in compliance with all credit union regulations.



Steve Grooms, Committee Chair
1st Liberty Federal Credit Union

Credit Committee Report

In 2024, credit union loan demand saw a notable decline, reversing the growth trend observed in previous years. Average loan balances fluctuated between \$12-49 million throughout the year. At the same time, overnight deposits rose significantly, reaching \$1.46 billion at year-end. This movement indicates a broad shift in member behavior, with increased focus on liquidity preservation amid uncertain economic conditions.

As of December 31, 2024, Millennium Corporate had 223 outstanding lines-of-credit (LOC's) totaling \$1.45 billion. The committee continued to monitor market conditions, perform annual creditworthiness reviews, and carry out semi-annual net worth evaluations in alignment with internal lending policy. Credit lines were adjusted as appropriate based on peer score trends, financial ratios, or merger activity. Members whose performance fell outside standard guidelines were reviewed more closely, with actions taken to either reaffirm, modify, or retire credit lines based on updated risk assessments.

Millennium Corporate also continued to offer flexible funding tools beyond traditional settlement loans. Services such as SimpliCD Issuance provided member credit unions with additional liquidity options, helping them raise funds through non-member deposits. By December, SimpliCD Issuance activity had reached \$168 million, reflecting strong utilization of the program among member institutions.

The Credit Committee, along with loan officers and support staff, worked throughout the year to ensure that Millennium's credit offerings remained reliable, responsive, and tailored to members' evolving needs. These efforts reflect the credit union's continued role as a key liquidity provider in all market conditions.

Thank you to the staff and members who make this collaborative process successful, and who continue to rely on Millennium Corporate for secure and effective liquidity solutions.



Gerry Veis
Committee Chair

Management Statements

Statement of Management's Responsibilities

The management of Millennium Corporate Credit Union (Millennium Corporate) is responsible for preparing Millennium Corporate's annual financial statements in accordance with generally accepted accounting principles, except for the classification of members' accounts as discussed below; for establishing and maintaining an adequate internal control structure and procedures for financial reporting, including controls over the preparation of regulatory financial reports in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report; and for complying with Federal and, as applicable, State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends and regulatory reporting that meets full and fair disclosure.

Members' accounts are classified as equity to denote the ownership interest of Millennium Corporate's members. This classification conforms to the statutory definition in the Kansas Credit Union Act and is consistent with past longstanding practice. Accounting principles generally accepted in the United States of America require that members' accounts be classified as liabilities, similar to deposits at other financial institutions.

Millennium Corporate Credit Union



Brady H. McLeod
President/CEO



Elizabeth C. Neighbors, CPA, CGMA
Vice President – Accounting / Controller

March 18, 2025

Management Statements

Statement of Management's Assessment of Internal Controls Over Financial Reporting

Millennium Corporate Credit Union's (Millennium Corporate) internal controls over financial reporting is a process effected by those charged with governance, management, and other personnel, designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of reliable financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory reporting purposes, i.e., NCUA 5310 – Corporate Credit Union Call Reports. Millennium Corporate's internal controls over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of Millennium Corporate; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America and financial statements for regulatory purposes, and that receipts and expenditures of Millennium Corporate are being made only in accordance with authorizations of management and directors of Millennium Corporate; and (3) provide reasonable assurance regarding prevention, or timely detection and correction of unauthorized acquisition, use, or disposition of Millennium Corporate's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal controls over financial reporting may not prevent, or detect and correct misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies and procedures may deteriorate.

Management is responsible for establishing and maintaining effective internal controls over financial reporting including controls over the preparation of regulatory financial statements. Management assessed the effectiveness of Millennium Corporate's internal controls over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report, as of December 31, 2024, based on the framework set forth by the Committee of Sponsoring Organizations of the Treadway Commission in *Internal Controls – Integrated Framework*. Based upon its assessment, management has concluded that, as of December 31, 2024, Millennium Corporate's internal controls over financial reporting, including controls over the preparation of regulatory financial statements in accordance with the instructions for the NCUA 5310 – Corporate Credit Union Call Report, is effective based on the criteria established in *Internal Control – Integrated Framework*.

Millennium Corporate Credit Union



Brady H. McLeod
President/CEO



Elizabeth C. Neighbors, CPA, CGMA
Vice President – Accounting / Controller

March 18, 2025

Management Statements

Management's Assessment of Compliance Report

The management of Millennium Corporate Credit Union (Millennium Corporate) has assessed Millennium Corporate's compliance with the Federal and State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends and regulatory reporting that meets full and fair disclosure during the year that ended on December 31, 2024. Based upon its assessment, management has concluded that Millennium Corporate complied with the Federal and State laws and regulations pertaining to affiliate transactions, legal lending limits, loans to insiders, restrictions on capital and share dividends and regulatory reporting that meets full and fair disclosure during the year that ended December 31, 2024.

Millennium Corporate Credit Union



Brady H. McLeod
President/CEO



Elizabeth C. Neighbors, CPA, CGMA
Vice President - Accounting / Controller

March 18, 2025

Millennium

C O R P O R A T E C R E D I T U N I O N

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WORK HARD BE KIND TAKE PRIDE