

# FINANCIAL Report

SEPTEMBER 2017



**Millennium**  
CORPORATE CREDIT UNION

# Statement of Financial Condition

## SEPTEMBER 30, 2017

### ASSETS

|                                    | September 30, 2017    | August 31, 2017       | September 30, 2016    |
|------------------------------------|-----------------------|-----------------------|-----------------------|
| CASH                               | 17,406,853.54         | 14,240,307.49         | 26,152,254.98         |
| INTEREST BEARING DEPOSITS -- FRB   | 264,726,522.33        | 134,814,392.50        | 263,254,432.18        |
| CERTIFICATES OF DEPOSITS           | 748,000.00            | 748,000.00            | 1,100,450.79          |
| <b>LOANS</b>                       |                       |                       |                       |
| DEMAND                             | 2,497,655.70          | 25,124,746.09         | 1,995,722.93          |
| FIXED RATE TERM LOANS              | 21,517,153.60         | 21,542,391.69         | 24,978,244.82         |
| TOTAL LOANS                        | 24,014,809.30         | 46,667,137.78         | 26,973,967.75         |
| <b>INVESTMENTS</b>                 |                       |                       |                       |
| MARKETABLE SECURITIES              | 324,195,193.14        | 325,989,197.00        | 337,107,962.99        |
| FAS 115 MTM VALUATION *            | 164,418.17            | 203,952.80            | (179,192.94)          |
| TOTAL MARKETABLE SECURITIES        | 324,359,611.31        | 326,193,149.80        | 336,928,770.05        |
| OTHER INVESTMENTS                  | 42,725,704.59         | 42,712,004.59         | 41,113,422.57         |
| TOTAL INVESTMENTS                  | 367,085,315.90        | 368,905,154.39        | 378,042,192.62        |
| <b>FIXED ASSETS</b>                |                       |                       |                       |
|                                    | <b>COST</b>           | <b>ACCUM DEPR</b>     |                       |
| LAND                               | 92,431.55             | -                     | 92,431.55             |
| BUILDINGS & IMPROVEMENTS           | 849,448.39            | (488,318.98)          | 361,129.41            |
| DATA PROC EQUIP                    | 302,895.30            | (259,342.94)          | 43,552.36             |
| FURN & FIXTURES                    | 438,876.28            | (406,906.00)          | 31,970.28             |
| TOTAL FIXED ASSETS                 | 1,683,651.52          | (1,154,567.92)        | 529,083.60            |
| NCUSIF DEPOSIT                     |                       |                       | 606,433.65            |
| ACCRUED INTEREST REC - INVESTMENTS |                       |                       | 276,883.12            |
| ACCRUED INTEREST REC - LOANS       |                       |                       | 28,324.06             |
| OTHER ASSETS                       |                       |                       |                       |
| ACCOUNTS / COMMISSIONS RECEIVABLE  |                       |                       | 988,772.76            |
| PREPAID EXP                        |                       |                       | 194,235.70            |
| TOTAL OTHER ASSETS                 |                       |                       | 1,183,008.46          |
| INVESTMENT IN CUSO                 |                       |                       | 2,995,209.00          |
| <b>TOTAL ASSETS</b>                | <b>679,600,442.96</b> | <b>571,259,852.73</b> | <b>701,048,144.79</b> |

### LIABILITIES AND EQUITY

|  |                       |                       |                       |
|--|-----------------------|-----------------------|-----------------------|
| <b>LIABILITIES:</b>                      |                       |                       |                       |
| FHLB LOAN                                | 25,000,000.00         | 50,000,000.00         | -                     |
| ACCRUED DIVIDEND & INTEREST PAYABLE      | 393,510.90            | 399,667.15            | 116,303.56            |
| ACCRUED EXPENSES                         | 250,580.53            | 226,598.65            | 256,514.85            |
| OTHER LIABILITIES & CREDITS              | 93,488.37             | 89,835.00             | 82,127.30             |
| <b>TOTAL LIABILITIES</b>                 | <b>25,737,579.80</b>  | <b>50,716,100.80</b>  | <b>454,945.71</b>     |
| <b>SHARES:</b>                           |                       |                       |                       |
| REGULAR SHARES                           | 245,781,607.98        | 180,813,356.06        | 290,827,447.61        |
| SHARE CERTIFICATES                       | 9,375,000.00          | 11,045,000.00         | 2,890,533.27          |
| MANAGED LIQUIDITY SHARES                 | 332,323,045.39        | 262,535,373.81        | 343,621,146.07        |
| <b>TOTAL SHARES</b>                      | <b>587,479,653.37</b> | <b>454,393,729.87</b> | <b>637,339,126.95</b> |
| <b>EQUITY:</b>                           |                       |                       |                       |
| RETAINED EARNINGS                        | 12,010,284.72         | 11,737,562.36         | 9,284,651.86          |
| PERPETUAL CONTRIBUTED CAPITAL            | 54,208,506.90         | 54,208,506.90         | 54,148,613.21         |
| TOTAL CAPITAL                            | 66,218,791.62         | 65,946,069.26         | 63,433,265.07         |
| ACCUMULATED OTHER COMPREHENSIVE INCOME * | 164,418.17            | 203,952.80            | (179,192.94)          |
| <b>TOTAL EQUITY</b>                      | <b>66,383,209.79</b>  | <b>66,150,022.06</b>  | <b>63,254,072.13</b>  |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>    | <b>679,600,442.96</b> | <b>571,259,852.73</b> | <b>701,048,144.79</b> |

\* Represents unrealized gains/(losses) on available for sale securities in accordance with SFAS 115.

# Comparative Income Statement

For the Period Ended SEPTEMBER 30, 2017

|   | CURRENT MONTH      | PRIOR MONTH        | CURRENT vs PRIOR   |              | YTD CURRENT MONTH   | YTD SAME MONTH LAST YEAR | YTD CURRENT vs YTD LAST YEAR |               |
|---|--------------------|--------------------|--------------------|--------------|---------------------|--------------------------|------------------------------|---------------|
|   |                    |                    | \$ DIFFERENCE      | % DIFFERENCE |                     |                          | \$ DIFFERENCE                | % DIFFERENCE  |
| <b>INTEREST INCOME:</b>   |                    |                    |                    |              |                     |                          |                              |               |
| Interest Bearing Deposits -- FRB & Other Financial Institutions | 155,927.24         | 157,409.21         | (1,481.97)         | -0.9%        | 1,683,667.08        | 952,408.34               | 731,258.74                   | 76.8%         |
| Certificates of Deposit   | 825.41             | 852.92             | (27.51)            | -3.2%        | 6,525.42            | 11,398.15                | (4,872.73)                   | -42.8%        |
| Repurchase Agreements Income                                    | 46,083.20          | 47,627.64          | (1,544.44)         | -3.2%        | 355,417.37          | 193,477.47               | 161,939.90                   | 83.7%         |
| Marketable Securities   | 435,766.03         | 447,015.00         | (11,248.97)        | -2.5%        | 3,464,773.22        | 2,120,407.58             | 1,344,365.64                 | 63.4%         |
| Dividends on FHLB Stock   | 13,891.30          | -                  | 13,891.30          |              | 19,067.71           | 7,656.85                 | 11,410.86                    | 149.0%        |
| Loans   | 51,641.40          | 45,048.30          | 6,593.10           | 14.6%        | 263,765.42          | 141,967.96               | 121,797.46                   | 85.8%         |
| Earnings on Excess Balance Account                              | 30,988.11          | 49,274.47          | (18,286.36)        | -37.1%       | 249,113.37          | 161,823.84               | 87,289.53                    | 53.9%         |
| <b>Total Interest Income</b>                                    | <b>735,122.69</b>  | <b>747,227.54</b>  | <b>(12,104.85)</b> | <b>-1.6%</b> | <b>6,042,329.59</b> | <b>3,589,140.19</b>      | <b>2,453,189.40</b>          | <b>68.4%</b>  |
| <b>INTEREST EXPENSE:</b>  |                    |                    |                    |              |                     |                          |                              |               |
| Regular Shares  | 14,765.20          | 14,893.50          | (128.30)           | -0.9%        | 107,165.53          | 100,829.14               | 6,336.39                     | 6.3%          |
| Managed Liquidity Shares  | 244,876.65         | 263,228.47         | (18,351.82)        | -7.0%        | 2,132,930.14        | 819,507.40               | 1,313,422.74                 | 160.3%        |
| Shares Certificates   | 9,621.76           | 9,384.30           | 237.46             | 2.5%         | 51,825.19           | 35,402.56                | 16,422.63                    | 46.4%         |
| FHLB LOC Advance  | 36,215.19          | 20,166.67          | 16,048.52          | 79.6%        | 56,381.86           | 1,286.10                 | 55,095.76                    | 4283.9%       |
| EBA Member Interest Expense                                     | 26,525.74          | 34,563.78          | (8,038.04)         | -23.3%       | 204,575.22          | 107,761.61               | 96,813.61                    | 89.8%         |
| <b>Total Interest Expense</b>                                   | <b>332,004.54</b>  | <b>342,236.72</b>  | <b>(10,232.18)</b> | <b>-3.0%</b> | <b>2,552,877.94</b> | <b>1,064,786.81</b>      | <b>1,488,091.13</b>          | <b>139.8%</b> |
| <b>NET INTEREST INCOME</b>                                      | <b>403,118.15</b>  | <b>404,990.82</b>  | <b>(1,872.67)</b>  | <b>-0.5%</b> | <b>3,489,451.65</b> | <b>2,524,353.38</b>      | <b>965,098.27</b>            | <b>38.2%</b>  |
| <b>NONINTEREST INCOME:</b>                                      |                    |                    |                    |              |                     |                          |                              |               |
| AIM Income  | 26,268.83          | 29,060.50          | (2,791.67)         | -9.6%        | 251,207.66          | 245,970.01               | 5,237.65                     | 2.1%          |
| Financial Services  | 306,928.05         | 297,684.95         | 9,243.10           | 3.1%         | 2,718,918.09        | 2,551,399.02             | 167,519.07                   | 6.6%          |
| Commission Income   | 81,603.71          | 47,980.09          | 33,623.62          | 70.1%        | 555,886.83          | 525,243.79               | 30,643.04                    | 5.8%          |
| Other Noninterest Income  | 3,967.73           | 15,610.10          | (11,642.37)        | -74.6%       | 76,293.07           | 65,658.52                | 10,634.55                    | 16.2%         |
| <b>TOTAL NONINTEREST INCOME</b>                                 | <b>418,768.32</b>  | <b>390,335.64</b>  | <b>28,432.68</b>   | <b>7.3%</b>  | <b>3,602,305.65</b> | <b>3,388,271.34</b>      | <b>214,034.31</b>            | <b>6.3%</b>   |
| <b>TOTAL OPERATING INCOME</b>                                   | <b>821,886.47</b>  | <b>795,326.46</b>  | <b>26,560.01</b>   | <b>3.3%</b>  | <b>7,091,757.30</b> | <b>5,912,624.72</b>      | <b>1,179,132.58</b>          | <b>19.9%</b>  |
| <b>OPERATING EXPENSES:</b>                                      |                    |                    |                    |              |                     |                          |                              |               |
| Salaries  | 149,902.55         | 143,119.01         | 6,783.54           | 4.7%         | 1,299,221.83        | 1,226,102.92             | 73,118.91                    | 6.0%          |
| Employee Benefits   | 35,143.23          | 35,629.70          | (486.47)           | -1.4%        | 316,081.77          | 306,365.63               | 9,716.14                     | 3.2%          |
| Financial Services  | 188,376.99         | 187,198.94         | 1,178.05           | 0.6%         | 1,629,449.35        | 1,431,015.67             | 198,433.68                   | 13.9%         |
| Data Processing   | 39,892.96          | 39,491.87          | 401.09             | 1.0%         | 354,329.66          | 356,028.76               | (1,699.10)                   | -0.5%         |
| Professional Services   | 15,730.41          | 16,969.06          | (1,238.65)         | -7.3%        | 173,663.18          | 154,142.18               | 19,521.00                    | 12.7%         |
| Supervisory / Exam Expense                                      | 2,257.17           | 2,257.17           | 0.00               | 0.0%         | 20,992.49           | 31,040.09                | (10,047.60)                  | -32.4%        |
| Office Occupancy  | 16,406.23          | 16,353.49          | 52.74              | 0.3%         | 147,245.57          | 137,330.10               | 9,915.47                     | 7.2%          |
| Office Operations   | 4,428.74           | 5,849.79           | (1,421.05)         | -24.3%       | 86,281.90           | 121,965.83               | (35,683.93)                  | -29.3%        |
| Insurance   | 8,442.99           | 8,442.99           | -                  | 0.0%         | 75,986.91           | 76,007.97                | (21.06)                      | 0.0%          |
| Depreciation  | 4,733.74           | 5,398.17           | (664.43)           | -12.3%       | 49,418.86           | 65,114.86                | (15,696.00)                  | -24.1%        |
| Financial Institutions Service Charges                          | 7,114.10           | 6,661.66           | 452.44             | 6.8%         | 62,286.53           | 75,905.72                | (13,619.19)                  | -17.9%        |
| Travel & Conferences  | 9,529.51           | 8,997.32           | 532.19             | 5.9%         | 74,267.71           | 67,384.84                | 6,882.87                     | 10.2%         |
| Investment Advisory Support                                     | 4,955.00           | 4,914.00           | 41.00              | 0.8%         | 44,247.00           | 35,950.17                | 8,296.83                     | 23.1%         |
| ISI Investment ALM Fee  | 4,166.00           | 4,166.00           | -                  | 0.0%         | 37,494.00           | 33,750.00                | 3,744.00                     | 11.1%         |
| Promotion & Advertising   | 11,675.94          | 8,183.50           | 3,492.44           | 42.7%        | 93,412.08           | 54,687.88                | 38,724.20                    | 70.8%         |
| Volunteer Meetings  | 4,800.00           | 2,708.42           | 2,091.58           | 77.2%        | 46,104.47           | 29,922.55                | 16,181.92                    | 54.1%         |
| Other Expenses  | 3,495.59           | 4,947.28           | (1,451.69)         | -29.3%       | 21,773.73           | 14,752.81                | 7,020.92                     | 47.6%         |
| <b>TOTAL OPERATING EXPENSE</b>                                  | <b>511,051.15</b>  | <b>501,288.37</b>  | <b>9,762.78</b>    | <b>1.9%</b>  | <b>4,532,257.04</b> | <b>4,217,467.98</b>      | <b>314,789.06</b>            | <b>7.5%</b>   |
| Income From CUSO  | 12,914.00          | 12,201.00          | 713.00             | 5.8%         | 92,699.00           | 56,566.00                | 36,133.00                    | 63.9%         |
| Gains / Losses  | -                  | -                  | -                  |              | -                   | -                        | -                            |               |
| Gains / Losses on Disposition of Marketable Securities          | 15,805.40          | 15,232.56          | 572.84             | 3.8%         | 31,037.96           | -                        | 31,037.96                    |               |
|   | <b>28,719.40</b>   | <b>27,433.56</b>   | <b>1,285.84</b>    | <b>4.7%</b>  | <b>123,736.96</b>   | <b>56,566.00</b>         | <b>67,170.96</b>             | <b>118.7%</b> |
| <b>NET INCOME BEFORE PCC DIVIDENDS</b>                          | <b>339,554.72</b>  | <b>321,471.65</b>  | <b>18,083.07</b>   | <b>5.6%</b>  | <b>2,683,237.22</b> | <b>1,751,722.74</b>      | <b>931,514.48</b>            | <b>53.2%</b>  |
| PCC Dividends   | 66,832.36          | 69,067.35          | (2,234.99)         | -3.2%        | 455,789.97          | 142,314.58               | 313,475.39                   | 220.3%        |
| <b>NET ADDITIONS TO UNDIVIDED EARNINGS</b>                      | <b>272,722.36</b>  | <b>252,404.30</b>  | <b>20,318.06</b>   | <b>8.0%</b>  | <b>2,227,447.25</b> | <b>1,609,408.16</b>      | <b>618,039.09</b>            | <b>38.4%</b>  |
| <b>MOVING DAILY AVERAGE NET ASSETS (MDANA)</b>                  | <b>565,900,730</b> | <b>553,012,247</b> |                    |              | <b>623,530,180</b>  | <b>654,790,078</b>       |                              |               |
| <b>ROA (Basis Points)</b>                                       | <b>57.8</b>        | <b>54.8</b>        |                    |              | <b>47.6</b>         | <b>32.8</b>              |                              |               |

## Millennium Volunteer Roster

### BOARD OF DIRECTORS

Tom Kjar, Chair | Creighton Federal Credit Union  
Greg Winkler, Vice Chair | Azura Credit Union  
Mark Kolarik, Secretary/Treasurer | Kansas Teachers Community Credit Union  
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Kevin Mayer | Richland Federal Credit Union  
Kenn Miller | MembersOwn Credit Union  
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Glenna Jarvis | Missouri Central Credit Union  
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Bob Thurman | Credit Union of America  
Ted Underwood | Golden Plains Credit Union  
Phil Weber | Central Communications Credit Union

### ASSET/LIABILITY COMMITTEE

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Larry Eisenhauer | Millennium Corporate Credit Union  
Kitty Gray | Millennium Corporate Credit Union  
Steve Howke | Millennium Corporate Credit Union  
Ron Kampwerth | Anheuser-Busch Employees' Credit Union  
Mark Kolarik | Kansas Teachers Community Credit Union  
Brady McLeod | Millennium Corporate Credit Union  
Bob Thurman | Credit Union of America

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Linda Allen | Arsenal Credit Union  
Chuck Bullock | Quantum Credit Union  
Teri Krakowka | Southwest Montana Community Federal Credit Union  
Dee Schriener | Trius Federal Credit Union

### CREDIT COMMITTEE

Paul Meissner, Chair | Credit Union of America  
Kevin Brueseke | Conservation Employees' Credit Union  
Gerry Veis | Bear Paw Credit Union  
Scott Winkelmann | Fremont First Federal Credit Union

## Executive Team

Larry Eisenhauer, President/CEO  
larry@millenniumcorporate.org | ext. 108

Kent Gleason, EVP/COO  
kent@millenniumcorporate.org | ext. 107

Kathleen Gray, CFO  
kitty@millenniumcorporate.org | ext. 130

Lyn Hollenbeck, VP - Operations  
lyn@millenniumcorporate.org | ext. 113

Kip Poe, VP - Information & Technology  
kip@millenniumcorporate.org | ext. 104

## Contact Information

### KANSAS OFFICE

8615 W. Frazier  
Wichita, KS 67212

### MISSOURI OFFICE

2055 N. Craigshire Drive  
St. Louis, MO 63146

### MONTANA OFFICE

101 N. Rodney, Suite 2  
Helena, MT 59601

**Toll Free 800.721.2677**  
**[www.millenniumcorporate.org](http://www.millenniumcorporate.org)**