

# FINANCIAL Report

AUGUST 2018



**Millennium**  
CORPORATE CREDIT UNION

# Statement of Financial Condition

AUGUST 31, 2018

## ASSETS

|  |                               | August 31, 2018       | July 31, 2018         | August 31, 2017       |
|--|-------------------------------|-----------------------|-----------------------|-----------------------|
| CASH                                     |                               | 16,995,017.05         | 18,072,236.21         | 14,240,307.49         |
| INTEREST BEARING DEPOSITS -- FRB         |                               | 235,468,896.33        | 153,264,893.49        | 134,814,392.50        |
| CERTIFICATES OF DEPOSITS                 |                               | 496,000.00            | 496,000.00            | 748,000.00            |
| <b>LOANS</b>                             |                               |                       |                       |                       |
| DEMAND                                   |                               | 3,792,305.92          | 16,520,861.44         | 25,124,746.09         |
| FIXED RATE TERM LOANS                    |                               | 27,252,651.89         | 33,787,889.98         | 21,542,391.69         |
| <b>TOTAL LOANS</b>                       |                               | <b>31,044,957.81</b>  | <b>50,308,751.42</b>  | <b>46,667,137.78</b>  |
| <b>INVESTMENTS</b>                       |                               |                       |                       |                       |
| MARKETABLE SECURITIES                    |                               | 278,724,473.17        | 310,963,152.75        | 325,989,197.00        |
| FAS 115 MTM VALUATION *                  |                               | 493,870.67            | 518,185.14            | 203,952.80            |
|  |                               | <b>279,218,343.84</b> | <b>311,481,337.89</b> | <b>326,193,149.80</b> |
| OTHER INVESTMENTS                        |                               | 44,300,000.00         | 43,175,000.00         | 42,712,004.59         |
| <b>TOTAL INVESTMENTS</b>                 |                               | <b>323,518,343.84</b> | <b>354,656,337.89</b> | <b>368,905,154.39</b> |
| <b>FIXED ASSETS</b>                      |                               |                       |                       |                       |
|  | <b>COST</b>                   | <b>ACCUM DEPR</b>     |                       |                       |
| LAND                                     | 92,431.55                     | -                     | 92,431.55             | 92,431.55             |
| BUILDINGS & IMPROVEMENTS                 | 849,448.39                    | (513,480.40)          | 335,967.99            | 363,629.37            |
| DATA PROC EQUIP                          | 337,092.44                    | (300,643.94)          | 36,448.50             | 46,691.64             |
| FURN & FIXTURES                          | 457,675.93                    | (392,447.87)          | 65,228.06             | 33,564.74             |
| <b>TOTAL FIXED ASSETS</b>                | <b>1,736,648.31</b>           | <b>(1,206,572.21)</b> | <b>530,076.10</b>     | <b>536,317.30</b>     |
| NCUSIF DEPOSIT                           |                               | 577,661.27            | 577,661.27            | 606,433.65            |
| ACCRUED INTEREST REC - INVESTMENTS       |                               | 402,414.66            | 521,956.23            | 262,122.10            |
| ACCRUED INTEREST REC - LOANS             |                               | 60,500.51             | 72,667.75             | 29,901.90             |
| <b>OTHER ASSETS</b>                      |                               |                       |                       |                       |
| ACCOUNTS / COMMISSIONS RECEIVABLE        |                               | 1,452,882.21          | 970,037.07            | 1,266,105.11          |
| PREPAID EXP                              |                               | 390,721.16            | 414,391.30            | 201,685.51            |
| <b>TOTAL OTHER ASSETS</b>                |                               | <b>1,843,603.37</b>   | <b>1,384,428.37</b>   | <b>1,467,790.62</b>   |
| INVESTMENT IN CUSO                       |                               | 2,877,787.00          | 2,868,774.00          | 2,982,295.00          |
| <b>TOTAL ASSETS</b>                      |                               | <b>613,815,257.94</b> | <b>582,761,300.64</b> | <b>571,259,852.73</b> |
|  |                               |                       |                       |                       |
|  | <b>LIABILITIES AND EQUITY</b> |                       |                       |                       |
| <b>LIABILITIES:</b>                      |                               |                       |                       |                       |
| FHLB LOAN                                |                               | -                     | 60,000,000.00         | 50,000,000.00         |
| ACCRUED DIVIDEND & INTEREST PAYABLE      |                               | 722,589.31            | 732,639.95            | 399,667.15            |
| ACCRUED EXPENSES                         |                               | 280,807.87            | 263,634.36            | 226,598.65            |
| OTHER LIABILITIES & CREDITS              |                               | 119,986.59            | 365,554.57            | 89,835.00             |
| <b>TOTAL LIABILITIES</b>                 |                               | <b>1,123,383.77</b>   | <b>61,361,828.88</b>  | <b>50,716,100.80</b>  |
| <b>SHARES:</b>                           |                               |                       |                       |                       |
| REGULAR SHARES                           |                               | 225,954,204.47        | 154,326,698.46        | 180,813,356.06        |
| SHARE CERTIFICATES                       |                               | 17,750,500.00         | 20,498,500.00         | 11,045,000.00         |
| MANAGED LIQUIDITY SHARES                 |                               | 298,700,421.50        | 276,544,314.27        | 262,535,373.81        |
| MEMBERSHIP SHARES                        |                               | 250,000.00            | 250,000.00            | -                     |
| <b>TOTAL SHARES</b>                      |                               | <b>542,655,125.97</b> | <b>451,619,512.73</b> | <b>454,393,729.87</b> |
| <b>EQUITY:</b>                           |                               |                       |                       |                       |
| RETAINED EARNINGS                        |                               | 15,334,370.63         | 15,053,266.99         | 11,737,562.36         |
| PERPETUAL CONTRIBUTED CAPITAL            |                               | 54,208,506.90         | 54,208,506.90         | 54,208,506.90         |
| <b>TOTAL CAPITAL</b>                     |                               | <b>69,542,877.53</b>  | <b>69,261,773.89</b>  | <b>65,946,069.26</b>  |
| ACCUMULATED OTHER COMPREHENSIVE INCOME * |                               | 493,870.67            | 518,185.14            | 203,952.80            |
| <b>TOTAL EQUITY</b>                      |                               | <b>70,036,748.20</b>  | <b>69,779,959.03</b>  | <b>66,150,022.06</b>  |
| <b>TOTAL LIABILITIES &amp; EQUITY</b>    |                               | <b>613,815,257.94</b> | <b>582,761,300.64</b> | <b>571,259,852.73</b> |

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

# Comparative Income Statement

For the Period Ended AUGUST 31, 2018

|   | 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 | 231,119.58          | 224,988.31          | 6,131.27           | 2.7%          | 2,493,764.98        | 1,527,739.84             | 966,025.14                   | 63.2%         |
| Certificates of Deposit   | 1,011.03            | 682.52              | 328.51             | 48.1%         | 4,331.68            | 5,700.01                 | (1,368.33)                   | -24.0%        |
| Repurchase Agreements Income                                    | 72,361.13           | 74,027.78           | (1,666.65)         | -2.3%         | 508,657.37          | 309,334.17               | 199,323.20                   | 64.4%         |
| Marketable Securities   | 630,396.09          | 663,293.37          | (32,897.28)        | -5.0%         | 4,735,590.84        | 3,029,007.19             | 1,706,583.65                 | 56.3%         |
| Dividends on FHLB Stock   | -                   | -                   | -                  | -             | 15,332.96           | 5,176.41                 | 10,156.55                    | 196.2%        |
| Loans   | 110,044.11          | 104,552.28          | 5,491.83           | 5.3%          | 453,132.32          | 212,124.02               | 241,008.30                   | 113.6%        |
| Earnings on Excess Balance Account                              | 48,017.49           | 41,525.70           | 6,491.79           | 15.6%         | 348,463.23          | 218,125.26               | 130,337.97                   | 59.8%         |
| <b>Total Interest Income</b>                                    | <b>1,092,949.43</b> | <b>1,109,069.96</b> | <b>(16,120.53)</b> | <b>-1.5%</b>  | <b>8,559,273.38</b> | <b>5,307,206.90</b>      | <b>3,252,066.48</b>          | <b>61.3%</b>  |
| <b>INTEREST EXPENSE:</b>  |                     |                     |                    |               |                     |                          |                              |               |
| Regular Shares  | 33,521.95           | 34,046.92           | (524.97)           | -1.5%         | 264,819.50          | 92,400.33                | 172,419.17                   | 186.6%        |
| Managed Liquidity Shares  | 411,955.60          | 430,987.03          | (19,031.43)        | -4.4%         | 3,435,464.84        | 1,888,053.49             | 1,547,411.35                 | 82.0%         |
| Membership Shares   | 392.81              | 392.81              | -                  | 0.0%          | 2,419.52            | -                        | 2,419.52                     | -             |
| Shares Certificates   | 29,856.48           | 33,466.80           | (3,610.32)         | -10.8%        | 210,834.04          | 42,203.43                | 168,630.61                   | 399.6%        |
| FHLB LOC Advance  | 65,309.71           | 50,173.66           | 15,136.05          | 30.2%         | 154,288.12          | 20,166.67                | 134,121.45                   | 665.1%        |
| EBA Member Interest Expense                                     | 44,323.35           | 37,527.59           | 6,795.76           | 18.1%         | 306,580.36          | 178,049.48               | 128,530.88                   | 72.2%         |
| <b>Total Interest Expense</b>                                   | <b>585,359.90</b>   | <b>586,594.81</b>   | <b>(1,234.91)</b>  | <b>-0.2%</b>  | <b>4,374,406.38</b> | <b>2,220,873.40</b>      | <b>2,153,532.98</b>          | <b>97.0%</b>  |
| <b>NET INTEREST INCOME</b>                                      | <b>507,589.53</b>   | <b>522,475.15</b>   | <b>(14,885.62)</b> | <b>-2.8%</b>  | <b>4,184,867.00</b> | <b>3,086,333.50</b>      | <b>1,098,533.50</b>          | <b>35.6%</b>  |
| <b>NONINTEREST INCOME:</b>                                      |                     |                     |                    |               |                     |                          |                              |               |
| AIM Income  | 23,091.79           | 28,633.41           | (5,541.62)         | -19.4%        | 219,221.50          | 224,938.83               | (5,717.33)                   | -2.5%         |
| Financial Services  | 314,873.76          | 314,082.30          | 791.46             | 0.3%          | 2,497,406.04        | 2,411,990.04             | 85,416.00                    | 3.5%          |
| Commission Income   | 40,051.60           | 29,823.41           | 10,228.19          | 34.3%         | 376,109.10          | 474,283.12               | (98,174.02)                  | -20.7%        |
| Other Noninterest Income  | 4,011.43            | 12,311.83           | (8,300.40)         | -67.4%        | 113,201.22          | 72,325.34                | 40,875.88                    | 56.5%         |
| <b>TOTAL NONINTEREST INCOME</b>                                 | <b>382,028.58</b>   | <b>384,850.95</b>   | <b>(2,822.37)</b>  | <b>-0.7%</b>  | <b>3,205,937.86</b> | <b>3,183,537.33</b>      | <b>22,400.53</b>             | <b>0.7%</b>   |
| <b>TOTAL OPERATING INCOME</b>                                   | <b>889,618.11</b>   | <b>907,326.10</b>   | <b>(17,707.99)</b> | <b>-2.0%</b>  | <b>7,390,804.86</b> | <b>6,269,870.83</b>      | <b>1,120,934.03</b>          | <b>17.9%</b>  |
| <b>OPERATING EXPENSES:</b>                                      |                     |                     |                    |               |                     |                          |                              |               |
| Salaries  | 142,956.90          | 132,759.12          | 10,197.78          | 7.7%          | 1,181,409.21        | 1,149,319.28             | 32,089.93                    | 2.8%          |
| Employee Benefits   | 35,196.43           | 37,093.59           | (1,897.16)         | -5.1%         | 300,935.13          | 280,938.54               | 19,996.59                    | 7.1%          |
| Financial Services  | 191,889.09          | 192,425.45          | (536.36)           | -0.3%         | 1,518,182.44        | 1,441,072.36             | 77,110.08                    | 5.4%          |
| Data Processing   | 40,378.75           | 40,097.89           | 280.86             | 0.7%          | 313,903.87          | 314,436.70               | (532.83)                     | -0.2%         |
| Professional Services   | 27,214.23           | 28,454.97           | (1,240.74)         | -4.4%         | 190,300.19          | 157,932.77               | 32,367.42                    | 20.5%         |
| Supervisory / Exam Expense                                      | 2,257.00            | 2,259.06            | (2.06)             | -0.1%         | 18,059.10           | 18,735.32                | (676.22)                     | -3.6%         |
| Office Occupancy  | 14,043.43           | 14,464.41           | (420.98)           | -2.9%         | 114,885.43          | 130,839.34               | (15,953.91)                  | -12.2%        |
| Office Operations   | 4,303.59            | 5,994.68            | (1,691.09)         | -28.2%        | 124,005.10          | 81,853.16                | 42,151.94                    | 51.5%         |
| Insurance   | 6,534.00            | 6,534.00            | -                  | 0.0%          | 52,165.00           | 67,543.92                | (15,378.92)                  | -22.8%        |
| Depreciation  | 5,310.12            | 6,059.70            | (749.58)           | -12.4%        | 49,018.81           | 44,685.12                | 4,333.69                     | 9.7%          |
| Financial Institutions Service Charges                          | 6,786.65            | 6,821.40            | (34.75)            | -0.5%         | 55,036.66           | 55,172.43                | (135.77)                     | -0.2%         |
| Travel & Conferences  | 4,208.95            | 3,913.88            | 295.07             | 7.5%          | 69,822.38           | 64,738.20                | 5,084.18                     | 7.9%          |
| Investment Advisory Support                                     | 4,955.00            | 4,955.00            | -                  | 0.0%          | 39,640.00           | 39,292.00                | 348.00                       | 0.9%          |
| ISI Investment ALM Fee  | 4,166.00            | 4,166.00            | -                  | 0.0%          | 33,328.00           | 33,328.00                | -                            | 0.0%          |
| Promotion & Advertising   | 12,383.17           | 7,319.50            | 5,063.67           | 69.2%         | 92,679.72           | 81,736.14                | 10,943.58                    | 13.4%         |
| Volunteer Meetings  | 6,176.73            | 10,296.57           | (4,119.84)         | -40.0%        | 73,315.27           | 41,304.47                | 32,010.80                    | 77.5%         |
| Other Expenses  | 3,494.61            | 4,599.00            | (1,104.39)         | -24.0%        | 19,087.22           | 18,278.14                | 809.08                       | 4.4%          |
| <b>TOTAL OPERATING EXPENSE</b>                                  | <b>512,254.65</b>   | <b>508,214.22</b>   | <b>4,040.43</b>    | <b>0.8%</b>   | <b>4,245,773.53</b> | <b>4,021,205.89</b>      | <b>224,567.64</b>            | <b>5.6%</b>   |
| Income From CUSO  | 9,013.00            | 4,123.00            | 4,890.00           | 118.6%        | 44,071.00           | 79,785.00                | (35,714.00)                  | -44.8%        |
| Gains / Losses  | -                   | -                   | -                  | -             | -                   | -                        | -                            | -             |
| Gains / Losses on Disposition of Marketable Securities          | 2,921.80            | -                   | 2,921.80           | -             | 2,921.80            | 15,232.56                | (12,310.76)                  | -80.8%        |
|   | <b>11,934.80</b>    | <b>4,123.00</b>     | <b>7,811.80</b>    | <b>189.5%</b> | <b>46,992.80</b>    | <b>95,017.56</b>         | <b>(48,024.76)</b>           | <b>-50.5%</b> |
| <b>NET INCOME BEFORE PCC DIVIDENDS</b>                          | <b>389,298.26</b>   | <b>403,234.88</b>   | <b>(13,936.62)</b> | <b>-3.5%</b>  | <b>3,192,024.13</b> | <b>2,343,682.50</b>      | <b>848,341.63</b>            | <b>36.2%</b>  |
| PCC Dividends   | 108,194.62          | 108,197.37          | (2.75)             | 0.0%          | 761,093.54          | 388,957.61               | 372,135.93                   | 95.7%         |
| <b>NET ADDITIONS TO UNDIVIDED EARNINGS</b>                      | <b>281,103.64</b>   | <b>295,037.51</b>   | <b>(13,933.87)</b> | <b>-4.7%</b>  | <b>2,430,930.59</b> | <b>1,954,724.89</b>      | <b>476,205.70</b>            | <b>24.4%</b>  |
| <b>MOVING DAILY AVERAGE NET ASSETS (MDANA)</b>                  | <b>545,402,499</b>  | <b>562,940,358</b>  |                    |               | <b>603,871,177</b>  | <b>625,283,064</b>       |                              |               |
| <b>ROA (Basis Points)</b>                                       | <b>61.8</b>         | <b>62.9</b>         |                    |               | <b>60.4</b>         | <b>46.9</b>              |                              |               |

## Millennium Volunteer Roster

### BOARD OF DIRECTORS

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Greg Winkler, Vice Chair | Azura Credit Union  
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Glenna Jarvis | Missouri Central Credit Union  
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Kevin Mayer | Richland Federal Credit Union  
John Servos | Neighbors Credit Union  
Ted Underwood | Golden Plains Credit Union  
Phil Weber | Central Communications Credit Union

### ASSET/LIABILITY COMMITTEE

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Kitty Gray | Millennium Corporate Credit Union  
Ron Kampwerth | Anheuser-Busch Employees' Credit Union  
Mark Kolarik | Kansas Teachers Community Credit Union  
Kevin Mayer | Richland Federal Credit Union  
Brady McLeod | Millennium Corporate Credit Union  
Walter Thompson | Millennium Corporate Credit Union

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Chuck Bullock | Quantum Credit Union  
Teri Krakowka | Southwest Montana Community Federal Credit Union  
Dee Schriener | Trius Federal Credit Union  
Kevin Stubblefield | Metro Credit Union

### CREDIT COMMITTEE

Paul Meissner, Chair | Credit Union of America  
Kevin Brueseke | Conservation Employees' Credit Union  
Gerry Veis | Bear Paw Credit Union

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