

Annual REPORT 2023



Linn Area
Credit Union
We are Family

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President & CHAIRPERSON'S REPORT

Paula O'Rourke
President/CEO



Dr. Joyce Fowler
Chairperson



IT IS OUR HONOR and humble privilege to serve as your Chairperson and President/CEO!

As with previous years, 2023 brought us many transitions, economic landscape changes, and opportunities as we look to the future.

The Board of Directors and senior management team spent a significant amount of time in 2022 and 2023 strategizing around how to expand our market and grow the organization. As we analyzed data collected through member feedback and nonmember surveys, it became very clear that our name, Linn Area Credit Union, was limiting us geographically and creating a misperception that only Linn County residents could bank with us. Even though we continue to grow in balance sheet totals, or total deposits and loans, a review of 20+ years of organizational history confirms that we have remained stagnant in overall numbers for membership growth; we are deepening our relationships with existing members, but not increasing the number of individual members served.

Linn Area Credit Union will become Corda Credit Union on May 6, 2024.

As we moved through the process of creating our new name, it was vital to honor and preserve our deep history of serving with compassion and expertise. Corda is Latin for "hearts," which is fitting for a credit union that wears its heart on rolled-up sleeves. We are deeply committed to serving our membership and our communities with heart, helping to build futures that people can be proud of. As we become Corda Credit Union, we will continue to be able to offer competitive products and services to our full, multi-county field of membership.



In 2023, we continued to focus on bringing you value by enhancing and implementing a variety of products and services.

Expanded Branch, Drive-Thru & Call Center Hours

We enhanced our hours of operation to better serve our members. Our call center and drive-thru lanes are now open earlier and stay open later.

Call Center Updates

In early 2023, we refined our call center's "skill-based routing" processes, so that your call is sent directly to the department best suited to answer your questions or concerns. This has significantly reduced call volume and wait times for our members.



Joan Auterman



Margaret Eichhorn



Mike Gillen



Angie Glick-Martin



Richard Ortega

2023

BOARD OF DIRECTORS

VISA® Campaign Manager & Alerts

This past year, we worked diligently with Visa to launch various alerts and notifications to enhance our members' debit and credit card experiences. These alerts included card issuance alerts, activation reminders, anti-fraud security process notifications, PIN reminders, and other alerts to help members through the process of activating and using their cards for payments.



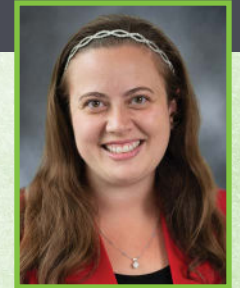
Nick Wagner



Joyce Fowler



Loren Hartelt



Jeralyn Westercamp

Financial Coaching Program

In 2023, we launched our personalized Financial Coaching program, designed to help our members develop healthy financial habits, all at no cost and with complete confidentiality. Our coaches will work alongside you to uncover what's affecting your spending habits and boost your confidence in reaching your own personal financial goals. Feel free to reach out to Member Services for more details. We want to be your partner in financial success!

We remain committed to our mission of improving the lives of our members and our communities, and, as we become Corda Credit Union, we look forward to having a positive impact on even more communities throughout Iowa.

ASSOCIATE BOARD



Cameron Flores



Holly Corkery



Phil Decker

WE SINCERELY APPRECIATE you being a loyal member and trusting us to be your chosen financial — we do not take the privilege of serving you for granted.

COMMUNITY SUPPORT 2023

Teacher Store

Since 2009, Linn Area Credit Union has been the driving force behind the Teacher Store, a nonprofit organization that provides free classroom supplies to area K-12 educators and their students. In June 2023, the Teacher Store engaged a full-time Executive Director to lead the organization together with its volunteer board of directors. From August to December, the Teacher Store provided free, essential school supplies to over 600 educators in our communities through special events and school visits. The mobile Teacher Store served 19 school districts across six counties in Linn Area Credit Union's field of membership.



At Linn Area Credit Union

we're passionate about helping our communities! In 2023, Linn Area Credit Union employees volunteered 1,643 hours across 83 different nonprofit organizations, including Cedar Valley Habitat for Humanity, the Salvation Army, and HACAP. This year's total volunteer hours increased by 69% over 2022 and are valued at \$46,178.

Linn Area Credit Union awarded a total of \$25,000 to 39 nonprofit organizations that requested funding through our online portal. In addition, we contributed more than \$34,000 to 17 organizations to support their



events and programs, including Indian Creek Nature Center's Monarch Festival and The History Center's educational field trips. For GivingTuesday, our employees voted to contribute \$3,000 towards reducing the negative school lunch balance at West Willow Elementary School.



Linn Area Credit Union also made substantial donations to several local nonprofits that serve families, children, and education.



Children's Miracle Network

Linn Area Credit Union has consistently been a strong supporter of the Children's Miracle Network and the University of Iowa Stead Family Children's Hospital. In 2023, we donated over \$25,000, which came from net proceeds from our annual CMN golf outing and employee donations.

City of Marion's Central Plaza

Linn Area Credit Union made a \$25,000 donation to the City of Marion's Central Plaza capital campaign. The Central Plaza will enhance Uptown Marion by providing a flexible outdoor space for daily use and special events.

K-12 School Pantries

We donated \$3,468 to Cedar Rapids schools to help stock their pantries for area students and their families. The donation was split evenly between Washington High School; McKinley STEAM Academy; Metro High School; Grant Wood Elementary; Van Buren Elementary; and Hoover Elementary.

Marion Public Library

In 2022, Linn Area Credit Union made a \$150,000 pledge over three years to the Marion Public Library. The second \$50,000 installment of the pledged amount was made in 2023. The outdoor terrace is named in our honor as a thanks for our donation.

NewBo City Market

In 2023, Linn Area Credit Union partnered with NewBo City Market to host the Emerging Entrepreneur of the Year competition. The \$10,000 sponsorship supports local businesses and provides the winner of the competition free rent for a year at the Market.

United Way of East Central Iowa

Linn Area Credit Union has an ongoing commitment to the United Way of East Central Iowa. In 2023, we contributed more than \$21,000, which is a combined total of employee payroll deductions and the company donation.



Emerging Entrepreneur of the Year

Linn Area Credit Union and NewBo City Market co-hosted the first-ever Emerging Entrepreneur of the Year Competition in March 2023. The two-day event featured educational seminars and networking on the first day. The next day, the eight finalists sold their products and services to the public at a special guest vendor fair. Each finalist then presented a business pitch to a panel of judges from Linn Area Credit Union and NewBo City Market. The finalists were graded on a series of criteria that included their business plan, booth display, and sales.

Restaurateur and chef Kwai Butler won the competition and received rent-free space for a year at NewBo City Market, courtesy of Linn Area Credit Union. She also received one-on-one business-development mentoring from NewBo City Market and Linn Area Credit Union. On June 1, 2023, she opened Oja, a Korean-inspired restaurant, at NewBo City Market.

Audit

COMMITTEE REPORT

Loren Hartelt, Committee Chair



The Audit Committee

is pleased to report that Linn Area Credit Union again received clean reports after thorough reviews to ensure the safety of member deposits. All internal and external audits and exams have been favorable.

- We contract with Petersen & Associates, a highly respected auditing firm, to perform a certified financial statement audit.
- The Committee employs an internal auditor to perform a wide variety of ongoing compliance tests, evaluations, and reviews.
- The Credit Union Division of the State of Iowa and the National Credit Union Administration both review the credit union's lending practices, financial statements, security standards, management practices, and adherence to regulations, policies, and procedures.

2023 FINANCIAL STATEMENT

ASSETS	Cash and cash equivalents	\$7,498,433
	Investments	\$63,028,788
	Loans to members, net of allowance for loan loss	\$571,059,325
	Fixed assets	\$13,328,057
	National Credit Union Share Insurance Fund deposit	\$4,409,794
	Other assets	\$7,817,256
	TOTAL ASSETS	\$667,141,653
Liabilities		
	Total shares and deposits	\$506,844,246
	Accrued expenses and other liabilities	\$5,450,595
	Borrowed funds	\$89,395,000
	TOTAL LIABILITIES	\$601,689,841
Equity		
	Statutory reserves	\$22,048,103
	Retained earnings	\$44,735,649
	Unrealized gain/(loss) on investments	(\$1,331,940)
	TOTAL EQUITY	\$65,451,812
TOTAL LIABILITIES AND EQUITY		\$667,141,653
INCOME		
	Interest on loans to members	\$27,861,314
	Interest on investments and cash equivalents	\$1,965,301
	Fee income	\$1,610,968
	Other income	\$3,975,319
	TOTAL OPERATING INCOME	\$35,412,902
EXPENSES		
	Salary and benefit expenses	\$8,537,608
	Occupancy expenses	\$1,206,300
	Operating expenses	\$7,659,585
	Provision for loan losses	\$286,545
	Dividend and interest expenses	\$11,510,308
	TOTAL OPERATING EXPENSES	\$29,200,346
	Non-operating gain/(loss)	\$467,809
	NET INCOME	\$6,680,365
NET	Statutory reserve transfer	(\$1,669,916)
	NET INCOME AFTER TRANSFER	\$5,010,449

The financial strength of our organization

is of utmost importance as we strive to be your trusted financial institution. We use a variety of metrics to evaluate financial stability, and we want to assure you that Linn Area Credit Union is a very strong and financially secure organization!

We ended 2023 with almost \$670 million in total assets, an increase of 8% from 2022's year-end total of \$620 million in assets. Our continued profitability allows us to both invest in the growth of the organization and return those profits to you, our members, in the form of preferred interest rates on both loan and deposit products.

Our net capital ratio, which is the ratio used by our regulators to evaluate financial stability, was 10.01% at the end of 2023, an increase from 2022's year-end ratio of 9.86%. Regulators require a minimum of 7.00% for a credit union to be considered well-capitalized.

We have grown in net deposits year-over-year by almost \$35 million, or 7.24%, from the end of 2022. This steady growth has given us the opportunity to not only serve our membership regarding their deposit needs, but also to lend those dollars back to our membership for their borrowing needs.

We have consistently grown our loan portfolio throughout the year, and it continues to remain healthy and strong. We appreciate your loyalty when turning to us for your borrowing needs and for honoring your obligations.

Our talented and caring lenders made over 7,000 loans with balances over \$172 million during 2023. We ended 2023 with loans on our books totaling almost \$573 million.

Finance



COMMITTEE REPORT

Margaret Eichhorn, Committee Chair

We helped make 368 mortgage loans of almost \$24 million to finance and/or refinance our members' dream homes at premium interest rates. The remaining \$148 million in loans originated in 2023 financed autos, recreational vehicles, home improvements, personal loans, small business loans, and numerous other needs of our members. We are extremely proud of the impact we make in our community by providing attractive programs with consistently competitive and favorable loan products and interest rates.

On behalf of the Finance Committee and our dedicated staff, please accept our deep appreciation for putting your trust in us. We look forward to continuing to serve you and meeting your needs

LONG INTO THE FUTURE.

BOARD GOVERNANCE & NOMINATIONS

The Board Governance & Nominations Committee is pleased to report

that Linn Area Credit Union dedicated a significant amount of time and resources in 2023 to refining our board governance and following best practices in board oversight.

Our structure consists of four operating committees.

The Board Governance & Nominations Committee is responsible for overseeing board membership and reviewing credit union policies. The Finance Committee oversees both the credit quality of lending practices and the financial strength of the organization as a whole. In addition to handling internal and external audits, the Audit Committee is responsible for the oversight of organizational risk, such as IT and security concerns. The Personnel Ad Hoc Committee meets annually to ensure human resources and employee compensation best practices are implemented throughout the organization, to attract and retain the best talent to serve you – our members!

Associate board members play an active role in our ongoing board structure and committee activities for recruitment, onboarding, and training. They are non-voting members who ensure continuity through changes at the board level and are essential to the succession planning of our Board of Directors.



Nick Wagner, Committee Chair

Committee REPORT

Our monthly board meetings continue to use a consent agenda format designed to streamline the decision-making process. Each committee is responsible for thoroughly reviewing routine items and having in-depth conversations about specific details before presenting them to the board for approval. Utilizing this format and working collaboratively amongst the committees allows the board to focus on strategic initiatives and global items affecting the credit union and its membership throughout the year.



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