

2023

# ANNUAL REPORT

 kstate  
CREDIT UNION  
*truly local. truly yours.*

# OUR OFFICES

601 MCCALL RD  
MANHATTAN



2600 ANDERSON AVE  
MANHATTAN



109 EAST FIRST ST  
ENTERPRISE



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# VISION-MISSION-MOTTO

Not for profit,  
Not for charity,  
But for service.

## **COMMON BOND... COMMON SENSE...**

We connect our community to unmatched banking value, backed by passionate service--because what's good for our neighbors, is good for us all.

It's only banking...but when done right, with passion, care and love, it's much more than that!

Dear Members

We are excited to continue serving you in our 78th consecutive year. We all know that credit unions are different. That's why we're here today. As members, you are equal owners, and we are accountable to you. Every one of you, equally. You make the decisions and participate through your vote. So, thank you for taking time out of your busy schedule to attend our Annual Meeting and take an active role in your credit union.

In recent years, members have recognized and valued their trusted credit unions. As the financial landscape continues to shift and change, kstate CREDIT UNION works diligently to provide the best value and experience for our members. While we've seen many improvements to the economy, challenges remain and have caused the financial industry to establish more innovative and efficient processes. Some initiatives we utilize to help us developing additional online banking tools.

- Expanding account options and offering new products.
- Streamlining and simplifying our processes wherever possible.
- Developing financial literacy resources and tools.
- Keeping robust cybersecurity measures in place.
- Supporting advocacy and lobbying efforts on behalf of the credit union community.
- Continuing our priority of outreach and involvement in our local communities.

More members prefer to bank online with websites and apps that are easy to navigate, even for our less tech-savvy members. kstate CREDIT UNION has worked to offer user-friendly, online options with the same personal touch you've come to expect. In 2023, we were able to introduce an improved mobile app, an updated Credit Card Management Site, a 'Find My Next Vehicle' search tool on our website and implemented our Credit Card application online.

Throughout 2023, the credit union team identified opportunities to serve our mission and work towards programs that affected our communities. Here's a snapshot:

- Dividends to members: \$706,687 was paid in dividends to our members calculated by lower rates, lower/no fees, and higher yields.
- Underserved: We served 268 smaller dollar loans (under \$2000) to our members in response to their financial needs.

2023 brought an opportunity for kstate CREDIT UNION to provide support and assistance to a local credit union, via the Kansas Department of Credit Unions (KDCU), as they sought help to manage a smaller credit union in Enterprise, Kansas. In March 2023, our Board of Directors agreed to enter into a management agreement with KDCU. While managing ECU, NCUA requested kstate CREDIT UNION consider and accept their need for an emergency merger initiative. Our board and management agreed to this request, and we began the work to merge ECU credit union and membership into kstate CREDIT UNION. This merger, taking effect 1/1/2024, provides expanded products, services, and resources to ECU's members, along with a local team member to serve as the branch manager at the Enterprise office.

As we move forward into 2024, we are grateful for the input, involvement, patience and support of our membership and the unwavering commitment of our Team Members, Volunteer Board of Directors, and Volunteer Committee Members. We will continue to strive to enhance your financial lives. We wish you and your family a healthy and prosperous 2024.

Respectfully Submitted,  
Dorothy Doan  
Board Chairman

LaRae J. Kraemer  
President/CEO

# CHAIRPERSON'S & PRESIDENT'S LETTER

# 2023 PICTURES



Business After Hours



Duck Dash



Day at the Capitol



Chamber Dinner



Valued Members



Red Dirt Saturday



KSU International Student Fair



Arts in the Park



Hype Summit



MHS Career Fair

2023 PICTURES

# 2023 PICTURES



Our Team Members



Employee Picnic



Our Team Members



**36**

Credit Union  
Employees

**\$53,356**

Donated/Raised



Big Lakes donation \$7,200 (Skip-A-Pay 2022)

**50+**

Charities/  
Organizations

**1,100**

Students  
reached with  
Financial  
Literacy

**120.5**  
Hours  
Volunteering



T Russell Rietz donation \$5,868 (Employee Jeans program)



Milton Books donated to No Stone Unturned

2023 COMMUNITY

# 2023 BOARD OF DIRECTORS



Back L-R: Warren Strauss, Stacy Slagle, Rick Umscheid, Jack Thoman, Cindy Bontrager, Tim Sigle.  
Front L-R: Pat Hudgins, Dorothy Doan, Charlie Thomas.

**Dorothy Doan,  
Chairperson**

Executive Asst. to Dean for  
College of Ag./K-State Research  
& Extension, KSU

**Rick Umscheid,  
Vice Chair**

Retired, Accountant IV, Business  
Manager Grain Science, KSU

**Jack Thoman,  
Secretary**

Retired, Asst. Director/Business  
Affairs, KSU Student Union

**Warren Strauss,  
Treasurer**

Retired, Director of  
Internal Audit, KSU

**Charlie Thomas,**

Retired, Senior Assoc. AD for Special  
Projects, K-State Athletics, Inc.

**Patricia Hudgins,**

Retired, Associate Director of  
KSU Career Center

**Cindy Bontrager,**

Retired, Vice President for  
Administration & Finance, KSU

**Stacy Slagle,**

Coordinator, Printing  
and Production  
AIB International, Inc.

**Tim Sigle**

Owner, Sigle Photography

# 2024 BOARD NOMINATIONS



## **Richard Umscheid**

As a long time member of Kansas Farm Bureau Employees Credit Union, Mr. Umscheid served over 18 years as a director for KFB Employees Credit Union holding positions of Treasurer, Vice President, and President. Since the merger of KFB Employees Credit Union with kstate CREDIT UNION in 2003, Mr. Umscheid served as an advisor to our Board of Directors before being elected to the board where he has now volunteered for 12 years. Mr. Umscheid retired from KSU as the Business Manager for Grain Science and Industry.



## **Jan Elsasser**

Jan Elsasser has a comprehensive background as an experienced executive information technology professional. Having dedicated almost three decades to higher education, her career culminated at Kansas State University, where she retired as the Chief Digital Transformation Officer and Deputy CTO. Presently, Jan manages a technology consulting business, JME Consulting LLC, where she collaborates with clients from higher education institutions and companies dedicated to supporting education. Her primary focus is on driving digital transformation through the delivery of strategic and innovative solutions, aimed at enhancing business processes and overall delivery. Jan has served on multiple councils and boards including past chair of the Talisma Higher Education Product Advisory Council and was a kstate CREDIT UNION board member.



## **LaDonna Clark**

LaDonna was born in Concordia, Kansas and has lived in Kansas most of her life. She graduated High School from Clay Center, attended Cloud County Community College and Kansas State University, where she earned an Education Degree. She currently works for the North Central Kansas Library System as a Technology Trainer. In 2009, she was selected for a Train the Trainer opportunity in the Spanish Language Outreach Program where she presented sessions in Salina, Wichita & Manhattan. She has long time membership in credit union's, as a member of the Kansas Farm Bureau Employee's Credit Union, where she served on the credit committee for several years and then became a member of kstate CREDIT UNION following the KFB CU merger.

# SUPERVISORY COMMITTEE REPORT



BRENDA MANN  
CHAIRPERSON



MARK FRENCH



TAMMY BISSETTE

The Kansas State University Federal Credit Union Supervisory Committee is composed of volunteers appointed by the Board of Directors. The three members of the Supervisory Committee are Brenda Mann, Tammy Bisette and Mark French.

The Supervisory Committee is responsible for reviewing and evaluating the performance of the elected officials and employees, assuring that the Credit Union follows relevant laws, regulations, and policies; and making recommendations for improvement.

The two major requirements that must be met in the performance of the committee's duties and responsibilities are to make or initiate an annual audit of the Credit Union's records, and verification of the member's accounts to the records no less frequently than every two years. These responsibilities are accomplished by an annual audit that is completed by the accounting firm hired by the Supervisory Committee.

The committee employed the accounting firm of J. Tenbrink & Associates, Certified Public Accountants, to conduct an agreed-upon procedures audit of the Kansas State University Federal Credit Union. The audit by the accounting firm and the examination by the National Credit Union Administration reported that our Credit Union's financial statements were presented accurately and were in conformity with generally accepted accounting principles. The financial condition is reported accurately in the financial statements.

In 2023, the committee met monthly to review procedures, examine records, and meet with auditors, examiners, and consultants. We present a report of our activities to the Board of Directors each month. We believe the Kansas State University Federal Credit Union is being wisely managed and operated.

Respectfully submitted,  
Brenda Mann  
Chairperson

## 2023 Treasurer's Report

### **Assets**

The Statement of Financial Condition shows K-State Federal Credit Union ending 2023 with assets of \$120,605,822. Our asset distribution is 51% loans, 42% investments, 1% in cash and 6% in other assets.

### **Loans**

Our 2023 year ending outstanding loans are \$61,983,058.

### **Member Shares**

Member shares are \$105,971,725 with the total number of 10,203 members.

### **Investments**

Investments are \$50,064,014. Our investments are held primarily in Millennium Corporate Credit Union and in other financial institutions CD's.

### **Net Capital**

Our net capital is 10.61% indicating the credit union capital ratio is strong; 7% is considered well capitalized for credit unions.

### **Net Income**

Our net income before reserve transfers was \$687,632.

The credit union is in a very strong financial position and has been awarded a 5-star rating by the Bauer Financial Reports, Inc. The 5-star award is Bauer's highest rating. This strong financial position enables the credit union to continue to offer economical financial services and provide margins necessary to develop and offer new financial services.

Warren Strauss  
Treasurer

# TREASURER'S REPORT

# STATEMENT OF INCOME

	<b>2022</b>	<b>2023</b>
<b>Operating Income</b>		
Interest on Loans	\$3,405,405	\$3,972,474
Income from Investments	\$666,752	\$718,303
Other Operation Income	\$1,861,694	\$1,853,587
	<hr/>	<hr/>
Total Operating Income	\$5,933,851	\$6,544,364
Dividend/Interest Expense	\$351,254	\$706,687
Provision for Loan Loss	\$516,000	\$467,000
Interest on Borrowed Money	\$39	\$127,260
Net Income After Dividends, Provision for Loan Loss and Interest on Borrowed Money	<hr/>	<hr/>
	\$5,066,558	\$5,243,418
<b>Operating Expenses</b>		
Compensation/Benefits	\$2,146,749	\$2,352,292
Travel & Conference	\$78,000	\$71,129
Association Dues	\$30,786	\$20,396
Office Occupancy	\$360,699	\$312,358
Office Operation	\$898,698	\$979,852
Loan Servicing	\$250,357	\$228,450
Professional/Outside Services	\$222,747	\$251,118
Life Savings/Loan Insurance/ NCUA Assessments	\$0	\$0
Federal Examination Fee	\$16,746	\$20,132
Miscellaneous Operating Expense	\$248,888	\$213,539
	<hr/>	<hr/>
Total Operating Expense	\$4,253,670	\$4,449,268
Gain (Loss) on Investment	\$0.00	\$90,000
Gain (Loss) on Disposition of Assets	\$0.00	\$0.00
Non Operating Income	\$14,645	\$16,518
	<hr/>	<hr/>
Net Income	\$798,243	\$687,632

\*Rounding included in balances

# STATEMENT OF CONDITION

Assets	2022	2023
Total Loans	\$63,670,345	\$62,647,934
Allowance for Loan Loss	(\$817,724)	(\$664,876)
	<hr/>	<hr/>
Net Loans	\$62,852,621	\$61,983,058
Cash on Hand	\$1,158,116	\$836,647
Investments	\$52,841,377	\$50,046,014
Land and Building	\$4,898,513	\$4,757,510
All Other Assets	\$2,797,465	\$2,964,592
	<hr/>	<hr/>
Total Assets	\$124,548,092	\$120,605,822
Liabilities	2022	2023
Notes Payable	\$0.00	\$0.00
Accounts Payable	\$418,083	\$594,002
Dividends Payable	\$11,862	\$94,838
All Other Liabilities	\$1,129,944	\$1,148,111
	<hr/>	<hr/>
Total Liabilities	\$1,559,889	\$1,836,950
Equity		
Member Shares	\$110,878,689	\$105,971,725
Regular Reserves	\$815,694	\$815,694
Undivided Earnings	\$11,293,820	\$11,981,452
	<hr/>	<hr/>
Total Member Equity	\$122,988,203	\$118,768,871
	<hr/>	<hr/>
Total Liabilities & Member Equity	\$124,548,092	\$120,605,822

\*Rounding included in balances

# CELEBRATING OUR TEAM ANNIVERSARIES

## 25 YEARS OF SERVICE

JULIE BRUMMETT

## 10 YEARS OF SERVICE

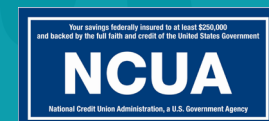
CINDY WORREL

## 5 YEARS OF SERVICE

KIM DEFIBAUGH  
JAMES HEIDEMAN

601 McCall Road - Manhattan  
2600 Anderson Avenue - Manhattan  
109 East First Street - Enterprise

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info@kstatecu.com



Insured by NCUA