



# ANNUAL REPORT

# Agenda

**Call To Order**

**Determination of a Quorum**

REX CHRISTNER

**Approval of Minutes and Agenda**

REX CHRISTNER

**Report of Chair**

REX CHRISTNER

**Report of Treasurer**

SHEILA MEGGERS

**Report of Supervisory Committee**

DEB HAMMOND

**Report of the President**

DAN SPRINGER

**Report of Election**

REX CHRISTNER

**Unfinished Business**

**New Business**

**Adjournment**

# Board of Directors



**Rex Christner**  
CHAIR



**Shandi Stallman**  
VICE CHAIR



**Sheila Meggers**  
SECRETARY &  
TREASURER



**Mike Juby**  
DIRECTOR



**John McCannon**  
DIRECTOR



**Brian Meder**  
ADVISORY MEMBER



**Kendal Pulliam**  
DIRECTOR



**Mark Woleslagel**  
DIRECTOR

# Minutes of the 2023 Annual Meeting

The 76th Annual Meeting of the Heartland Credit Union was held March 19, 2024, at Mark Arts, 1307 N Rock Rd, Wichita, Kansas. Approximately 60 members are known to have attended. Vice-Chairman Shandi Stallman called the meeting to order at 6:30 p.m. and a quorum was established. Mark Woleslagel moved to approve the minutes of the 2022 Annual Meeting as presented to the members. The motion was seconded by Michelle Waln. Motion carried.

Vice-Chairman Stallman presented the Report of the Chair. She reported that 2023 was another successful and rewarding year at Heartland Credit Union although it had its share of challenges. She addressed the ways that by living Heartland's Truths, HCU was able to deliver extraordinary value to our members and the communities we serve. She reported that in 2023, we expanded into a new market, merging with United Credit Union in Ness City. Including this merger, HCU added over 5,600 members bringing the total membership to over 39,400. Stallman shared that members were able to take advantage of the unprecedented Money Market and Certificate rates that HCU was able to offer.

Stallman reported that one of the biggest changes implemented this year was switching to a new credit card processor. The conversion provides members with better fraud protection for their cards and consolidates credit card management inside the HCU Digital Banking app. New credit card programs were also introduced, giving members more choices to fit their needs. Stallman talked about challenges that 2023 brought, citing persistent inflation as an example. HCU assisted members with financial counseling and programs such as Skip-a-Pay. She also reported that the credit union experienced the highest levels of delinquencies and charge-offs that we've seen in some time, and while rising interest rates were good for savers, they posed challenges for borrowers. 2023 saw some of the highest mortgage rates in years, diminishing members' buying power. However, programs like HCU's First-time Homebuyer Grants helped make homeownership a reality for many. Stallman reassured members that HCU remains dedicated to the communities we serve as well as the staff we employ. Darren Werth moved to approve the Report of the Chair, Mark Woleslagel seconded, and the motion carried.

Ed Howard presented the Report of the Supervisory Committee. Howard explained the responsibilities of the Supervisory Committee to ensure members' assets are safeguarded and the means used to accomplish this task. He further reported that the CPA firm of Nearman Maynard Vallez CPAs was contracted to conduct the annual audit as of September 30, 2023 and that they reported that HCU records fairly and accurately represent the credit union's financial position and conform to Generally Accepted Accounting Principles. Howard stated that J Tenbrink & Associates completed the 2023 ACH/BSA/SAFE Audit as of November 30, 2023, and all areas were found to be in good order. Our CUSO, Members Mortgage Services, was audited by J Tenbrink & Associates as of December 31, 2022 and received a clean opinion. Their 2023 audit final report is expected to be available by March 30, 2024.

On behalf of the Supervisory Committee, Howard reported to members that their funds and records are being maintained in a safe, sound, and confidential manner. Brian Meder moved to approve the report, and the motion was seconded by Kendal Pulliam. Motion carried.

Secretary-Treasurer Sheila Meggers presented the Treasurer's Report. She reported that HCU returned \$7.9 million in dividends to members and placed \$1.7 million of net income into reserves. Meggers stated that the Board of Directors believes your credit union is financially sound and capable of continuing to fulfill its mission of offering financial services in a safe and sound manner. Kendal Pulliam moved to approve the report, and the motion was seconded by Joel Andrew. Motion carried.

Dan Springer, President, addressed the members, thanking attendees for actively participating in the success of the credit union. He shared the unfortunate news that long-time HCU champion, Jim Woods, who served as a volunteer for many years had recently passed. Springer reflected on 2023, referencing it to be a year of resilience for Heartland Credit Union. He reported that there were wins such as achieving the top rankings in Callahan and Associates' Return of the Member metric, ranking number one in Kansas, and in the top 10 among credit unions of our

CONTINUED ON PAGE 5 ►

# Minutes of the 2023 Annual Meeting

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size across the nation, a group of nearly 300 peers. He also reported on industry challenges such as the Silicon Valley Bank takeover by regulators and economic challenges such as the stress placed on members' household budgets due to inflation. Springer noted how this stress led to an unfortunate rise in delinquencies and charge-offs—levels not witnessed in several years. He spoke about ways that the credit union focused on helping members overcome financial challenges such as financial counseling and the Enrich online financial education program that was launched. Springer reflected on credit union accomplishments in 2023 such as a successful credit card conversion, expanded Treasury services for businesses and significant advancements in the digital arena. He then spoke about plans for 2024 including a new phone system, debit card conversion with the introduction of Tap to Pay and implementing systems to provide consistent outstanding service. Springer concluded by stating HCU's purpose: "to serve your (members') needs today, tomorrow and well into the future. Heartland Credit Union exists to be your unwavering partner, ensuring your financial well-being remains at the forefront."

Vice-Chairman Stallman gave the Report of Election. Those elected without contest were Rex Christner, Kendal Pulliam and Mark Woleslagel to the Board of Directors, and Deb Hammond and Rebecca Wichert to the Supervisory Committee. Brian Meder moved to approve the Report of the Election, Roger Clark seconded, and the motion carried. Elected volunteers present were brought forward to state the Oath and assume office.

Stallman then recognized Ed Howard's retirement from the Supervisory Committee and expressed gratitude for his 24 years of volunteer service on the Supervisory Committee. There was no unfinished business to report, and no new business brought forth.

Mark Woleslagel moved to adjourn; Kendal Pulliam seconded. Vice-Chairman Stallman adjourned the meeting at 7:00 p.m.

***Rex Christner, Chair***

***Sheila Meggers, Secretary-Treasurer***

MINUTES SUBMITTED BY KRIS PFISTER

# Delivering Greater Value

2024 was another successful and rewarding year at Heartland Credit Union, despite its share of challenges. By adhering to our mission and Our Truths, we were able to meet those challenges head-on and provide exceptional value to our members. Throughout the year, we focused on enhancing our technology, introducing new products, supporting members facing difficulties, and improving member service. These efforts ensured that our cooperative remained strong and vibrant, benefiting from the active engagement of our members.

As a financial cooperative, HCU's success is directly tied to the active participation of our members. When members utilize the products and services we offer, it not only benefits them but also strengthens our cooperative. Member engagement allows us to invest in innovation to provide even better products that offer greater value to our members. By working together, we can continue to build a thriving credit union that supports the financial well-being of all our members.

## Improving Member-Focused Technology

Last year, we focused on making it easier than ever to do business with Heartland Credit Union, which starts with becoming a member. By redesigning our online membership application, we reduced the time it takes to become a member from a 20-minute process to just five minutes. We also introduced the option to open a Spending account simultaneously. Looking ahead, new members will soon be able to



**Dan Springer**  
PRESIDENT/CEO



**Rex Christner**  
CHAIR

CONTINUED ON PAGE 7 ►

# Delivering Greater Value

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“By taking full advantage of their Beyond accounts, members have saved hundreds on travel, reduced their cell phone bills, and even saved on items such as contacts and prescriptions.”

fund their accounts instantly using their current debit card, creating a seamless onboarding experience.

Beyond membership, we also enhanced our online consumer loan application, making it faster and more user-friendly. Whether applying for an auto loan, credit card, or home equity line of credit, members can now enjoy a smoother experience on any device. By streamlining these processes, we’re ensuring our members have quick, convenient access to the financial solutions they need—strengthening both their financial well-being and further expanding the reach and impact of HCU.

## Going Beyond Banking

Last fall, we changed the way members look at their checking accounts by introducing our Beyond Spending accounts. These accounts are designed to bring incredible value to our members through better dividends and a host of additional features. They offer benefits such as cell phone protection, discounts at local and national merchants, and travel savings. By taking full advantage of their Beyond accounts, members have saved hundreds on travel, reduced their cell phone bills, and even saved on items such as contacts and prescription drugs.

Products such as our Beyond Spending accounts not only provide enhanced benefits to members but also encourage them to actively use the products they have. Increasing member engagement strengthens the credit union, allowing us to grow and provide even better service and greater value.

# 2024 By the Numbers



EMPLOYEE  
VOLUNTEER  
HOURS



COMMUNITY  
ORGANIZATIONS  
SUPPORTED



STAFF  
TRAINING  
HOURS



CONNECTIONS  
VIDEO  
CALLS



BITE OF  
REALITY  
EVENTS AT  
SCHOOLS



PEOPLE IMPACTED  
BY OUR FINANCIAL  
EDUCATION  
PROGRAMS

## Supporting Our Members

The biggest challenge our members and our credit union faced in 2024 was loan charge-offs. Due to challenging economic times, some members fell behind on loan payments. At Heartland Credit Union, we are committed to supporting our members when they encounter difficulties. To address this, we developed a Hardship Assistance Program, designed to help members through loan deferrals, financial counseling, and financial wellness checkups. Our goal is to help solve our members’ issues and get them back on their feet.

The Hardship Assistance Program not only benefits the individual members by providing them with the necessary support and resources but also strengthens our cooperative. By helping our members overcome financial challenges, we ensure the overall health and stability of our credit union, allowing us to continue providing exceptional service to all our members.

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# Delivering Greater Value

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“When our members thrive, so does our credit union. Thank you for your continued support and for being an integral part of our success.”

## The Heartland Experience

This past year, we introduced the Heartland Experience, a transformative initiative designed to elevate our service standards and empower every employee to deliver exceptional member service. This program is a cornerstone of our commitment to quality, accountability, and growth.

In today's rapidly evolving digital landscape, it's crucial that we stay ahead by refocusing on our core values. Heartland Experience training ensures that every interaction with our members reflects HCU's dedication to excellent service and our mission to provide outstanding solutions. Investing in our employees' development underscores our belief that when our employees are well-equipped and motivated, they can better serve our members, leading to a more successful and cohesive credit union.

## Making a Difference

In 2024, we provided support to our communities by giving back through sponsorships, donations, and volunteering. Through events at local non-profit organizations and our annual all-staff workday, our HCU employees volunteered more than 950 hours in total. Additionally, we empowered more than 2,600 children and adults through financial counseling and by partnering with local school districts for fun and instructional financial education events, such as Bite of Reality.

By building strong, thriving communities, we not only enhance the lives of those we serve but also



strengthen our credit union. We are only as successful as the communities we serve, and by investing in them, we ensure a brighter future for all.

## Your Success is Our Success

Our efforts this past year to provide better technology, products, and service have built a more resilient and vibrant credit union. We encourage members to utilize these services and take an active role in our cooperative, as your success directly contributes to the success of Heartland Credit Union. When our members thrive, so does our credit union.

Thank you for your continued support and for being an integral part of our success.

*Dan Springer, President/CEO*  
*Rex Christner, Chair*





## Checking Done Differently

In 2024, we introduced our new Beyond Spending accounts, designed to give back to our members for participating in the credit union. These accounts go beyond traditional checking—they offer valuable perks and services to ensure you get more out of your banking experience. With three options—Beyond Ultimate, Beyond Essential, and Beyond Freedom—members can choose the Spending account that best fits their lifestyle and financial goals.

The Beyond Ultimate and Beyond Essential Spending accounts come with exclusive benefits, powered by BaZing, including access to local and national retailer discounts, travel and health savings, buyer protection and extended warranty, cell

phone protection, and even roadside assistance. The Beyond Ultimate account also features our best spending account rate. Meanwhile, the Beyond Freedom Spending account is designed for simplicity and convenience, offering easy access to your funds, secure transactions, and the flexibility to handle your daily finances effortlessly. Whether you're looking to cut costs on everyday expenses or gain peace of mind with extra security, Beyond Spending helps members maximize their money in ways that traditional checking accounts simply don't.

### Real Members, Real Savings

Our members are already experiencing the benefits of their Beyond Spending accounts, finding savings on everything from dining out to travel. Here's what they have to say:

*"After I switched to a Beyond Spending account, I decided to check the BaZing app to see if I was getting the best price on our hotel for our wine tour vacation in Northern California. I found the exact resort and rebooked our stay through the BaZing app and saved nearly \$400! I compared prices online, and BaZing consistently had the best rates."* — **Ashley W.**

*"My husband and I hit up Fiesta Grande [in Hutchinson] for lunch almost every week for Taco Tuesday. Through the BaZing app, I found a 10% discount, saving us \$2.80 on our usual lunch order. Over a month, that's \$11 in savings. It might not seem like much, but the little things add up! It's great to save on things we were already planning to buy. Long live Taco Tuesday!"* — **Sara B.**

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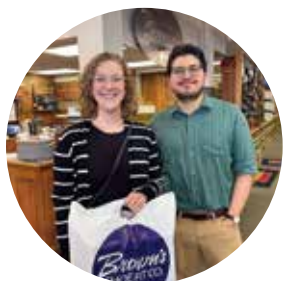
## Checking Done Differently

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**Saved \$150**

ON SIX FLAG TICKETS  
FOR THE FAMILY



**Saved \$13**

ON A PAIR OF SHOES AT  
BROWN'S IN HUTCHINSON



**Saved \$190**

ON HOTELS WHILE ON  
VACATION IN NEW ORLEANS

*"After my annual eye appointment, I took advantage of the BaZing app and found a 20% discount plus free shipping on my order from 1-800 Contacts, saving me \$26. It's rewarding to get something essential like contacts at a much better price. Definitely a win!" – Michael L.*

### Maximizing Your Membership

"It's exciting to see our members discover new ways to save with their Beyond Spending accounts," said Jeremy Stauffacher, Chief Consumer Officer. "Whether it's a small discount on a favorite local restaurant or a big win on a dream vacation, these savings make a real difference in their everyday lives."

Beyond Spending is more than just discounts—it's about providing everyday value to our members. With features like identity theft protection, cell phone insurance, and emergency roadside assistance, these accounts offer peace of mind and practical benefits that extend far beyond basic banking.

At Heartland Credit Union, we're committed to helping our members do more with their money. The Beyond Spending accounts are just one more way we're delivering value and enhancing the banking experience for our credit union family. Whether you're looking for savings, security, or convenience, there's a Beyond Spending account designed to fit your needs.

## Report of the Treasurer

As the Treasurer for Heartland Credit Union (HCU), I am pleased to report that the financial health of our credit union remains strong. Despite economic and inflationary headwinds, we remained committed to providing exceptional value to our borrowers and savers. In 2024, we returned \$10.4 million in dividends to our member-owners and placed over \$1.5 million into our reserves, reinforcing our dedication to financial stability.

While mortgage lending showed signs of improvement, the real estate market remained challenging due to elevated interest rates and a tight housing supply. These factors impacted our Credit Union Service Organization (CUSO), Members Mortgage Services, LLC (MMS), in which HCU holds a 45% ownership stake. As a result, HCU's 2024 net income reflects a \$106 thousand loss from MMS.

Despite these challenges, the Board of Directors remains confident in the financial strength of your credit union and our ability to continue delivering safe, sound, and member-focused financial services.

Your trust and loyalty are the foundation of our success as a financial cooperative.

Thank you for your continued support.

*Sheila Meggers, Secretary & Treasurer*



**Sheila Meggers**

SECRETARY &  
TREASURER

“Despite economic and inflationary headwinds, we remained committed to providing exceptional value to our borrowers and savers.”



# Financial Statements

## BALANCE SHEET

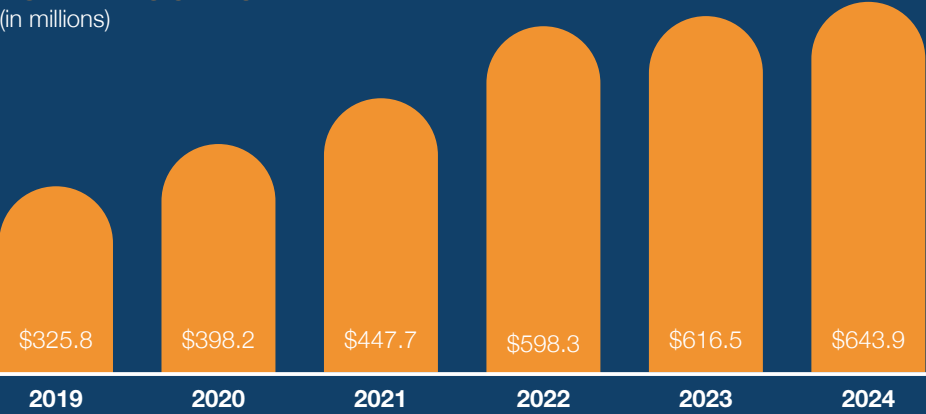
Assets	2024	2023
Loans, Net of Allowance for Loan Losses	\$544,493,890	\$520,464,839
Cash & Investments	\$55,498,105	\$56,058,446
Other Assets	\$43,892,252	\$40,013,978
<b>Total Assets</b>	<b>\$643,884,249</b>	<b>\$616,537,263</b>

Liabilities & Equity	2024	2023
Other Liabilities	\$51,468,259	\$36,523,340
Share Deposits	\$537,147,314	\$526,492,411
Reserves & Undivided Earnings	\$55,268,676	\$53,521,512
<b>Total Liabilities &amp; Equity</b>	<b>\$643,884,249</b>	<b>\$616,537,263</b>

## TOTAL ASSETS

(in millions)



## LOAN REPORT

Category	2024	2023
Total number of loans made	43,830	42,849
Total dollar volume of loans made	\$196,586,243	\$188,897,824
Number of loans since April 1, 1948	766,884	723,054
Total volume of loans since April 1, 1948	\$3,486,181,591	\$ 3,289,595,348
Loans charged-off since April 1, 1948	\$23,564,608	\$17,568,067
Recoveries from charged-off loans	\$1,187,492	\$2,322,380

## INCOME STATEMENT

Category	2024	2023
Interest Income	\$36,853,747	\$29,656,057
Dividends	(\$11,216,452)	(\$7,829,307)
Interest Expense	(\$945,595)	(\$1,579,558)
<b>Net Interest Income</b>	<b>\$24,691,700</b>	<b>\$20,247,192</b>
Non-Interest Income	\$8,537,044	\$7,561,105
Non-Interest Expense	(\$31,542,735)	(\$25,752,952)
<b>Income from Operations</b>	<b>\$1,686,009</b>	<b>\$2,055,345</b>
Non-operating Income (Loss)	(\$99,056)	(\$1,840,446)
<b>Net Income to Reserves</b>	<b>\$1,586,953</b>	<b>\$214,899</b>

# Report of the Supervisory Committee



**Deb Hammond**  
CHAIR

“Your funds and records are being maintained in a safe, sound, and confidential manner.”

The Supervisory Committee is charged with ensuring that members' assets are safeguarded. They accomplish this through the following:

- Oversight of the internal audit program;
- Reviewing policies and procedures;
- Evaluating and reviewing the credit union's financial condition;
- Interacting with credit union management;
- Cooperating with regulatory agencies and external auditors; and
- Reviewing activities of the Board of Directors and other committees.

In order to fulfill these responsibilities and provide an objective view of the financial strengths and weaknesses of your credit union, the Supervisory Committee relies on and uses a variety of resources, including an internal audit department, external audits and reviews. This allows the Supervisory Committee to proactively monitor the high-risk areas of the credit union on a regular basis.

The Certified Public Accounting Firm of Doeren Mayhew was employed to conduct the Annual Audit as of September 30, 2024. Their report confirmed that our financial records represent fairly and accurately the financial position of your credit union and comply with Generally Accepted Account Principles (GAAP).

In addition, our committee cooperates fully with regulatory examinations by the Kansas Department of Credit Unions and the National Credit Union Administration as well as commissioned external audits and reviews from several third parties. All findings are followed up on by the Supervisory Committee and validated to be complete throughout the year.

Finally, the Supervisory Committee relies on its own activities and findings:

- The Committee met several times during 2024 to conduct reviews of various policies, procedures, accounts, and reports;
- Staff members from various areas report to us about their operations in their respective departments; and
- Committee members take turns attending Board of Directors meetings.

In summary, the Supervisory Committee is glad to report to members that your funds and records are being maintained in a safe, sound, and confidential manner.

*Deb Hammond, Supervisory Committee Chair*



**Roger Clark**  
COMMITTEE MEMBER



**Jeremy Hoover**  
COMMITTEE MEMBER



**Brent Knoche**  
COMMITTEE MEMBER



**Rebecca Wichert**  
COMMITTEE MEMBER

# Our Branches



## **23<sup>rd</sup> & Severance**

900 E 23<sup>RD</sup> AVE  
HUTCHINSON



## **Ave A**

129 W AVE A  
HUTCHINSON



## **East Kellogg**

12021 E KELLOGG DR  
WICHITA



## **Heartland Wealth Strategies**

2900 N MAIN ST  
HUTCHINSON



## **Haven**

103 S KANSAS AVE  
HAVEN



## **Hays**

2825 PLAZA AVE  
HAYS



## **Maize**

3777 N MAIZE RD  
WICHITA



## **Ness City**

202 S TOPEKA AVE  
NESS CITY



## **Newton**

2201 S KANSAS AVE  
NEWTON



## **Salthawk Center**

HUTCHINSON HIGH  
SCHOOL