

83<sup>rd</sup> Annual Meeting  
Fairmont Hot Springs  
February 13th, 2024

**Order of Business**

**OUR MISSION STATEMENT**

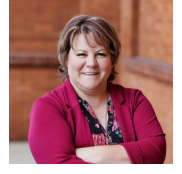
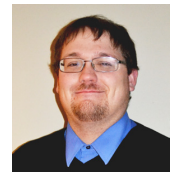
Southwest Montana Community Federal Credit Union provides financial services with a personal touch.

**THE ORDER OF BUSINESS AT THE ANNUAL MEETING OF MEMBERS SHALL BE (AS SET BY THE FEDERAL CREDIT UNION'S BYLAWS):**

- (a) Ascertainment that a quorum is present (15 members)
- (b) Reading and approval (or correction) of the minutes of the last meeting
- (c) Report of Directors
- (d) Report of the Treasurer/Secretary
- (e) Report of the President/CEO
- (f) Report of the Supervisory Committee
- (g) Unfinished business
- (h) New business
- (i) Elections
- (j) Adjournment

The members assembled at any annual meeting may suspend the above order of business upon a two-thirds vote of those present.

**Board of Directors**



Mike Hahm (Chairman) Dave Bisch (Vice Chair) Mike Huotte  
(Secretary/Treasurer) Con Malee (Board Member) Ron Haffey (Board  
Member) Ella Higgins (Board Member) Teri Krakowka (President/CEO)



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Sign up now on our website

[www.swmfcu.org](http://www.swmfcu.org)

**Anaconda Staff**

Amy Killooy, Coda Haviland, Deb Colbert, Emma Persson, Jennifer Prosenick, Jessica McArthur, Jolyn Orrino, Judy Blaz, Kira Morse, Laurie Theard, Mary Gervais, Michelle Gwin, Michelle Morley, Steph Green, Teri Krakowka, Kylee King, Nikki Hasley

**Butte Staff**

Amber Allen, Cade Holter, Chris James, Danielle Albright, Erin Sugrue, Hannah Colvin, Josh O'Neill, Karrie Murray, Kathy Baldry, Lori Jurenic, Robin Brownback, Sandy Schonsberg, Shanden Taylor

**President's Report**

Your credit union had an outstanding year in 2023. Our world is trying to return to "normal" after the past few years of experiencing the COVID-19 pandemic. In many ways, our staffing has seemed to stabilize over the past year, and our membership is getting back to monetary trends we were accustomed to seeing pre-2020. However, life is all about change and adapting to that change.

With the recent retirement of our President/CEO of 13 years, Tom Dedman, changes will be sure to happen in the coming year. Tom led with stability and a level head, leading us through core conversion, online banking conversions and the COVID-19 pandemic. As a team, I believe we are stronger for having experienced a lot of that together. Through all of that, our mission and vision statement remains strong

"Southwest Montana Community FCU provides financial services with a hometown personal touch. We value our relationships with each of our members, from those opening their first checking accounts to those applying for home loans. As a Credit Union our business decisions are grounded in benefiting our membership." Our Motto is "Everything we do we do for you"

Everyone of our employees really believes in these simple words. They are the focus of what we strive for when we work for you every day. To make them true, our staff and volunteer directors work very hard to keep the focus on you and what will benefit you in your life.

So, as I move from CFO to the role of President/CEO I look forward to working closely with our Board of Directors, staff and you, our valued members, to do my best to serve all of you. I will be sure to keep our mission statement at the heart of my decisions. In the coming months of 2024, management and staff will be hard at work improving our knowledge, sharpening our skills, keeping up to date on technology and working better as a team to meet your financial needs. All of this is an effort to uphold to the promise we make in our Mission Statement. Thank you for your continued support of our staff and our credit union.

-Teri Krakowka President/CEO

**Chairman's Report**

Our credit union saw a good year of financial performance and membership growth in 2023. Southwest Montana Community Federal Credit Union (SWMFCU) saw net income of more than \$900,000. This amount is then transferred into Undivided Earnings for future growth and safety needs. During the year we welcomed a net gain of 127 members. Beyond that, I am happy to report that our key ratios remain above average as compared to our peers in Montana.

Our loan portfolio again experienced significant growth as members continue to pick up pieces of their lives and look to the future again. This, plus a major improvement in earnings from our investments contributed to our earnings position and ability to set aside funds into our Undivided Earnings. The biggest challenge the Board had this year was searching for, and replacing, Tom Dedman, our President/CEO of 13 years. Along with the other directors, I want to wish Tom and his wife Karla a happy retirement. The Board of Directors is pleased to announce that we have promoted Teri Krakowka to this position. We are looking forward to working with Teri in her new role, and believe she will serve you, our members, well.

The board of directors wishes to thank the staff for their efforts to be ever responsive and proactive with our membership. We also thank the members for your support of your Credit Union. Our credit union is healthy and we encourage all members to use all of the financial services available at both our Anaconda and Butte locations.

-Mike Hahm, Chairman of the Board of Directors

## Supervisory Committee Report

The Supervisory Committee this year is comprised of myself, Jack Corrigan, James (Milo) Manning, Steve Ryan, and Keith Wilson. Part of the committee's purpose is to survey every member who either opens or closes an account at the Credit Union because we want to know what the Credit Union can be doing to improve on its services. This year a total of 739 new accounts were opened and 612 accounts were closed; this is a net gain of 127 new member accounts for 2023. According to the survey responses received by the committee, most members who closed an account did so because they were moving out of the area or because the member had passed away. Our new members tell us that they joined the Credit Union because our rates are better and our fee schedule is less expensive than other places that they do business with.

In addition, we work closely with our staff to perform required account tests, surprise cash counts and member surveys on a monthly and quarterly basis. The National Credit Union Administration (NCUA) also performs regularly scheduled federal examinations. All audit findings, cash counts and test results indicate that the credit union is financially sound, maintains accountability of its financial and lending records, and possesses good management.

Again this year we commissioned a CPA review of the Credit Union's financial performance by Douglas Wilson and Company, PC. As in past years there were no irregularities to report. It was a pleasure to work with all of the staff and directors in 2023 and we look forward to the new challenges of 2024.

James (Jim) Corrigan

## Secretary & Treasurer's Report

Southwest Montana Community FCU's financial performance for 2023 remained resilient as we experienced another outstanding year. We finished the year with a net income of \$981,302. Contributing to this large net income was interest income on loans for \$2,930,611 and investment income of \$1,716,432. These made up 50% and 29.4% of total revenues, respectively.

During 2023, the Credit Union made 942 new loans to members. Of this total, 94 of those loans were for real estate. We ended 2023 with a net loan balance of \$70,769,743. The Credit Union ended the year with \$145,690,890 in total assets.

Overall, this was another fantastic year for your Credit Union. We look forward to working with you in 2024!

-Mike Huotte, Secretary/Treasurer

## Financial Condition 31 Dec 2023

### Assets (What we own)

### Income & Expense: Statement of Operations

Asset	Last Year 12/31/2022	This Year 12/31/2023	Difference	Income	Last Year 12/31/2022	This Year 12/31/2023	Difference
Loans to Members	59,970,919	69,141,353	15.29%	Interest on Loans	\$2,368,800	\$2,930,611	23.72%
Member Business Loans	1,843,881	1,628,390		Income from Investments	1,244,476	1,716,432	37.92%
Less Allowance for Loan Losses	(295,138)	(308,786)		Total Income	3,613,276	4,647,044	28.61%
Net Loans	61,519,662	70,460,957		<b>Interest Expense</b>			
Cash In Bank	10,305,769	9,323,598		Dividends	\$223,219	\$426,652	91.14%
Investments	70,449,485	59,743,055		Interest on borrowed Money Total Interest Expense	223,219	426,652	
Building & Land	5,549,170	5,361,904		Net Interest Expense	3,390,058	4,220,392	
Furniture & Fixtures	223,670	163,855		Provision for Loan Losses	117,351	(16,418)	
Other Assets	729,577	637,521		Net Interest Income after Provision for loses	3,507,409	4,203,974	
<b>Total Assets</b>	<b>\$148,777,333</b>	<b>\$145,690,890</b>	<b>-2.07%</b>	<b>Expense</b>			
<b>Liabilities &amp; Members Equity (What We Owe)</b>				Employee Compensation	\$1,412,702	\$1,597,184	
<b>Assets</b>				Employee Benefits	354,227	365,269	
Share to members	66,343,580	63,578,519		Travel and Conference	39,006	59,997	
Share Draft Accounts	28,651,072	29,229,687		Association Dues	42,746	43,879	
Money Market	24,725,557	21,640,561		Office Occupancy Expenses	361,724	368,060	
Share Certificates	10,134,738	10,833,454		Office Operation Expenses	749,374	736,857	
IRA Accounts	7,682,958	7,434,687		Education & Promotion	106,427	47,355	
Non Member Shares Total Shares	137,537,905	132,716,909	-3.51%	Loan Servicing Expenses	77,187	62,049	
Notes Payable Reserve	(5,417,203)	(5,406,686)		Professional & Outside Expenses	227,404	231,603	
Accounts Payable	1,310,804	2,053,539		Operating Fees (Exam)	24,478	24,828	
Undivided Earnings	15,345,826	16,327,128		Misc. Operating Expenses	708,259	870,946	
<b>Total Liabilities &amp; Equity</b>	<b>\$148,777,333</b>	<b>\$145,690,890</b>	<b>-2.07%</b>	Total Operating Expense	4,103,534	4,408,027	7.42%
<b>Growth of Operations</b>				<b>Misc. Operating Income</b>			
Assets	\$148,777,333	\$145,690,890	-2.07%	Fees and Miscellaneous	\$1,079,284	\$1,195,483	
Share of Members	137,537,905	132,716,909	-3.51%	<b>Non-Operating Income</b>			
Loans to Members	61,519,662	70,460,957	14.53%	Gain of Disposition of Assets	0	(29,791)	
Total Income	4,692,560	5,842,527	24.51%	Gain on Disposition of Investments	0	0	
Reserve & Undivided Earnings	9,928,623	10,920,442	9.99%	Misc. Non-Operating Income	173,495	19,664	
				<b>Net Income</b>	<b>\$656,654</b>	<b>\$981,303</b>	<b>49.44%</b>



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