



# 2021

Annual Report

*Connexus*<sup>®</sup>  
Credit Union



Alita Lobner

Alita Lobner  
Board Chair



Boyd Gustke

Boyd Gustke  
President & CEO



# A message from the Board Chair and President & CEO

For our team at Connexus Credit Union, 2021 proved how much our people and purpose matter. Looking back on the past year, and directing our focus toward the many possibilities on the horizon, it's clear that Connexus is positioned to maintain its relevance as a financial institution of choice for members across the country — and that's a responsibility we don't take for granted.

Forging a path forward requires strategic leadership and broad collaboration, which is something we have witnessed in abundance from our organization throughout the past year. With our nationwide member reach, dedicated talent, strong brand presentation, and valuable products and services, we are confident about the future of Connexus. However, before we look ahead at what's to come, the following pages illustrate the successes in 2021 that brought us to this point.

A common theme you'll notice this year is the enculturation of our new Connexus Vision and Values. 2021 was the year that brought a formalized vision to the organization. The vision is supported by a new collection of values, as well as strategies and initiatives that drive purposeful decision-making each day.

Our vision connects us to one another and expresses the “why” behind what we do and our common purpose. It is a long-term, dynamic plan for the future; the intention is that 5 to 10 years from now, Connexus will arrive at a place that would not have been possible had we not envisioned it and dared to aim high. Our vision and roadmap for achieving excellence aren't just aspirations; they are a call to action, with clear goals, strategies, and commitments.



Connexus Board Chair Alita Lobner leads a discussion  
at a Board strategy session.

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We also doubled down on the importance of our culture. To do this, we let our new vision inspire and guide the development of our updated Connexus Values: **Integrity, Respect, Synergy, Transparency, and Wellbeing.** Our values aren't just words on a page — they guide how we interact with one another, how we communicate, how we collaborate, and how we choose to live and work each day. They define us and enable us to attract and retain talented individuals who continue to be integral to our success as a top credit union in the nation. They also give us confidence that as we grow, we will continue to positively impact our members, employees, and the communities where we live and work.

Speaking of growth — throughout 2021, Connexus grew in all areas of operation, including assets, membership, employment population, and community giveback. We achieved this growth because of our commitment to our vision, and the results are testimony to our resilient business model and

support of our member-owners. In fact, our focused commitment positioned us as an excellent merger partner. In 2021, Connexus announced our intention to merge with Heritage Credit Union (DeForest, WI). We have deep respect for Heritage and everything their leadership and employees have built. As we look into the future, the combination of our organizations in 2022 will enable us to leverage exceptional talent and focus on meaningful service so our members feel secure and supported in all of their financial decisions.

As we close the book on 2021, we'd like to express our gratitude to all of our member-owners for inspiring us to never stop striving for excellence. The Connexus story is something to be proud of...and it's still being written. We are excited by the prospect of making an even greater impact for those we serve, and we're eager to share our progress as the journey continues. Thank you for your trust and confidence every step of the way.

# Launching our vision

In June of 2021, we unveiled our new strategic vision — an evolution of our previous Connexus mission statement into something that will endure and grow with the organization as it:

- fosters a common purpose among our employees, Board of Directors, and Senior Leadership Team
- defines who we are as a company and who we aspire to be
- outlines factors most important to the viability of the organization
- ensures we remain relevant and responsive to our member-owners' needs and interests

Simply put, our new strategic vision is our blueprint for the future. It's a long-term, dynamic plan that will enable Connexus to arrive at a place in 5 to 10 years that we never would've reached had we not envisioned it and dared to dream big.

On the pages that follow, you'll find references to our vision and examples of how it underscores our identity, goals, and the work we do each and every day. We're excited to share this thoughtfully redesigned cornerstone of our organization and the success we've already achieved under its guidance.

**The Connexus Vision:**  
*To be a nationally relevant, trusted credit union, providing exceptional experiences and fostering prosperity for those we serve.*



President & CEO Boyd Gustke welcomes Connexus team members to a virtual All-Staff Meeting.

# Living our values

Our Connexus Values are at the heart of everything we do; they guide the actions of the organization and everyone within it. We demonstrate our values in each personal interaction, phone call, and email — every day.

By promoting a values-based culture, we are committing to inclusivity; developing, leveraging and empowering talent; and investing in mutually beneficial relationships.



**Integrity**  
**Do what's right. Always.**  
We operate with ethical standards that demonstrate trust and honesty in all we do.



**Respect**  
**Value each other.**  
We demonstrate a high regard for others by treating them with dignity, kindness, and professionalism.



**Synergy**  
**Achieve excellence together.**  
We place value on the collective power of teamwork to achieve excellence.



**Transparency**  
**Engage in clear and honest dialogue.**  
We welcome open conversation through the exchange of ideas and solutions at all levels of the organization.



**Wellbeing**  
**Lead an impactful life.**  
We provide a work environment based on a culture that encourages intentional commitment to personal and professional success.



**Great people, great service.  
Always treated like a family member.**

**—Barry,  
Connexus Member**



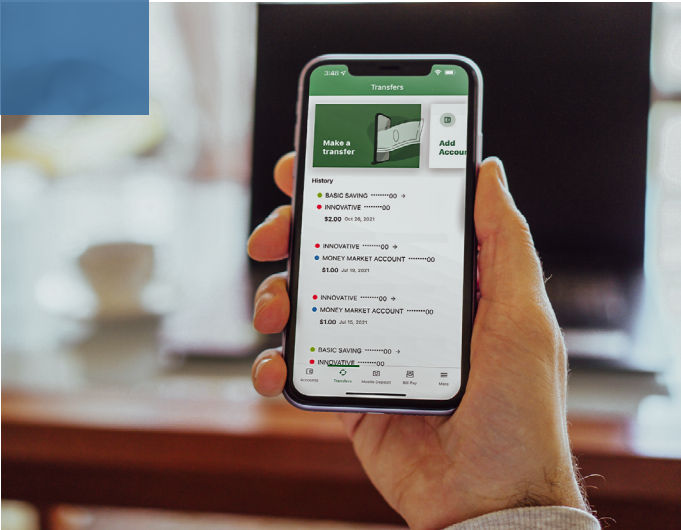
# Achieving national relevance by focusing on members

The very first tenet of our Connexus Vision is to be **nationally relevant**. For some credit unions, that might be achieved simply by earning recognition from highly regarded personal finance media outlets. Connexus was indeed honored with numerous national accolades and awards in 2021 by NerdWallet, Bankrate, and Forbes Advisor. But to us, national relevance is about so much more.

At Connexus, national relevance is first and foremost about providing exceptional experiences to our members — no matter where they’re located. To that end, we expanded the features of our robust Digital Banking platform and Connexus App in 2021 and made our members’ bank-from-home experience more seamless and user-friendly than ever before. We enhanced our Virtual Financial Assistant which enabled members to manage their Connexus accounts by giving simple voice commands to Amazon Alexa and Google Assistant. Additionally, we implemented voice analytics and authentication tools, which improved efficiency and security in our resolution of over 400,000 calls to our Member Contact Center. These are just a few examples of the innovative solutions we leveraged in 2021 — solutions which members would expect from a nationally relevant credit union attuned to their changing needs and committed to outstanding service.

While national relevance is certainly about serving our members wherever they are and adjusting to complex market conditions, it’s also about something much simpler: the numbers. And in 2021, our numbers spoke for themselves. In a year when many businesses were cutting budgets, Connexus boosted both its membership and overall assets by 1.7% and 19.7%, respectively.

We’re proud to share a few highlights of our success in achieving national relevance in 2021 and look forward to continued financial strength, leading innovation, and providing exceptional service in 2022.



Members across the country can manage their accounts anytime, anywhere, using the highly rated Connexus App which has earned 4.7 out of 5 stars in both the App Store® and Google Play™

+20%

Redesigned the navigation of the Connexus website which resulted in users finding their desired content 20% faster

+18%

Increased active users of Digital Banking and the Connexus App by 18% helping members manage their finances with ease on-the-go



## 2021 Recognition Highlights

- Top Credit Union of 2021, Bankrate
- Best Teen Checking Account, Forbes Advisor
- Best Mortgage Lender for HELOCs, NerdWallet
- Best Home Equity Lender, NextAdvisor
- Best Credit Unions for Personal Loans, WalletHub



Surpassed \$3.8B in credit union assets with over \$640M in annual growth

+21%

Increased staff size by 21% in the midst of a nationwide workforce shortage

97%

Managed 413,563 member calls in our Member Contact Center with a 97% request resolution rate



Gave back \$1.75M to members with an 86% reduction of overdraft fees and a 63% reduction of fees overall



Exceeded our annual member-facing goals for staff friendliness, communication, and staff knowledge



Processed over 165,000 member calls using new voice analytics technology and launched new voice authentication security with over 13,000 members in Q4 alone



Distributed over \$46M in dividends (interest earned) to our members

68,000+

Welcomed over 68,000 new members from across the nation



# Fostering prosperity by giving with purpose

If you asked our members to choose the tenet of our strategic vision that resonates the most, they'd likely choose our commitment to **fostering prosperity**. That's because at Connexus, we're known for generously giving back to the communities we serve with the resources they need the most through our philanthropic program, Connexus Cares.

In 2021, we continued our Connexus Cares tradition of prioritizing support and funding to organizations that provide basic humanitarian needs like food, shelter, and crisis services, as well as those that advocate for at-risk youth, seniors, and veterans. For the 15th consecutive year, we were honored to serve as the sole Presenting Sponsor for the Relay for Life event in Wausau, Wisconsin, raising over \$125,000 for the American Cancer Society®. We also made history in 2021 with our largest single donation to date, \$1 million to Community Partners Campus, and our most generous annual giving total of over \$2.5 million.

While we're excited by and grateful for the opportunities we had to support over 200 organizations in the communities we served in 2021, even more ambitious giveback goals await us in 2022. We can't wait to share our plans to grow financial support of vital organizations, bring back our employee Volunteer Time Off program, and discover new and creative ways to foster prosperity by giving with purpose.



## 2021 Connexus Cares Award Winner Tina Wocher

"Over the past two years, not only has Tina supported over 20 different organizations through the Connexus Cares donation matching program, but also utilized her Years of Service bonus to give back to her community, which is truly selfless and incredible."



*President & CEO Boyd Gustke presents our largest single donation to date to Wausau-based Community Partners Campus in support of their mission to provide food, clothing, shelter, medical, mental health, and social wellbeing services to nearly 15,000 community members.*

## \$5,288,189

Total Connexus Cares Giveback since 2019

## \$2,500,189

Total Connexus Cares Giveback in 2021

### 2021 Giving Highlights

**\$358,625**

National Charities

**\$195,750**

At-Risk Youth Programs

**\$346,625**

Food Insecurity Organizations

**\$180,000**

Senior Services

**\$338,750**

Shelters and Housing

**\$170,250**

Veteran Programs



*To learn more about these and other philanthropic efforts in 2021, please visit our Connexus Cares page.*



# Earning trust by living our values

Being a **trusted credit union** is a crucial tenet of our Connexus Vision because it enables us to innovate and take positive, measured steps; to learn, adapt, and grow as the financial landscape changes; and ultimately, to deliver the exceptional experiences that distinguish credit unions from other financial institutions.

We recognize, however, that trust isn't given freely — it's something that must be earned. To that end, we embrace a values-based culture at Connexus, one that promotes our core values of **Integrity, Respect, Synergy, Transparency, and Wellbeing** in how we communicate, how we collaborate, and how we choose to live and work each day.

In 2021, we recognized Connexus team members for their outstanding dedication to living our values. All award recipients were nominated by peers and celebrated for the extraordinary impact their work and leadership had on our efforts to earn and honor the trust of members, employees, communities, and business partners.



## 2021 Excellence Award Winner Lindsey Krautkramer

“Lindsey is always so patient and willing to help us with any questions we have on monthly numbers. She is extremely talented at simplifying complex equations and details, and is quick to take action and make adjustments as needed. Lindsey is an amazing resource to MCC and Connexus as a whole.”



## Toni Tambornino Integrity Award

“Toni is always willing to help other team members and departments so that Connexus can continue to provide excellent service to our members. She is an accountable individual that I trust will always do her best and continue to move Connexus in the right direction for success and growth.”



## Michael Stueland Respect Award

“Michael is the definition of Respect. You can trust the answer he gives to your question, the counsel he gives to a situation, and the information he provides is researched, accurate, and he will be accountable to it. He consistently delivers his best work, advocates for Connexus, and performs at a high level each day.”



## Amy Marquardt Synergy Award

“Amy demonstrates Synergy in her willingness to work with and train all members of the Admin team, no matter what other projects she has going on. She knows the processes inside and out, and is very patient in teaching the rest of us, for the betterment of our entire team.”



## Emily Clark Transparency Award

“Emily welcomes open conversations through the exchange of ideas and proposes solutions to problems rather than compound them. Emily takes her time in explaining newly established processes and why each step is impactful to both the team and the organization. Emily always values others' feedback as they discuss project milestones, tasks, and solutions.”



## Clara Galliford Wellbeing Award

“Throughout 2021, Clara has focused her personal development on learning and implementing the skills needed to develop herself and those around her. She is a positive influence on her colleagues, sharing her ideas and knowledge at every opportunity.”



# Providing exceptional experiences to those we serve

At Connexus, we believe in delivering service that isn't perceived as merely positive, but that stands out as truly exceptional. Through our philanthropic support to the communities we serve, our collaboration with business partners and vendors, and our values-driven, daily interactions with members and employees, we work tirelessly to create journeys that are as effortless and fulfilling as their outcomes.

Steering the ship of our vision and commitment to excellence are two dedicated groups of individuals: our Board of Directors and our Senior Leadership Team. We're grateful beyond measure for the time, talent, and expertise these leaders contribute to making our Connexus Vision a reality.

*President & CEO Boyd Gustke and Executive Vice President & COO Chad Rogers celebrate with community members at a ribbon cutting.*



## Board of Directors

Alita Lobner, Board Chair  
Kelsi Seubert, Vice Chair  
Shanna Yonke, Secretary & Treasurer  
Steven C. Derebey, Director  
Todd McDonald, Director  
Timothy C. Mulloy, Director  
Michael Prestileo, Director  
Steve Zeinemann, Director

## Senior Leadership Team

Boyd Gustke, President & Chief Executive Officer  
Chad Rogers, Executive Vice President & Chief Operating Officer  
Eric Huseby, Chief Lending Officer  
Ryan T. Gage, Chief Risk Officer  
Reggie Swanigan, Chief Technology Officer  
Claire Meney, Senior Vice President of Member Experience  
LaMont Bonham, Senior Vice President of Enterprise Risk Management  
Sheila Polak, Senior Vice President of Finance

*The Board of Directors and Senior Leadership Team members listed above were accurate as of 12/31/2021.*



*To learn more about our Board of Directors and Senior Leadership Team, please visit our website.*



# Financial summary

Balance Sheet	2021	2020
<b>Assets</b>		
Cash & Investments	\$ 365,253,969	\$ 276,727,396
Loans, Net	3,381,075,182	2,833,807,662
Fixed Assets, Net	12,867,680	10,239,791
NCUA Share Insurance Fund Deposit	28,010,350	23,647,220
Other Assets	97,237,265	98,874,164
<b>Total Assets</b>	<b>\$ 3,884,444,446</b>	<b>\$ 3,243,296,233</b>
<b>Liabilities</b>		
Share & Savings Accounts	\$ 3,455,668,251	\$ 2,891,318,920
Borrowed Funds	-	538,909
Accrued Expenses & Other Liabilities	32,918,449	31,762,720
<b>Total Liabilities</b>	<b>3,488,586,700</b>	<b>2,923,620,549</b>
<b>Members' Equity</b>		
Regular Reserves	11,011,690	11,011,690
Undivided Earnings	282,846,056	207,788,453
Acquired Equity	102,000,000	102,000,000
Accumulated Other Comprehensive Income	-	26
Noncontrolling Interest	-	(1,124,485)
<b>Total Members' Equity</b>	<b>395,857,746</b>	<b>319,675,684</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 3,884,444,446</b>	<b>\$ 3,243,296,233</b>

Income Statement	2021	2020
<b>Interest Income</b>		
Loans	\$ 236,230,183	\$ 193,558,207
Investments	814,384	861,317
<b>Total Interest Income</b>	<b>237,044,567</b>	<b>194,419,524</b>
<b>Interest Expense</b>		
Share & Savings Accounts	50,876,039	51,862,176
Borrowed Funds	-	278,387
<b>Total Interest Expense</b>	<b>50,876,039</b>	<b>52,140,563</b>
<b>Net Interest Income</b>	<b>186,168,528</b>	<b>142,278,961</b>
<b>Provision for Loan Losses</b>	<b>18,160,138</b>	<b>13,492,847</b>
<b>Net Interest Income After Provision for Loan Losses</b>	<b>168,008,390</b>	<b>128,786,114</b>
<b>Non-Interest Income</b>		
	38,673,646	34,734,023
<b>Non-Interest Expense</b>		
	131,624,433	110,950,509
<b>Net Loss Attributable to Noncontrolling Interest</b>	<b>-</b>	<b>225,977</b>
<b>Net Income</b>	<b>\$ 75,057,603</b>	<b>\$ 52,795,605</b>

**+19%**  
Net Loans grew by \$547M

**+20%**  
Total Assets grew by \$641M

**+24%**  
Members' Equity grew by \$76M

2020 and 2021 financial statements have been audited by CliftonLarsonAllen LLP and were reported in accordance with generally accepted accounting principles (GAAP).

Supervisory Committee:  
Steven C. Derebey (Chair), Alita Lobner, Todd McDonald,  
and Michael Prestileo

Federally Insured by NCUA





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