



# 2023 ANNUAL REPORT



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Veridian's mission is to partner with our members to create successful financial futures, and that work hinges on four key priorities - member experience, being an employer of choice, growth and financial security. We spent 2023 focused on each of these priorities.

As a credit union, above all else, we're people helping people. We know that creating the best outcomes for our members starts with attracting and retaining the best employees. It's my honor to work every day alongside the best and brightest in financial services, and to witness the differences we can make in the lives of our members. Our teams work hard and are consistently recognized among the best in our industry and our communities. When our employees know they're appreciated and rewarded for their work, our members reap the benefits. In 2023, metrics measuring our employee experience and member experience (net promoter score) both increased to an industry-leading 83% and 67%, respectively. Thank you to our employees for everything you put into serving our members, and thank you to our members for consistently recognizing our employees for their service.

Our other two areas of focus, growth and financial security, are inherently linked. Growth enables us to fund the technology, branches and staff that our members depend on. It allows us to continue investing in our communities, like the \$1.5 million we funded in donations, sponsorships, grants and scholarships. In 2023, our growth occurred primarily through steady deposit and loan growth, and our membership grew to 332,784. This allows

**“ As a credit union, above all else, we're people helping people. ”**

us to enhance the member experience with new branches, new features in online banking and more. Our growth and reinvestment fuels our financial security, and we ended 2023 ahead of peer averages with a 10.29% net capital ratio and 1.19% return on assets.

Thank you for trusting Veridian to be your partner in creating a successful financial future. I'm proud of the impact we've been able to make together and look forward to our continued success in 2024.



*Renee Christoffer*

**Renee Christoffer**  
President and CEO

Three years after the COVID-19 pandemic disrupted every aspect of our lives, we all continue to feel the fallout of tight labor markets, higher interest rates and higher prices for everything. One constant throughout the pandemic, and especially today, is the strength and security of Veridian. Veridian provided through the uncertainty of 2020 and 2021 and continues to be there for our members, employees and communities. Through Veridian, members receive value, education and investments through donations, scholarships and unique financial programs. Our programs break down financial barriers to home ownership, create member wealth and support the goals of small businesses.

In 2023, Veridian enjoyed another successful year, but there were inimitable challenges. While inflation and rising energy prices impacted our members, the Federal Reserve Bank increased rates to cool an overheating economy. In spite of this, we spent 2023 delivering more competitive products, improving service delivery and creating value for our membership through trusted financial services and products. We ended 2023 in a position of strength for continued growth and success in 2024 and beyond.

Our most pressing upcoming challenge is in preparing for additional regulatory oversight and limitations on earnings due to federal legislation known as the Durbin Amendment. These regulatory rules require Veridian's constant oversight and consistent planning today for continued success in the future. As a Board, we have invested in education and planning to ensure that the credit union continues to be positioned for success.

2023 was also a year of notable expansion. We opened a new branch in Cedar Falls, Iowa and our first Minnesota branch in Eden Prairie. We also broke ground on branches in Ankeny, Iowa and Gretna, Nebraska that are expected to open mid-2024.

All of these efforts were planned and executed to maintain our strength and stability. Ultimately, they support our ability to continue providing the tools, services and education that underpin our core mission to help improve your financial future. As always, thank you for continuing to trust in us and for being a Veridian member.

“All of these efforts were planned and executed to maintain our strength and stability.”



*Cynthia Buettner*

**Cynthia Buettner**  
Board Chair



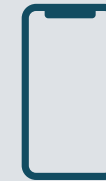
### Racial Economic Equity Incubator

Veridian was selected by the Filene Research Institute, an independent cooperative think tank based in Madison, Wisconsin, to lead a Racial Economic Equity Incubator in Waterloo, Iowa. It's one of eight incubators Filene is organizing across the U.S. in an effort to close the racial wealth gap. The Veridian-led incubator focuses specifically on closing gaps in homeownership and access to consumer lending with existing community partners, including Iowa Heartland Habitat for Humanity, 24/7 BLAC and House of Hope.



### New Branches

We opened a new branch in Cedar Falls, Iowa and broke ground on two more – one in Gretna, Nebraska and one in Ankeny, Iowa. The new Ankeny branch will replace the existing Prairie Trail branch upon opening in the summer of 2024. We also opened our first Minnesota branch in Eden Prairie after expanding our field of membership to include eight counties around the Twin Cities.



### New Features and Security in Online Banking

We improved navigation in online banking to make more features accessible in fewer clicks. Then we added another layer of authentication to the login process with secure connection verification on randomized logins.



### Financial Inclusion Mortgage

Veridian is certified by the U.S. Department of the Treasury as a Community Development Financial Institution (CDFI). That certification allows us to apply for competitive grant funding to support our Financial Inclusion Mortgages, helping us put homeownership within reach for those who experience barriers to qualifying for a traditional mortgage. By the end of 2023, our total Financial Inclusion Mortgage volume reached \$52.9 million on 426 homes.

## Awards & Recognitions

**Best Credit Unions to Work For (38th)**  
*American Banker*

**Commercial Reinvestment Award**  
*Ankeny Business & Industry Collaborative*

**Ankeny's Best Credit Union (1st)**  
*Ankeny Register & Press Citizen*

**Ankeny's Best Mortgage Lending Company**  
*Ankeny Register & Press Citizen*

**Best Credit Union (2nd)**  
*B2B Omaha Magazine*

**Top 1% of credit unions in the U.S. for returning value to members**  
*Callahan & Associates*

**Lending Hand Award**  
*Cedar Valley United Way*

**Des Moines Best Credit Union (1st)**  
*Des Moines Business Record*

**Best Local Credit Union (1st)**  
*Des Moines Cityview*

**Best Credit Union (1st)**  
*Des Moines Register*

**Best Credit Unions in Iowa (5th)**  
*Forbes*

**Best Banks & Credit Unions in the Midwest (Best Rates)**  
*Money Magazine*

**Top ACH Originators by Volume (35th)**  
*National Automated Clearing House Association*

**Best Credit Union (3rd)**  
*Omaha Magazine*

**Certified Community Development Financial Institution (CDFI)**  
*U.S. Department of the Treasury*

**Best of the Best Credit Union (1st)**  
*Waterloo-Cedar Falls Courier*

**Best Financial/Investment (1st)**  
*Waterloo-Cedar Falls Courier*

**Best Service (1st)**  
*Waterloo-Cedar Falls Courier*

**Best Place for Working Parents**  
*Best Place for Working Parents*



Members saved an estimated **\$38.9 million** by using products and services at Veridian compared to what they would have paid at a bank.

We invested **\$1.5 million** in donations, sponsorships, scholarships, grants and more.

We financially supported more than **540 nonprofit** and community organizations.

We compensated employees for **2,689 hours** of volunteer community service.

## Milestone Anniversaries of 25 Years or More



**Lynn Gilbertson**  
35 years of service



**Suzanne Merchant**  
35 years of service



**Amy Burch**  
30 years of service



**Shelly Carrasco**  
30 years of service



**Stephanie Holman**  
30 years of service



**Lisa Morehouse**  
30 years of service



**Renee Myott**  
30 years of service



**Michelle Sorensen**  
30 years of service



**Brett Engstrom**  
25 years of service



**Alissa Ericson**  
25 years of service



**Paul Farmer**  
25 years of service



**Douglas Frisch**  
25 years of service



**Mike Mangin**  
25 years of service



**Gary Smith**  
25 years of service



**Donna Vollenweider**  
25 years of service

As your Board Treasurer and fellow Veridian member, it's my honor to report that the financial condition of our credit union is strong. Our strength is evidenced in a variety of data, perhaps most notably in our year-end net capital ratio of 10.29% and loan-to-share ratio of 102.24%. Most importantly, that foundation of financial security has allowed us to continue returning more value to you, our members.

Veridian was recognized by two organizations in 2023 for being a regional and national leader in returning value to members. *Money Magazine* named Veridian among the "Best Banks and Credit Unions in the Midwest" for offering the best rates in a 12-state region, including Michigan, Ohio, Indiana, Wisconsin, Minnesota, North Dakota, South Dakota, Iowa, Nebraska, Kansas and Missouri. The magazine specifically cited our Premium Plus Checking account for having a high annual percentage yield, no minimum balance, no monthly service fee and overdraft protection.

Callahan & Associates, a Washington D.C.-based firm that reports nationally on credit union performance, has consistently ranked Veridian in the top 1% of all credit unions in the U.S. for returning value to members. By the end of 2023, our ranking on that list climbed to fourth

“**Veridian was recognized by two organizations in 2023 for being a regional and national leader in returning value to members.**”

among all U.S. credit unions. Overall, our members saved an estimated \$38.9 million in 2023 by using products and services at Veridian compared to what they would have paid at a bank. Those savings are possible because of our cooperative ownership structure and our mission to create successful financial futures.

Thank you for electing and entrusting me to serve as your Board Treasurer. It's a privilege to witness the positive impact we're able to make together, for each other and for our communities. Here's to building on that success in 2024.



**Stephanie Atkin**  
Treasurer

## Audit

This committee helps ensure that Veridian's financial condition is accurately represented and its assets are protected.

### Committee Chair

Pam Ayres

### Committee Members

Cindy Sprole

Justine Teut

### Audit Committee Responsibilities:

- Review specific board policies
- Review independent audit and exam reports
- Review suspicious activity reporting
- Review and approve annual internal audit plan
- Review internal audit reports

## Credit

This committee monitors lending policies and the performance of our lending portfolio, ensuring Veridian is always responding to the changing needs of our growing membership.

### Committee Chair

Larry Loss

### Committee Members

Jim Kacher

Bob Kressig

Reed Mick

Will Montgomery

### Credit Committee Responsibilities:

- Review specific board policies
- Monitor lending policies to ensure they are current and align with economic conditions
- Review the loan portfolio, including new volume, profitability, performance, exceptions and concentrations
- Approve new lending products and services
- Delegate authority to authorized employees according to lending policies



# Financial Statements

## Consolidated Statements of Financial Condition

Years Ended December 31, 2023 & 2022

	2023	2022
<b>Assets</b>		
Cash and cash equivalents	\$ 543,362,255	\$ 156,111,486
Certificates of deposit	12,880,000	13,429,000
Debt securities available for sale	217,780,072	219,458,049
Equity securities	110,855,405	116,655,558
Loans held for sale	7,577,899	4,339,889
Loans receivable, net	6,236,599,658	6,118,381,305
Accrued interest receivable	20,143,871	16,972,570
<b>Property and equipment:</b>		
Land and land improvements	22,026,674	20,745,734
Buildings and improvements	75,917,996	69,545,624
Furniture and equipment	40,459,809	37,021,633
Construction in progress	4,955,020	3,861,163
<b>Total property and equipment</b>	<b>143,359,499</b>	<b>131,174,154</b>
Less accumulated depreciation	54,821,179	50,658,415
<b>Net property and equipment</b>	<b>88,538,320</b>	<b>80,515,739</b>
National Credit Union Share Insurance Fund (NCUSIF) deposit	50,574,945	44,690,473
Federal Home Loan Bank (FHLB) Stock	22,726,700	32,360,600
Beneficial interests in securitization	24,088,235	-
Goodwill	13,541,011	-
Other assets	100,334,689	81,413,268
<b>Total assets</b>	<b>\$7,449,003,060</b>	<b>\$6,884,327,937</b>

	2023	2022
<b>Liabilities and Members' Equity</b>		
<b>Liabilities:</b>		
Members' shares	\$ 6,180,418,267	\$ 5,475,775,099
Accrued interest payable	45,503	8,317
Borrowed funds	410,083,005	629,597,370
Accrued expenses and other liabilities	110,152,533	80,232,546
<b>Total liabilities</b>	<b>6,700,699,308</b>	<b>6,185,613,332</b>
<b>Members' equity:</b>		
Appropriated	262,923,540	224,063,873
Unappropriated	504,147,750	497,051,334
Accumulated other comprehensive loss	(18,767,538)	(22,400,602)
<b>Total members' equity</b>	<b>748,303,752</b>	<b>698,714,605</b>
<b>Total liabilities and members' equity</b>	<b>\$7,449,003,060</b>	<b>\$6,884,327,937</b>

## Consolidated Statements of Income

Years Ended December 31, 2023 & 2022

	2023	2022
<b>Interest income:</b>		
Interest and fees on loans	\$ 298,999,932	\$ 236,146,288
Interest on investment securities	7,603,293	5,582,920
Interest on certificates of deposit and other investments	14,383,887	2,912,574
<b>Total interest income</b>	<b>320,987,112</b>	<b>244,641,782</b>
<b>Interest expense:</b>		
Members' shares	117,125,499	38,908,999
Borrowed funds	22,410,336	11,156,526
<b>Total interest expense</b>	<b>139,535,835</b>	<b>50,065,525</b>
<b>Net interest income</b>	<b>181,451,277</b>	<b>194,576,257</b>
Credit loss expense	28,432,333	18,577,582
<b>Net interest income after credit loss expense</b>	<b>153,018,944</b>	<b>175,998,675</b>
<b>Noninterest income:</b>		
Service charges	25,084,815	25,086,869
Insurance commissions	4,052,447	3,815,996
Credit card interchange fees	36,970,161	35,317,331
Gains from the sale of loans	36,938	41,784
Realized gains (losses) on sales of equity securities, net	5,333,232	(3,068,507)
Unrealized gains (losses) on equity securities, net	8,702,114	(18,421,764)
Gain (loss) on sale of property and equipment	(29,341)	121,905
Realized loss on securitization	(2,274,016)	-
Other service charges and fees	12,711,869	6,374,823
<b>Total noninterest income</b>	<b>90,588,219</b>	<b>49,268,437</b>
<b>Noninterest expenses:</b>		
Salaries and employee benefits	88,959,759	85,706,882
Occupancy	9,644,867	7,576,740
Furniture and fixtures	9,220,879	7,191,678
Advertising and promotion	4,874,263	4,442,634
Supplies and postage	2,831,816	2,429,206
Data processing	8,354,410	7,784,210
Other	34,743,511	30,640,997
<b>Total noninterest expenses</b>	<b>158,629,505</b>	<b>145,772,347</b>
<b>Net income</b>	<b>\$ 84,977,658</b>	<b>\$ 79,494,765</b>

# Financial Statements

## Consolidated Statements of Comprehensive Income

Years Ended December 31, 2023 & 2022

	2023	2022
<b>Net income</b>	<b>\$ 84,977,658</b>	<b>\$ 79,494,765</b>
<b>Other comprehensive income (loss):</b>		
Unrealized gains (losses) on debt securities available for sale	7,055,789	(21,260,046)
Unrealized gains on beneficial interests in securitization	83,328	-
Post-retirement benefit plans	(3,506,053)	8,562,732
<b>Other comprehensive income (loss)</b>	<b>3,633,064</b>	<b>(12,697,314)</b>
<b>Comprehensive income</b>	<b>\$ 88,610,722</b>	<b>\$ 66,797,451</b>

## Consolidated Statements of Changes in Members' Equity

Years Ended December 31, 2023 & 2022

	Appropriated			Unappropriated		Total
	Legal reserve for loan losses	Capital reserve	Total	Undivided earnings	Accumulated other comprehensive loss	
<b>Balance, December 31, 2021</b>	<b>\$ 192,889,791</b>	<b>\$ 348,894,870</b>	<b>\$ 541,784,661</b>	<b>\$ 99,835,781</b>	<b>\$ (9,703,288)</b>	<b>\$ 631,917,154</b>
Comprehensive income:						
Net income	-	-	-	79,494,765	-	79,494,765
Other comprehensive loss	-	-	-	-	(12,697,314)	(12,697,314)
Transfers, net	31,174,082	-	31,174,082	(31,174,082)	-	-
Capital reserve transferred to undivided earnings	-	(348,894,870)	(348,894,870)	348,894,870	-	-
<b>Balance, December 31, 2022</b>	<b>224,063,873</b>	<b>-</b>	<b>224,063,873</b>	<b>497,051,334</b>	<b>(22,400,602)</b>	<b>698,714,605</b>
Cumulative change in accounting principle	-	-	-	(39,021,575)	-	(39,021,575)
<b>Balance, January 1, 2023</b>	<b>224,063,873</b>	<b>-</b>	<b>224,063,873</b>	<b>458,029,759</b>	<b>(22,400,602)</b>	<b>659,693,030</b>
(as adjusted for change in accounting principle)						
Comprehensive income:						
Net income	-	-	-	84,977,658	-	84,977,658
Other comprehensive gain	-	-	-	-	3,633,064	3,633,064
Transfers, net	38,859,667	-	38,859,667	(38,859,667)	-	-
<b>Balance, December 31, 2023</b>	<b>\$ 262,923,540</b>	<b>\$ -</b>	<b>\$ 262,923,540</b>	<b>\$ 504,147,750</b>	<b>\$ (18,767,538)</b>	<b>\$ 748,303,752</b>

## Consolidated Statements of Cash Flows

Years Ended December 31, 2023 & 2022

	2023	2022
<b>Cash flows from operating activities</b>		
<b>Net income</b>	<b>\$ 84,977,658</b>	<b>\$ 79,494,765</b>
<b>Adjustments to reconcile net income to net cash provided by operating activities:</b>		
Depreciation	5,434,042	5,072,199
Credit loss expense	28,432,333	18,577,582
Proceeds from sale of loans sold	265,774,180	232,979,471
Originations of loans held for sale	(268,975,252)	(226,504,214)
Gains from the sale of loans	(36,938)	(41,784)
Realized (gains) losses on the sales of equity securities, net	(5,333,232)	3,068,507
Unrealized (gains) losses on equity securities, net	(8,702,114)	18,421,764
Loss (gain) on sale of property and equipment	29,341	(121,905)
Realized loss on securitization	2,274,016	-
Net amortization of premiums on available for sale investment securities	641,856	1,002,985
Net change in:		
Accrued interest receivable	(3,171,301)	(5,343,418)
Other assets	1,193,833	(34,089,326)
Accrued interest payable	37,186	(352)
Accrued expenses and other liabilities	25,749,207	7,957,115
<b>Net cash provided by operating activities</b>	<b>128,324,815</b>	<b>100,473,389</b>
<b>Cash flows from investing activities</b>		
Proceeds from maturities of certificates of deposit	4,785,000	23,417,015
Purchase of certificates of deposit	(4,236,000)	(999,000)
Proceeds from sales of debt securities available for sale	9,411,965	-
Purchase of debt securities available for sale	(40,528,069)	(14,030,473)
Proceeds from maturities of debt securities available for sale	23,432,424	28,014,870
Purchase of equity securities	(396,696)	(35,479,255)
Proceeds from sales of equity securities	20,232,195	18,391,496
Purchase of Federal Home Loan Bank stock	(99,681,200)	(91,702,000)
Proceeds from sale of Federal Home Loan Bank stock	109,315,100	70,668,800
Net increase in loans receivable	(96,631,281)	(1,562,698,964)
Purchases of property and equipment	(13,508,649)	(11,836,610)
Proceeds from sale of property and equipment	28,750	330,579
Proceeds from disposition of foreclosed real estate	715,243	-
Net increase in NCUSIF deposit	(5,884,472)	(3,452,640)
Principal payments received on beneficial interests	1,182,647	-
Net cash paid in business combination	(23,185,190)	-
<b>Net cash used in investing activities</b>	<b>(114,948,233)</b>	<b>(1,579,376,182)</b>

## Consolidated Statements of Cash Flows

Years Ended December 31, 2023 & 2022

	2023	2022
<b>Cash flows from financing activities</b>		
Proceeds from borrowed funds	2,965,000,000	3,125,022,705
Payments to borrowed funds	(3,221,789,365)	(2,624,769,715)
Net increase in members' shares	630,663,552	457,504,228
<b>Net cash provided by financing activities</b>	<b>373,874,187</b>	<b>957,757,218</b>
<b>Increase (decrease) in cash and cash equivalents</b>	<b>387,250,769</b>	<b>(521,145,575)</b>
Cash and cash equivalents at beginning of year	156,111,486	677,257,061
Cash and cash equivalents at end of year	\$ 543,362,255	\$ 156,111,486
<b>Supplemental disclosures of cash flow information, cash payments for</b>		
Interest paid to members	\$ 117,088,312	\$ 38,909,351
Interest paid on borrowed funds	\$ 22,410,336	\$ 11,156,526
<b>Supplemental schedule of noncash investment and financing activities</b>		
<b>Change in accumulated other comprehensive loss:</b>		
Unrealized gains (losses) on securities available for sale, net	\$ 7,055,789	\$ (21,260,046)
Unrealized gains on beneficial interests in securitization	\$ 83,328	\$ -
Post-retirement benefit plans	\$ (3,506,053)	\$ 8,562,732
Transfers from loans to foreclosed real estate	\$ 1,287,525	\$ 354,415
Supplemental schedule of noncash investing and financing activities, adoption of ASC 326, reclassification from undivided earnings to allowance for credit losses	\$ (39,021,575)	\$ -
<b>Supplemental schedule of noncash investing activities from business combination</b>		
<b>Noncash assets acquired:</b>		
Investments	\$ 9,411,965	\$ -
Loans receivable	108,066,201	-
Property and equipment	6,065	-
Goodwill	13,541,011	-
Core deposit intangible	1,129,506	-
Other assets	2,949,786	-
<b>Total noncash assets acquired</b>	<b>135,104,534</b>	<b>-</b>
<b>Liabilities assumed:</b>		
Deposits	73,979,616	-
Borrowed funds	37,275,000	-
Other liabilities	644,728	-
<b>Total liabilities assumed</b>	<b>111,919,344</b>	<b>-</b>
<b>Net cash paid in business combination</b>	<b>\$ 23,185,190</b>	<b>\$ -</b>



**Stephanie Atkin**  
Director  
**Committees**  
Executive (Treasurer)  
Strategic Direction



**Pam Ayres**  
Director  
**Committee**  
Audit (Chair)



**Emsad Begic**  
Director  
**Committees**  
Board Governance  
Strategic Direction (Chair)



**Bill Boevers**  
Director  
**Committees**  
Executive (2nd Vice Chair)  
Board Governance (Chair)



**Cynthia Buettner**  
Director  
**Committees**  
Executive (Chair)  
Strategic Direction



**James Kacher**  
Director  
**Committee**  
Credit (Secretary)



**Bob Kressig**  
Director  
**Committees**  
Credit  
Strategic Direction



**Larry Loss**  
Director  
**Committees**  
Credit (Chair)  
Nominating



**Traci McBee**  
Director  
**Committees**  
Executive (1st Vice Chair)  
Nominating (Chair)



**Cindy Sprole**  
Director  
**Committees**  
Audit (Secretary)  
Nominating



**Justine Teut**  
Director  
**Committees**  
Audit  
The Veridian Group Board



**Aubrey Ward**  
Director  
**Committees**  
Executive (Secretary)  
The Veridian Group Board



**Nick Waters**  
Director  
**Committee**  
Board Governance



**Will Montgomery**  
Associate Director  
**Committees**  
Board Governance  
Credit



**Reed Mick**  
Associate Director  
**Committees**  
Credit  
Strategic Direction



**Jeff Niemeier**  
Associate Director  
**Committees**  
Board Governance  
Strategic Direction





This credit union is federally insured by  
the National Credit Union Administration.