



[2022]

»»» Annual
REPORT



Since 1957

CHAIRMAN'S REPORT

Many years ago, R-G Federal Credit Union opened as a financial institution that is owned by members, serving members. Our goal today, as it always has been, is to help you achieve your financial goals in the most service-friendly and supportive manner possible by meeting your evolving and changing needs as life progresses.

It is the Board of Directors' privilege to serve you. Our Board is a diverse team of volunteers who live in Belton and throughout the Kansas City area. The board members provide knowledge and leadership to keep R-G focused on our members and our mission. Your needs are the guidelines we use to make every decision and action.

Last year was another excellent year for our credit union. Some of the highlights I am personally most proud of include:

» Surpassed our membership goal.

- We'd like to welcome all our new members, including those from our new branch at Whiteman Air Force Base.

- We're also looking forward to opening our new, state of the art branch in Belton and being available to many more residents.

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Financial Services

Building Relationships
One Member at a Time
www.rgfcu.com

- » Continued to help people realize their dream of home ownership or renovating their existing home.
- » Awarded two scholarships to deserving high school seniors.
 - The scholarship program has attracted some very exceptional, civic- minded and conscientious students with very positive goals for their futures.
 - These scholarships are not just for colleges and universities, they may also be used for technical schools, vocational schools, or an organized construction trade apprenticeship.
- » Helped veterans and their families by donating to the Kansas City Fisher House.
 - The new Fisher House in KC is located outside the VA Hospital.
 - The Armed Forces Financial Network awards \$1500 to the credit union which we match, so a total of \$3,000 was donated in 2022.

The success of our credit union is also directly linked to the hard work of our team. We have made extraordinary progress this year and the Board of Directors would like to thank every team member for their energy, commitment, and consistency in driving our credit union forward.

Looking ahead, the Board of Directors is positioned to assist with moving the credit union into a bright future of new branches, competitive rates, and providing you with the most up-to-date, relevant products and services, all while still retaining the friendly, personal attention for which we are known.

I would like to thank you for your support, loyalty, and trust as we strive to help you achieve all your financial goals.

Janet Bedwell

Board Chair



PRESIDENT'S REPORT

2022 was a busy and exciting year for R-G Federal Credit Union. Our credit union continues to grow, and we know we have our existing members to thank for much of this success.

BRANCH UPDATE

We are so excited about our new branch in Belton and can't wait to show it off to you. The building itself is just about finished. We had hoped to be open in April, however, we are waiting on several key pieces of equipment, and unfortunately that is out of our control. Please be patient and stay tuned for that announcement as there will be a GRAND opening. Belton is a growing community, and we are growing right along with them as more and more of our friends and neighbors join you in membership. New branches always come with some growing pains, but rest assured we will be there to help you every step of the way.

SUPPORTING OUR COMMUNITY

Once again, we were able to award two \$1,000.00 scholarships last year. One to a Knob Noster High School student member and one to a student member from Blue Springs South High School. One to a Knob Noster High School student and one to a student member in Lee's Summit. We know that today's children are our future, and we want to do our part in helping them realize their dreams. If you know a high school student or have a high school student that is looking at college or a trade school after graduation, please encourage them to open an account with us. Scholarships are available to members who are graduating high school seniors nationwide.

VETERANS DAY

In our continuing support of our veterans, RGFCU staff and board members spent the day touring The Fisher House Facility located next to the Kansas City VA Hospital. What a beautiful, warm, and welcoming home away from home. They offer a much-needed free service for our Vet's and their families. Think of The Fisher House like the Ronald McDonald House for families of veterans seeking care at the VA. If you've never toured the home before, they welcome visitors and donations.

TRAINING AND GROWTH

Growing the Credit union takes a lot of training and re-training. The rules and regulations are constantly changing in the financial world. Each year we take Columbus Day and Presidents Day as a time to come together as a credit union and focus on our products and how we can better serve you, our members. We also know that children are our future, which is why we partner with The Belton High School, allowing shadowing in some of our positions, so that students get real world training and experiences.

STATE OF ECONOMY

Inflation has surely taken a toll on all of us this past year and your CU is no different. We continue to offer products and services to help you navigate what are uncharted waters for many of us including free budgeting tools, access to credit counseling services and education, interest rate calculators, and many other free online tools to make your financial life easier. Certificate rates are rising, which I know is music to the ears of those looking to maximize their investment in R-G. Unfortunately, that means loan rates are also on the rise to pay those dividends. Many members who are newer to credit have never seen mortgage rates in the 6-8% range, but I try to remind everyone, 2-3% is not the norm. As the Fed works to curb inflation, they will continue to increase rates to historically normal levels. That being said, we continue to look for every way possible to keep our loan rates as reasonable as we can while still earning enough to cover expenses.

FRAUD

Scams and fraud continue to be a growing trend in our country. Romance scams, foreign lottery winners, mysteriously jailed family members, Craigslist/Facebook Marketplace scams, secret shopper scams, computer takeovers, viruses, and online banking scams – we've seen them all. More recently we've seen members caught up in unexpected wire transfers from people they've never met. These fraudsters are smart and can suck you in by appearing to be a "friend". Please guard your online information and do not share it. Change your passwords often and make them difficult for fraudsters to decipher.

As always, we appreciate your business and the trust you put in us to take care of all your financial needs. Your choices are many and we are grateful that you chose us!

Joye Conklin
President/CEO

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee, appointed by the Board of Directors, is responsible for ensuring the financial records of R-G Federal Credit Union are correct and that safeguards are in place to protect the assets and information of the credit union and its members. The committee does this through its annual opinion audit, member account verification process, and annual reviews all conducted under our external auditor, Doeren Mayhew. The goals of these audits are to determine the reliability and integrity of the financial and operating information and to determine compliance with generally accepted accounting principles. Our auditor's opinion states:

We have audited the financial statements of R-G Federal Credit Union (the Credit Union), which comprise the statements of financial condition as of September 30, 2022 and 2021, and the related statements of operations, comprehensive operations, members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as of September 30, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

The National Credit Union Administration examined the credit union in October 2021. Based upon acceptable financial performance and compliance with federal regulations, R-G Federal Credit Union was found to be well capitalized at that time.

It has been our pleasure to serve you this past year. The Supervisory Committee meets once a month, usually on the 2nd Monday. If you are interested in volunteering, please contact the credit union for more information should a seat open up.

Julia Lee
Supervisory Committee Chair

NOMINATING COMMITTEE REPORT

The nominating committee for the 2022-2023 election year reviewed the qualifications and interests of the qualified candidates for 2 positions on the Board of Directors. We are pleased to nominate the following members for the positions stated, each to serve three-year terms.

Position #1 Janet Bedwell (Incumbent)

Position #2 Bill Keeney (Incumbent)

There were no nominations by petition. Accordingly, the committee nominates the above-named members to be elected to the credit union's Board of Directors at the Annual Meeting of the membership, Thursday, March 16, 2023.



Oh, how a lot can change in one year! Record setting inflation, interest rates the highest they've been in 15 years, endless changes to rules and regulations from Congress, regulators, and the CFPB, and a new Belton branch nearing completion, 2022 has been an interesting year for everyone, R-G included. On a positive note, our total loan portfolio grew 27.3% for the year, an increase of 14.9% from the previous year. In March we completed the purchase of land at the corner of Markey Parkway and Towne Center Drive, and have worked hard all year to see our new branch come to fruition. The weather cooperated most of the year, and we are happy to report construction of the new branch is nearing completion. I wish we could say the same thing about the supply chain and all-things tech related for the new branch. There are still several key pieces of equipment we are waiting on before we can open the building.

After the great recession and throughout the COVID-19 pandemic, we saw very low interest rates. During that time, the Credit Union looked for every opportunity to put our members' shares to work so R-G could continue to grow and prosper. Longer term investments were utilized to obtain a higher yield, with the understanding that if rates were to go up, these investments could be harder to sell. I don't think anyone ever dreamed we would see 9.1% inflation in one year. While those investments are still receiving monthly interest payments, we have been forced to hold them longer than we would like, and have had to look for alternative ways to fund our strong loan demand. This has included taking on non-member deposits from other credit unions for the first time ever, utilizing short-term borrowing at the Federal Reserve, and offering special Share Certificate rates to attract more deposits. Even with all of this, R-G still ended 2022 with another solid gain. We ended the year with net income of \$605,045.36. This is down from the previous year, but is a testament to the hard work our staff put in to allow our credit union to remain profitable. In 2022 the board voted to again provide a cost-of-living adjustment to our pay scale to help employees manage the record-setting inflation while continuing to offer the exceptional benefits package that allows us to attract and retain high-performing individuals. In 2023 we hope to make improvements to our Visa debit and credit cards including a new rewards program for both programs, and the addition of Apple Pay, Google Pay, and Samsung Pay; however, this project is dependent on a system migration that has been delayed a couple of times by our core software provider. We know all our modernization efforts come at a price, but we feel our strong earnings over the past several years will continue, and the improvements will just help our credit union continue to grow. R-G continues to be a strong and safe place for our members' savings. Total assets were up 11.2% for 2022, ending at \$126,209,367.59. Our capital ratio is 9.03%, down slightly from 9.51% in 2021, but still very strong considering the large increase in deposits during the year. The National Credit Union Administration (NCUA) still feels we are well capitalized.

As a reminder, we continue to offer "how to" videos on the website and updates for the mobile app. The how-to videos can be found on the FAQ page and include everything from R-G product demos to videos for financial literacy and identity theft education. We also feature a Car Buying Center on our website. The Car Buying Center lets you compare vehicles, get Kelly Blue Book Pricing, and see the CarFax for used vehicles, all while shopping local dealerships online for vehicles. You can then apply for financing online from R-G before ever stepping foot on the lot. We continue to offer a program on our website called KOFE (Knowledge of Financial Education) in partnership with Consolidated Credit. Access to KOFE can be found

throughout the website under “Financial Education” links. KOFE offers online publications, videos, games, podcasts, interactive courses, financial coaching, and a chat feature putting our members in contact with certified credit counselors and financial coaches. KOFE also offers monthly online webinars that we simulcast in the conference rooms at our branches. Seating is limited for the in-branch webinars, so be sure to contact us if you see one that interests you. We hope members of all ages find these resources helpful to learn more about the products and services offered by R-G and how to best utilize credit.

Your credit union is a non-profit member-owned financial cooperative. We exist to serve our members and the communities in which we live. You are a member-owner, and we want to hear from you.

Our focus for 2023 and beyond continues to be building stronger member relationships. If you have done any new business with us in the last year you likely received a satisfaction survey via email. If you get one, please take time to respond. We will continue to request feedback from members regarding the service we’re providing in 2023 to help us improve. Of course, you don’t have to wait for a survey to tell us how you feel. We welcome feedback at any time and will use that feedback to help drive our decisions. Word of mouth advertising continues to be the best marketing for the credit union, so we encourage you to spread the word about R-G to your friends, family members, and co-workers and invite them to join us and share in the benefits of credit union membership. From all the staff at R-G Federal Credit Union, we sincerely thank you for your continued membership and support.

Steve Deere
Chief Financial Officer
Since 1957...
building relationships one member at
a time!



STATEMENT OF FINANCIAL CONDITION

ASSETS:		OPERATING INCOME:	
	December 2022		December 2022
Loans to Members:	93,653,269.88	Interest On Loans:	3,802,847.45
Allowance for Loan Loss:	-413,291.31	Income on Investments:	377,599.22
Cash on Hand (in Banks):	3,976,757.07	All Other Income:	1,205,515.87
Investments:	22,447,971.21	TOTAL OPERATING INCOME:	5,385,962.54
Investment in NCUA Share Insurance Fun	958,945.09	Non-Operating Income:	0.00
Land and Buildings:	4,286,264.79	TOTAL INCOME:	5,385,962.54
Other Fixed Assets:	594,681.89		
All Other Assets:	704,248.97		
Other Accounts Receivable:	520.00		
TOTAL ASSETS:	126,209,367.59		
LIABILITIES & EQUITY		EXPENSES:	
	December 2022		December 2022
Accounts Payable:	807,241.63	Employee Compensation:	1,504,153.56
All Other Liabilities:	67,226.92	Employee Benefits:	406,783.82
Regular Shares:	49,784,210.44	Travel and Conference:	8,330.50
Smart Saver:	21,840,461.18	Association Dues:	40,740.17
Escrow Account:	195,469.02	Office Occupancy:	270,893.05
Club Accounts:	500,553.34	Office Operations:	1,145,010.01
Share Drafts:	19,666,125.11	Education and Promotion:	127,868.34
Business Share Drafts:	473,258.93	Loan Servicing:	310,217.00
IRA Accounts:	6,308,976.35	Professional & Outside Services:	614,058.14
Share Certificates:	7,172,906.62	Provision for Loan Losses:	5,978.92
Non-Member Share Certificates	9,695,000.00	Member Insurance:	0.00
Unrealized Gain/Loss on Investments	-1,695,943.64	Operating Fee (exam & supervisory)	17,838.96
Undivided Earnings:	11,393,881.69	Interest on Borrowed Money	4,463.26
		Annual Meeting Expenses:	2,571.70
		Over/Short (Inc Share C/O & Fraud Loss	23,817.47
		Miscellaneous Operating Expenses:	14,746.05
		Gain/Loss Disposition of Assets:	-25,524.80
		TOTAL EXPENSES:	4,471,946.15
		DIVIDENDS:	
			December 2022
TOTAL LIABILITIES & EQUITY:	126,209,367.59	Total Dividends Paid:	308,971.03
		Net Income:	605,045.36

STATISTICAL DATA

STATISTICAL INFORMATION - 2022					
	Number:	Amount:		Amount:	
Members:	7,660	115,636,960.99	Net Income Before Dividends:	914,016.39	
Potential Membership:	1,037,111		Non Operating Gain or Loss:	0.00	
Loans:	4,194	93,653,269.88	Dividends:	-308,971.03	
Loans Made in 2022:	1505	46,439,586.14	Net Income After Dividends:	605,045.36	
Loans Made Since Origination:	174217	553,686,343.23			
Loans Charged off Since Origination:		8,499,724.92	Loans Recovered Since Origination	993,619.85	
COMPARITIVE CHART FOR THE PAST FIVE YEARS					
	2018	2019	2020	2021	2022
Number of Members:	7,379	7,271	7,336	7,386	7,660
Loans Outstanding:	3,939	4,194	4,208	4,200	4,194
Total Shares:	72,406,286.57	77,572,909.68	89,415,480.74	101,712,356.38	115,636,960.99
Dollar Value of Dividends Paid:	213,184.53	334,140.31	334,675.70	223,167.05	308,971.03
\$ Value of Loans Outstanding:	53,425,403.09	56,317,197.11	65,422,038.66	73,564,237.13	93,653,269.88
Gross Income:	4,404,625.04	4,833,307.90	5,107,179.79	5,132,873.73	5,385,962.54
<p>We certify to the best of our knowledge and belief, this statement and the related statements are true and correct and present fairly the financial position of R-G Federal Credit Union for the period January 1, 2022 to December 31, 2022.</p>					

Our MISSION

"It shall be the mission of the Officials and Staff of the R-G Federal Credit Union to operate the Credit Union in accordance with the Federal Credit Union Act, The National Credit Union Administration rules & regulations and other applicable laws and regulations. Accordingly, our primary objective shall be to ensure the safety and soundness of the Credit Union. Our goal continues to be to efficiently and effectively manage the Credit Union's resources in a manner that will facilitate the delivery of the widest possible array of world class financial services to the membership and to insure the continued sound growth and development of the Credit Union".



BOARD OF DIRECTORS

Janet Bedwell - Board Chair
Jerry Youngblood - Vice Chair
Paul O'Brien - Treasurer
Charles French - Secretary
Don Wright - Director
Bill Keeney - Director
Patti Ledford - Director

EXECUTIVE MANAGEMENT

Joye Conklin - President/CEO
Steve Deere - Chief Financial Officer/IT Manager
Shawn Beltz - Chief Lending Officer
Cindy Jones - Certified Compliance Officer/HR
Jesse Lomax - Chief Operating Officer

BRANCH MANAGEMENT

Debbie Cornelius - Belton Branch Manager
Frankie Brandenburg - Knob Noster Branch Manager

BRANCH LOCATIONS

Belton Branch
128 W Markey Road, Belton, MO 64012

COMING SOON:
400 Towne Center Drive, Belton, MO 64012

Knob Noster Branch
603 N 23 Highway, Knob Noster, MO 65336

Raymore Operations Center
421 Remington Plaza Court, Raymore, MO 64083

Whiteman AFB Branch
760 Arnold Ave (Bldg. 530), Whiteman AFB, Mo 65305

Phone: 816.783.5900 | Toll Free: 866.852.6478

HOURS

Belton & Knob Noster Branch Hours:
Drive Up - Monday through Friday 8:00am to 5:00pm; Saturday 9:00am to 12:00pm
Lobby - 9:00am to 5:00pm
24-hour drive up ATM available at both branches

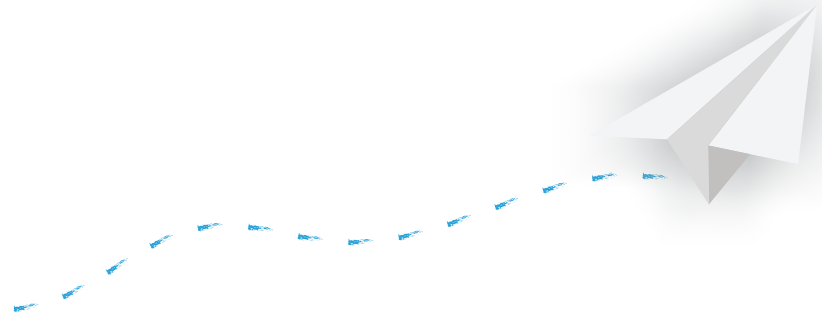
Whiteman AFB Branch Hours:
Drive Up & Lobby
Monday through Friday 9:00am to 4:00pm (Closed 1:30pm to 2:00pm for lunch)
24-hour drive up ATM

FINANCIAL AND LOAN SERVICES

- *Insured Share Savings Accounts
 - *Family Account Membership
- *Interest Bearing & Basic Share Draft (Checking) Accounts
 - *IRAs: Traditional, Coverdale ESA Savings and ROTH
 - *Online IRA account management
 - *Share Certificates of Deposit
 - *Christmas/Holiday Club Accounts
 - *Instant Issue ATM and Visa Debit cards
- *Direct Deposit & Payroll Deduction Services
 - *Wire Transfer Service
 - *Money Orders
- *Drive-up Facilities and Night Depository
- *Safety Deposit Boxes and Free Notary Services
 - *24/7 Online/Toll-free Loan Applications
 - *Online Banking/Free Bill Pay
 - *Online Account Opening
 - *Online Loan Payments via ACH or Credit/Debit Card
- *Member Services Support via Online Banking Chat feature
 - *Drive up ATMs supporting cash/check deposits
 - *Real Estate (1st & 2nd mortgage loans)
- *Open End loan plans including Home Equity Line of Credit
- *Competitive loan rates on all types of Vehicles, RVs & Boats
 - *Optional GAP and Extended Warranties
 - *Personal Signature loans
 - *Instant Issue Visa Credit Cards
 - *Low cost share loans
- *Low Cost Loan Protection (Life, Disability, Involuntary Unemployment)
 - *Financial Counseling
- *TruStage Auto/Home/Life Insurance Options
 - *E-Statements
 - *Zelle® Person-to-Person Payments
- *Apple/Android Mobile Apps with Remote Check Deposit
 - *Shared Branching
 - *Business Checking Accounts
 - *Card Command
 - *Credit Sense
- *SUMitup! Personal Financial Manager
- *Quicken/QuickBooks Direct Connect

SUPERVISORY COMMITTEE

Julia Lee – Committee Chair
Richard Danjou – Committee Secretary
Kevin Livingston – Member
Kathy Morton – Member
Susan Braun – Member



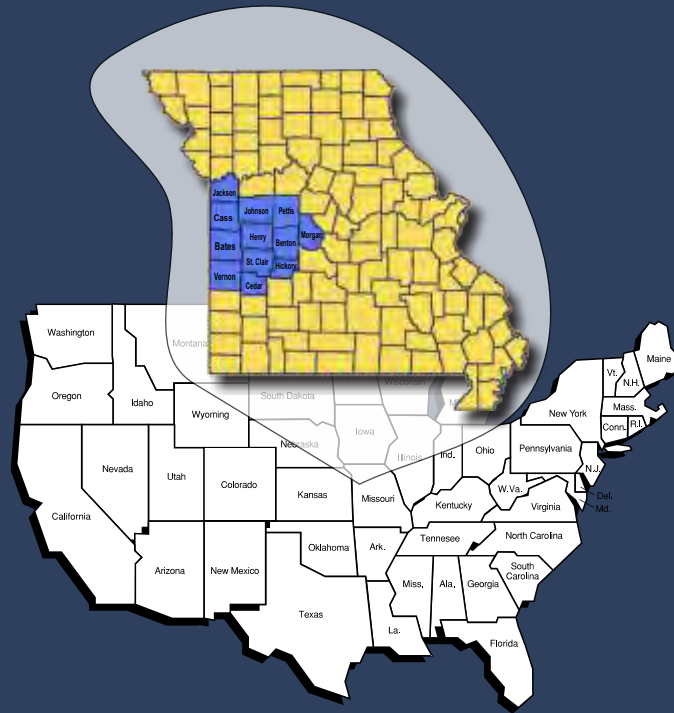
BECOME A MEMBER:

If you live, work, worship or attend school in the Missouri counties of Bates, Benton, Cass, Cedar, Henry, Hickory, Jackson, Johnson, Morgan, Pettis, St. Clair, and Vernon you are eligible for membership.

Businesses and other legal entities (clubs/organizations) located in these counties are also eligible for membership.

If you meet any of the above requirements, members of your immediate family are also eligible for membership, as are persons retired as pensioners or annuitants from above employment.

If you're not sure if you qualify, contact a member services representative at either of our branch locations.



www.rgfcu.com/866-852-6478

Once a member, always a member!

