

**2023**

ANNUAL

**REPORT**





## OUR MISSION

CUES champions and delivers effective talent development solutions for executives, staff, and boards to drive organizational success.

## OUR VISION

» CUES empowers Credit Union Leaders of today and tomorrow to realize their potential, transforming their organizations, their communities, and the world.

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# CHAIRPERSON'S REPORT



## Richard R. Romero

CUES BOARD CHAIR

President & CEO, Seattle Credit Union

**“Smooth seas do not make skillful sailors.”** I can’t help but think of this African proverb as I reflect on CUES’ fiscal year 2023. Faced with early challenges, the CUES team rose to the occasion, demonstrating drive, resilience, and resourcefulness, emerging stronger on the other side. As we close the year, I’d like to celebrate our successes and explore how we’ve grown from our challenges.

The CUES Board of Directors was honored to welcome Heather McKissick, I-CUDE, as our new CEO in August. Heather has already begun guiding the organization toward new horizons and growth opportunities in this short time.

I am also pleased to share that revenue in fiscal year 2023 surged by 11.1% over the previous year, a powerful demonstration of the hard work and dedication of our talented team members and the effectiveness of our strategic initiatives. Many achievements contributed to this success.

A record number of CEO and board chair teams gathered to strengthen their partnership at CUES Symposium in Hawaii.

The first CEO Institute: *FinTech* was held in partnership with the Cornell SC Johnson College of Business, a testament to our commitment to innovation and dedication to helping today’s leaders stay ahead of vital industry trends.

Membership numbers have been steadily increasing annually, and we reached new heights at the end of fiscal year 2023 with nearly 50,000 members.

Challenges conquered, successes celebrated, mission upheld. Fiscal year 2023 proved that the CUES team can face formidable obstacles and move forward together with an unwavering dedication to help the movement’s leaders reach new heights.

# A NEW CHAPTER FOR CUES

June 2023 marked a new milestone in CUES history when Heather McKissick, I-CUDE, was selected as its first female CEO.

A proven executive leader with world-class public speaking skills and demonstrated organizational development expertise, Heather most recently served as Executive Vice President of Community Impact, Marketing and Communication, for University Federal Credit Union (UFCU), the \$4.6 billion cooperative headquartered in Austin, Texas.

In addition to spending nearly a decade serving UFCU, Heather previously served as President and CEO of Leadership Austin and Director of Organizational Development and Education for a \$5.5 billion non-profit healthcare organization. She received her Master of Arts in English Language from The Claremont Graduate University and her Bachelor of Arts in English Writing and Rhetoric from St. Edwards University.

An honored community leader herself, Heather is a member of the board of the American Heart and Stroke Association of Central Texas, the Young Women’s Alliance community advisory board, and chair of the advisory council for the Austin Young Chamber of Commerce.

She served as chair of the Heart Association’s 2017 “Go Red for Women” campaign, as honorary co-chair with Austin Mayor Steve Adler of the 2016 “Austin Under 40” awards, was the inaugural “Austin Under 40 Mentor of the Year” honoree, a “Women of Distinction” honoree in 2014 by the Girl Scouts of Central Texas, and received a 2010 “Profiles in Power” award.

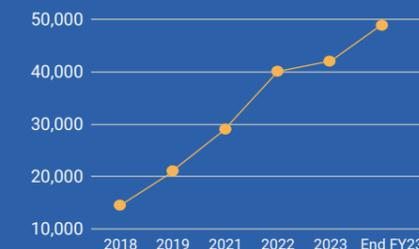
## MEMBERSHIP HIGHLIGHTS

# +238%

### OVER 49,000 MEMBERS

CUES Membership has increased by 238% since the current benefits structure was introduced in 2018.

### CUES MEMBERS SINCE 2018



Over 90% of CUES members renew annually.

# CEO REPORT



## Heather McKissick

CEO

Throughout my career, I've been drawn to organizations that empower others and drive positive change. From my initial foray into the not-for-profit sector to my decade working within the credit union movement, I've seen the extraordinary impact these organizations can have on individuals and communities.

This is why I'm so grateful to be here at CUES. I'm excited and honored to have the opportunity to leverage my diverse background and experience to help credit unions thrive and

succeed in our rapidly evolving landscape. That, for me, is the perfect intersection of this work—not-for-profit cooperatives lifting people and communities up.

When I officially came on board in August 2023, I was already incredibly optimistic about the future of CUES. In the brief six months since, I have even more reason to be so, and I'm excited to share 2023's accomplishments and highlights with you.

- **CUES Membership** has increased by 238% since the current benefits structure was introduced in 2018.
- **Symposium 2023** saw record attendance.
- **CUES Compensation Surveys, eVote, and the 2023 CUES Emerge program** for emerging leaders experienced record participation and engagement.
- **myCUES Dashboard and CUmanagement.com** were honored with multiple awards from association and media organizations.

I want to wrap up by acknowledging and thanking those who led this organization just prior to my arrival with deep commitment and high integrity under challenging circumstances. To the CUES Board of Directors, Jerry Saalsaa, who served as interim CEO for nine months, and the entire CUES team—my sincerest gratitude and appreciation for your strength and determination, which steered us through these challenges and laid the foundation for a bright future for CUES.

Momentous changes are happening in the industry right now. As we look to the future, my commitment to you is that we will continue to be a thought leader and true system partner, and we will expand how we deliver leadership solutions for you, your boards, your executives, and your rising leaders.

I believe that by working together, CUES will help transform the industry through its leadership. I'm excited to be a part of this journey!



myCUES Dashboard wins Platinum dotCOMM Award



CUmanagement.com wins Gold EXCEL Award



myCUES Dashboard wins Gold EXCEL Award



CUES DEI video wins Bronze EXCEL Award

# TREASURER'S REPORT



**Gerry Agnes, CPA, CIE**  
CUES TREASURER

Thanks to your unwavering support, fiscal year 2023 delivered outstanding results.

Because of your high engagement, our recurring revenue increased from \$12,452,277 to \$13,839,580, or 11.1% for the fiscal year ending September 30, 2023. We recorded a net income of \$211,131, compared to a net income of \$45,639 for the previous fiscal year.

Fortunately, with the resurgence of educational events attended in person, along with continued growth in membership, products and

services, and interest income, CUES recorded a net profit in 2023.

CUES held many events at or near sold-out levels, including CUES Symposium, CUES CEO Institutes, CUES Advanced Management Program from Cornell University, and the Director Development Seminar. CUES also launched a new event, CUES CEO Institute: *Fintech*, geared to help credit union leaders embrace and use innovative technology to their advantage.

With continued membership growth, one of the benefits, the CUES Learning Portal, is designed to provide CUES members with access to curated content to support the skill development of individuals at all levels within the credit union. Members can engage with their colleagues in groups, develop skills on a specific topic using the curated pathways, recommend learning to others, or save learning to review later.

Retained earnings of CUES increased from \$1,792,492 to \$2,003,623 as of September 30, 2023.

## Key Financial Notes – Fiscal Year Ending September 30, 2023

- Revenue increased by 11.1% over the previous year. The increase in revenue resulted from a couple of areas of our operations. Executive education and meetings were highest with an increase of 15.4%, followed by products and services at 14.4%, and membership with a 5.7% increase. Our events-related revenue increased due to additional market demand for the CUES CEO Institute program and CUES Symposium.
- Gross profit margins declined from 63.2% in the previous year to 62.2% in the current year, principally from higher cost of sale related to holding an additional CEO Institute program. Our executive education and meetings offerings increased revenues by \$959,424 and expenses by \$503,534.
- Gross profit margins from executive education and meetings increased from 44.9% to 45.3%.
- Membership gross profit margins decreased from 89.4% to 88.3% this year. Along with the increase in the number of members, CUES grew revenues by \$253,046 and strategically invested in areas to increase the use of the benefits throughout the year.
- Operating expenses were 7.7% higher than the previous year due to rising travel costs, increased marketing, and depreciation from capital investments made to support revenue growth and increased member engagement with benefits.
- Total assets increased 206.8% over the previous year because of improved cash flow with earlier registrations in our annual sales cycles.
- Fixed assets increased 2.9% as capital spending for technology increased to support digital learning offerings and membership experience improvements.
- Unrestricted net assets increased by \$211,131, reflecting the profit for the year. The company's retained earnings increased from \$1,792,492 to \$2,003,623 as of September 30, 2023.

In keeping with CUES' board policy, \$211,131 will be transferred from the Operating Fund to the Financial Stability Fund (FSF) to record the profit for the year. The FSF, also known as retained earnings, was established by the board in 1982 to provide security during future economic fluctuations. At the end of the year, the fund stands at \$2,003,623 and current assets stand at \$4,847,317. Combined, these items provide the security needed to operate during potential economic fluctuations. With board approval, this fund can be used to offset fee increases, unbudgeted extraordinary expenses, investments in growth opportunities, and severe changes in the economy that may cause hardships for CUES and its members.

# PROFIT & LOSS STATEMENT

FOR THE TWELVE MONTHS ENDING, SEPTEMBER 30, 2023

REVENUE & OTHER SUPPORT	FY23 \$	Prior Yr \$	FY23 v. Prior \$
Executive Education & Meetings	7,190,355	6,230,931	959,424
Membership	4,730,144	4,477,098	253,046
Products & Services	976,552	853,810	122,742
Publications	731,039	770,410	(39,371)
Interest & Dividends	140,970	51,511	89,459
Gain (Loss) on Plan Assets	11,161	(88,963)	100,124
Miscellaneous	59,359	157,480	(98,121)
<b>TOTAL REVENUE</b>	<b>13,839,580</b>	<b>12,452,277</b>	<b>1,387,303</b>
<b>EXPENSES</b>			
Executive Education & Meetings	3,935,864	3,432,330	503,534
Membership	553,323	474,398	78,926
Products & Services	434,834	365,158	69,677
Publications	222,673	233,307	(10,634)
Member Relations	235,374	173,426	61,948
Board Expenses	135,601	111,573	24,028
Salaries & Benefits	5,634,630	5,469,258	165,372
Marketing	541,579	377,124	164,455
Research & Development	43,650	23,016	20,634
General & Administrative	1,890,921	1,747,049	143,873
<b>TOTAL EXPENSES</b>	<b>13,628,449</b>	<b>12,406,638</b>	<b>1,221,811</b>
<b>NET PROFIT/ (LOSS)</b>	<b>211,131</b>	<b>45,639</b>	<b>165,492</b>

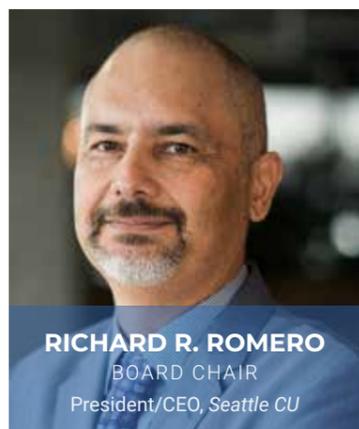
# BALANCE SHEET

FOR THE TWELVE MONTHS ENDING, SEPTEMBER 30, 2023

	FY23 \$	Prior Yr.
<b>ASSETS</b>		
Current Assets		
Cash	1,116,685	2,085,354
Investments-Short Term	2,234,000	1,488,000
Accounts Receivable - Net	160,885	331,624
Prepaid Expenses	1,335,747	1,353,367
<b>Total Current Assets</b>	<b>4,847,317</b>	<b>5,258,345</b>
Long Term Assets		
Certificate of Deposit - Long Term	188,870	694,276
Investments	1,941,122	-
<b>Total Long-Term Assets</b>	<b>2,129,992</b>	<b>694,276</b>
Property & Equipment:		
Property & Equipment (cost)	6,776,191	6,436,895
Less: Accumulated Depreciation	5,331,894	4,693,502
Net PP&E	1,444,297	1,743,393
Capital in Progress	456,907	104,071
<b>Total PP&amp;E</b>	<b>1,901,204</b>	<b>1,847,464</b>
<b>Other Assets</b>	<b>1,558,739</b>	<b>1,095,247</b>
<b>TOTAL ASSETS</b>	<b>10,437,252</b>	<b>8,895,332</b>
<b>LIABILITIES &amp; NET ASSETS</b>		
Current Liabilities		
Accounts Payable	373,989	392,105
Accrued Liabilities	968,166	728,847
Lease Liability	75,186	-
Deferred Revenue	6,123,622	5,370,463
<b>Total Current Liabilities</b>	<b>7,540,963</b>	<b>6,491,415</b>
Long Term Liabilities		
Lease Liability - Operating, Long Term	267,552	-
Deferred Compensation	625,114	611,425
<b>Total Long-Term Liabilities</b>	<b>892,666</b>	<b>611,425</b>
<b>UNRESTRICTED NET ASSETS</b>		
Current Year Net Income	211,131	45,639
Financial Stability Fund	1,792,492	1,746,853
Total Unrestricted Net Assets	2,003,623	1,792,492
<b>TOTAL LIABILITIES &amp; NET ASSETS</b>	<b>10,437,252</b>	<b>8,895,332</b>

# CUES BOARD OF DIRECTORS

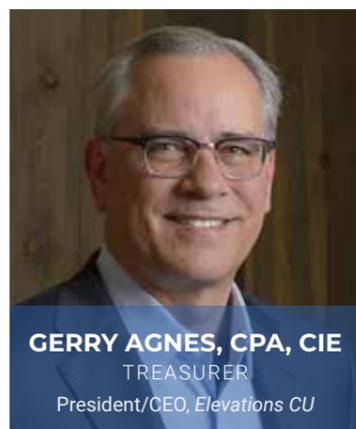
CUES' board plays a crucial role in ensuring we continue to operate in the best interest of our past, present and future members.



**RICHARD R. ROMERO**  
BOARD CHAIR  
President/CEO, Seattle CU



**MARK L. ROBNETT, CCE**  
VICE CHAIR  
President/CEO, Justice Federal CU



**GERRY AGNES, CPA, CIE**  
TREASURER  
President/CEO, Elevations CU



**JENNIFER BINKLEY-HEITING**  
SECRETARY  
CEO, Altura CU



**DEONNE CHRISTENSEN**  
DIRECTOR  
President/CEO, Mazuma CU



**JIM HAYES, CIE**  
DIRECTOR  
President/CEO, State Department FCU



**TIFFANY FORD**  
DIRECTOR  
CEO, UMCU



**KELLY MARSHALL, CCE, CCD, ICD.D**  
DIRECTOR/IMMEDIATE PAST CHAIR  
CEO, Summerland CU



**STEPHANIE TEUBNER, CSE**  
DIRECTOR  
CEO, Blue Federal CU



## WE CAN DO MORE WHEN WE WORK TOGETHER

Originally founded as the Credit Union Executives Society® in 1962, but now well-known as CUES, was built on the firmly held principle of “cooperation among cooperatives” not only for credit unions but also for CU managers. Since our start, we’ve grown into an organization dedicated to providing credit union professionals, directors, system partners and suppliers the resources they need to reach their greatest potential.

Our passion is being the trusted, single source for our members’ professional development needs.

More than experiences, we create powerful relationships. From our small, yet mighty, staff to an expansive leadership network, we facilitate connections that provide invaluable support throughout our members’ leadership journey.





## CONTACT INFO



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