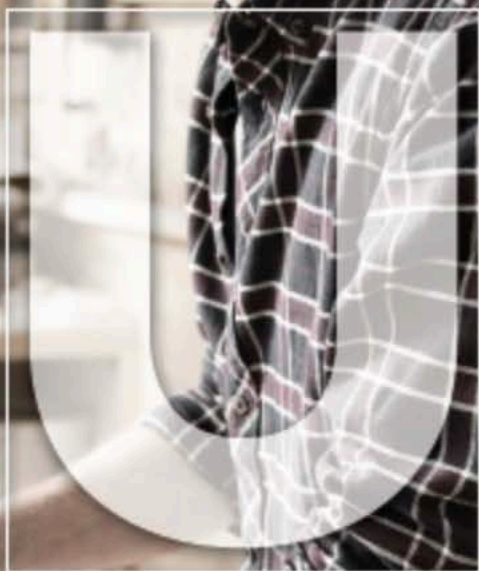


# 2024 Annual Report

It's about...



**Partners**<sup>First</sup>  
FEDERAL CREDIT UNION

# Chairman's Report

As we close on 2024, I want to express my deepest gratitude for your trust, patience, and continued support during this year of transition. While it has been a challenging period, it has also been one of progress, laying the foundation for a stronger, more innovative future for Partners 1st.

Lending slowed significantly in 2024 due to economic challenges and a reallocation of our lending staff during our core conversion. This impacted our loan production and revenue. However, the reduction in lending allowed us to devote critical resources to our technology transformation – a project that began in 2023 and extended throughout this past year.

In April 2024, we introduced our new core computer system which was a major milestone in our strategic plan. While large-scale technology upgrades are never without their challenges, we remain committed to making these transitions as seamless and frictionless as possible. These advancements reflect our dedication to going beyond the transaction and solidifying our role as your trusted financial partner.

During the semi-annual State of the Credit Union address, it was announced that Clinton Miller was promoted to President, replacing Carla Bienz who will retire in January 2025 after 43 years of service. Clinton took on the role of President effective August 1, 2024, and will transition into the President & CEO role in February 2025. Clinton has spent more than 15 years in the credit union industry, serving in a variety of roles including Indirect Lending Manager and CEO of another credit union along with working 3 years in lending protection with TruStage (formerly CUNA Mutual Group). We are looking forward to Clinton's leadership for many years.

Despite our focus on innovation, 2024 presented financial challenges. The combination of low loan volume, rising operating costs, and system transition expenses impacted our bottom line. However, our team managed these projects while maintaining exceptional member service, and we are confident that the long-term benefits will far outweigh the short-term financial pressures.

On behalf of our Board of Directors, Supervisory Committee, and entire staff, I want to express my sincere appreciation. Thank you for being a valued member of Partners 1st. We are excited for what the future holds and look forward to serving you in 2025 and beyond.

**Denny Baumgartner**  
*Board Chairman*





*As of Year End December 31, 2024*

## Balance Sheet

<b>ASSETS:</b>	<b><u>2024</u></b>	<b><u>2023</u></b>
Loans to members	421,713,640	494,330,238
Less: Allowance for Loan Losses	<u>(2,321,065)</u>	<u>(2,296,407)</u>
Net Loans	419,392,575	492,033,831
Cash and Investments	86,192,481	48,577,211
Land	3,501,668	3,501,668
Building, Furniture and Fixtures	16,636,285	16,407,397
Other Assets	<u>10,917,454</u>	<u>10,069,991</u>
<b>TOTAL ASSETS</b>	<b>536,640,463</b>	<b>570,590,098</b>

**LIABILITIES/EQUITY:**

Dividends Payable	224,070	233,859
Other Liabilities	7,856,621	13,935,936
Member Shares and Share Certificates	476,976,688	504,666,154
Other Comprehensive Income	45,357	176,843
Unrealized Gain/Loss on Inv	(91,918)	(302,300)
Regular Reserves	13,392,171	13,392,171
Undivided Earnings	<u>28,487,434</u>	<u>38,487,435</u>
<b>TOTAL LIABILITIES/EQUITY</b>	<b>526,890,423</b>	<b>570,590,098</b>

## Statement of Income

Loan Interest Income	20,261,289	21,080,056
Income from Investments	<u>2,521,672</u>	<u>726,127</u>
Total Interest Income	22,782,961	21,806,183
Dividends Paid to Members	(6,306,271)	(5,017,231)
Interest on Borrowed Funds	<u>(3,388)</u>	<u>(1,577,075)</u>
Total Interest Expense	(6,309,659)	(6,594,306)
Interest Margin	16,473,302	15,211,877
Provision for Loan Loss	<u>(1,049,369)</u>	<u>(903,644)</u>
Net Interest Inc Aft Prov for Loan Loss	15,423,933	14,308,233
Fee Income and Other Non-Interest Income	9,165,856	9,654,584
Total Non-Interest Expense	<u>(24,859,751)</u>	<u>(23,840,868)</u>
Net Income	<u>-269,962</u>	<u>121,949</u>
Number of Members	45.210	46.573

## Loan Committee Report

Partners 1<sup>st</sup> Federal Credit Union continues to provide a wide range of competitively priced products to meet the financial needs of our members. In 2024, we disbursed the following loans:

Loan Product	Number of Loans	Total Dollar Amount Funded
Vehicle & Unsecured Loans	3,491	\$64,236,445
1st & 2nd Mortgage Loans	171	\$18,347,019
Commercial Loans	6	\$555,733
Total	3,668	\$83,139,197

\*Total Lines of Credit Granted

## Supervisory Committee Report

Assessment of the credit union's internal controls, management practices, and financial statement accuracy was accomplished by the Supervisory Committee. This was done through the performance of various audits, financial analysis, and procedural reviews by both the internal audit department and external audit firms.

Internal audit and risk management performs cash counts, loan underwriting audits (including consumer and monthly mortgage reviews), and other operating/compliance audits as well as compliance training for BSA and FACTA. Part of the credit union's ongoing efforts to reduce fraud include member and staff education and oversight and monitoring controls. The committee oversees a robust internal audit function and also retains external auditors, Forvis Mazars, LLP, certified public accountants, to enhance that function by reviewing financial statements, IT, and BSA standards. These audits confirmed the internal controls in place and verified the health and strength of the credit union in 2024. All audits were performed in conformance with generally accepted accounting standards, and no major discrepancies were noted. As reflected in these audits, we continue to see strong equity ratios and operating efficiencies.

In the opinion of the Supervisory Committee, the credit union operated in compliance with all applicable rules and regulations during the year ending December 31, 2024.

### Board of Directors

Denny Baumgartner  
*Chairman*

David A. Dent  
*Vice Chairman*

Karen Johnston  
*Secretary*

Adam Riegle  
*Treasurer*

Debora S. Heiny

Donald E. Schwegman

Gregory J. Gabet

Jerry W. Fuhrmann

Michael Eckroth

Daryl D. Davis  
*Director Emeritus*

### Supervisory Committee

Gary Baumgartner  
*Chairman*

Jerry W. Fuhrmann

David Kaiser

Peter Hilty

### Loan Committee

Nancy Brandenberger  
*Chairwoman*

Rhonda Smith

Kim Jehl

