

2021 Annual Report

Loan Committee Report

Partners 1st Federal Credit Union continues to provide a wide range of competitively priced products to meet the financial needs of our members. In 2021, we disbursed the following loans:

Loan Product	Number of Loans	Total Dollar Amount Funded
Auto Loans	5,365	\$127,758,213
ATV's, Boats, RV's	101	\$2,012,152
Closed-End Signature Loans	378	\$1,874,642
Real Estate Loans	666	\$7,9619,994
Business Loans	86	\$8,506,230
Credit Cards*	741	\$2,073,485
Total	5,691	\$221,844,716

*Total Lines of Credit Granted

Supervisory Committee Report

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

Internal audit/risk management performed 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. Helping our members fight fraud takes a great deal of risk management resources. Part of our 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 BKD, LLP, certified public accountants and Whitinger & Company LLC 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 2021. 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. The BSA audit results confirmed the quality of internal controls and 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, 2021.

Board of Directors

David A. Dent
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Denny Baumgartner
Vice Chairman
Gregory J. Gabet
Treasurer
Karen Johnston
Secretary
Daryl D. Davis
Debora S. Heiny
Adam Riegle
Donald E. Schwegman
Tom Dwire

Loan Committee

Nancy Brandenberger
Chairman
Rhonda Smith
Member
Kim Jehl
Member

Supervisory Committee

Gary Baumgartner
Chairman
Debra S. Heiny
Dave Kaiser
Jerry Fuhrmann



It's about...



Chairman's Report

While the ill-effects and uncertainty caused by the Coronavirus pandemic carried from 2020 through 2021, your credit union persevered, undeterred. For Partners 1st Federal Credit Union, the year was quite remarkable.

Organic saving growth and the merger of South Bend Post Office Credit Union produced \$74 million in asset growth, pushing us to over a half billion dollars in size. Early in the year, inventory shortages for both housing and vehicles appeared to threaten our loan growth goals. Through determination and hard work, our strong business, mortgage and vehicle lending departments succeeded in exceeding expectations. We ended the year with total loan growth of over \$76 million! Additionally, we sold over \$26 million in mortgages to the secondary market.

Striving to view products, services, and account access through our member's eyes, we took on several very important initiatives. We added a robust online new account origination service, which will include on-line loan originations in 2022. We opened a new branch on Tonkel Road in Fort Wayne and converted an under-utilized branch to house our operations center. Both of these transitions helped us to better serve you. We also continued to strengthen our Information Technology infrastructure to ensure un-interrupted and secure account access.

We firmly believe "It's about U" and our mission is to "go beyond the transaction..." We are proud to be your trusted financial and community partner, and we will work diligently to ensure that we are living our mission every day.

As your Chairman, I want to thank you, on behalf of the Board of Directors and the entire staff, as we continue to look ahead to a bright and prosperous future.

David Dent
Chairman



As of Year End December 31, 2021

Balance Sheet		
ASSETS:	2021	2020
Loans to members	345,429,361	268,962,086
Less: Allowance for Loan Losses	-2,116,046	-2,141,384
Net Loans	343,313,315	266,820,702
Cash and Investments	139,971,023	143,675,844
Land	3,547,170	2,943,268
Building, Furniture and Fixtures	11,323,479	12,197,401
Other Assets	17,171,332	15,609,130
TOTAL ASSETS	515,326,319	441,246,345
LIABILITIES/EQUITY:		
Dividends Payable	5,842	12,254
Other Liabilities	11,110,313	8,284,582
Member Shares and Share Certificates	455,850,197	387,687,225
Other Comprehensive Income	42,689	42,689
Unrealized Gain/Loss on Inv	-33,453	97,311
Regular Reserves	13,392,171	13,392,171
Undivided Earnings	34,958,560	31,730,113
TOTAL LIABILITIES/EQUITY	515,326,319	441,246,345
Statement of Income		
Loan Interest Income	11,540,473	11,185,882
Income from Investments	1,037,580	1,753,495
Total Interest Income	12,578,053	12,939,377
Dividends Paid to Members	-609,548	-752,846
Interest on Borrowed Funds	0	0
Total Interest Expense	-609,548	-752,846
Interest Margin	11,968,505	12,186,531
Provision for Loan Loss	<u>-208,208</u>	<u>-2,386,239</u>
Net Interest Inc Aft Prov for Loan Loss	11,760,297	9,800,292
Fee Income and Other Non-Interest Income	10,411,158	9,658,879
Total Non-Interest Expense	<u>-20,421,732</u>	<u>-18,931,298</u>
Net Income	1,749,723	527,873
Number of Members	41,605	38,629

