

# 2025 Annual Report

It's about...



# Chairman's Report

As we close out 2025, I want to once again express my sincere appreciation for your continued trust and support. Following a year of significant transition in 2024, this past year was focused on building momentum, strengthening our operations, and positioning Partners 1st for long-term growth and success.

One of our key initiatives in 2025 was the optimization of our branch network. We improved overall efficiency to better manage operations. These changes created a stronger, more strategic footprint that will support sustainable growth and allow us to better serve our members in the years ahead.

We also made important investments in our lending operations. These additions enhance our ability to provide competitive lending solutions and help more members achieve their financial goals.

In addition, we continued to build on our technology foundation for our membership. We understand the importance of digital services and have made significant progress in this area. Even more exciting improvements in digital services are planned for 2026. These efforts are designed to deliver a more modern, convenient, and engaging digital experience for our members.

While transformation requires thoughtful investment, we remain focused on maintaining financial strength while continuing to improve the services and tools available to our members. The progress made in 2025 represents another important step forward as we continue to evolve to meet the changing needs of those we serve.

On behalf of our board of directors, supervisory committee, and entire staff, thank you for being a valued member of Partners 1st. We are grateful for the opportunity to serve you and look forward to building an even stronger future together in 2026 and beyond.

David Dent  
Board Chairman



As of Year End December 31, 2025

**Balance Sheet**

<b>ASSETS:</b>	<u>2025</u>	<u>2024</u>
Loans to members	433,056,610	421,713,640
Less: Allowance for Loan Losses	<u>(1,855,383)</u>	<u>(2,321,065)</u>
Net Loans	431,201,227	419,392,575
Cash and Investments	71,296,977	86,192,481
Land	3,174,555	3,501,668
Building, Furniture and Fixtures	15,419,501	16,636,285
Other Assets	<u>10,424,274</u>	<u>10,917,454</u>
<b>TOTAL ASSETS</b>	<b>531,516,534</b>	<b>536,640,463</b>

<b>LIABILITIES/EQUITY:</b>		
Dividends Payable	259,870	224,070
Other Liabilities	8,769,265	7,876,623
Member Shares and Share Certificates	469,635,875	476,976,688
Other Comprehensive Income	(166,254)	45,357
Unrealized Gain/Loss on Inv	(16,212)	(91,918)
Regular Reserves	13,392,171	13,392,171
Undivided Earnings	<u>39,641,819</u>	<u>38,217,472</u>
<b>TOTAL LIABILITIES/EQUITY</b>	<b>531,516,534</b>	<b>536,640,463</b>

**Statement of Income**

Loan Interest Income	21,200,151	20,261,289
Income from Investments	<u>2,824,557</u>	<u>2,521,672</u>
Total Interest Income	24,024,708	22,782,961
Dividends Paid to Members	(5,491,568)	(6,306,271)
Interest on Borrowed Funds	0	<u>(3,388)</u>
Total Interest Expense	(5,491,568)	(6,309,659)
Interest Margin	18,533,140	16,473,302
Provision for Loan Loss	<u>(224,507)</u>	<u>(1,049,369)</u>
Net Interest Inc Aft Prov for Loan Loss	18,308,633	15,423,933
Fee Income and Other Non-Interest Income	7,969,845	9,165,856
Total Non-Interest Expense	<u>(24,854,132)</u>	<u>(24,859,751)</u>
<b>Net Income</b>	<b>1,424,346</b>	<b>-269,962</b>
<b>Number of Members</b>	<b>44,391</b>	<b>45,210</b>

# 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 2025, we disbursed the following loans:

Loan Product	Number of Loans	Total Dollar Amount Funded
Vehicle & Unsecured Loans	5,149	\$123,361,878
1st & 2nd Mortgage Loans	188	\$34,600,951
Commercial Loans	52	\$7,535,712
<b>Total</b>	<b>5,389</b>	<b>\$165,498,541</b>

\*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 perform 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, 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 2025. 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, 2025.

## Board of Directors

David A. Dent  
*Chairman*

Denny Baumgartner  
*Vice Chairman*

Karen Johnston  
*Secretary*

Adam Riegler  
*Treasurer*

Debora S. Heiny

Donald E. Schwegman

Gregory J. Gabet

Jerry W. Fuhrmann

Michael Eckroth

## Supervisory Committee

Gary Baumgartner  
*Chairman*

Jerry W. Fuhrmann

David Kaiser

Peter Hilty

Jonathan Morales

## Loan Committee

Nancy Brandenberger  
*Chairwoman*

Skylar Van Duyne

Kim Jehl

