

# 2023 Annual Report

## 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 2023, we disbursed the following loans:

Loan Product	Number of Loans	Total Dollar Amount Funded
Auto Loans	3,301	\$85,805,353
ATVs, Boats, RVs	75	\$1,629,536
Closed-End Signature Loans	333	\$1,615,559
Real Estate Loans	446	\$60,219,526
Business Loans	37	\$4,041,280
Credit Cards*	603	\$1,688,682
<b>Total</b>	<b>4,795</b>	<b>\$152,999,936</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 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, 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 2023. 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, 2023.

### Board of Directors

**Denny Baumgartner**  
*Chairman*

**David A. Dent**  
*Vice Chairman*

**Karen Johnston**  
*Secretary*

**Adam Riegle**  
*Treasurer*

**Daryl D. Davis**

**Debora S. Heiny**

**Donald E. Schwegman**

**Gregory J. Gabet**

**Jerry W. Fuhrmann**

### Loan Committee

**Nancy Brandenberger**  
*Chairwoman*

**Rhonda Smith**

**Kim Jehl**

### Supervisory Committee

**Gary Baumgartner**  
*Chairman*

**Jerry W. Fuhrmann**

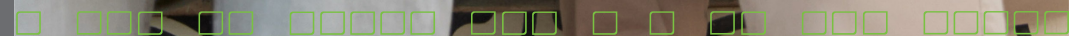
**David Kaiser**

**Michael Eckroth**

**Pete Hilty**

NCUA

It's about...



After two years of extraordinary loan originations, loan volume slowed quite a bit in 2023. The economy was a challenge the entire year as the rate environment slowed lending; however, the reduction in lending allowed our team to continue to serve our member's borrowing needs yet focus on our computer upgrade project.

2023 was the beginning of our credit union's technology transformation. The entirety of the year was focused on our core computer upgrade as well as a migration to a new and more dynamic platform for our debit and credit cards. Throughout 2023 and into 2024, our team skillfully managed these projects while we continued to provide excellent member service.

Our new core computer system will be introduced to our members on April 29, 2024. Our ultimate goal is to make these upgrades as easy and as frictionless as possible.

The speed, flexibility, and efficiencies that these upgrades bring are examples of our commitment to our mission to “Go beyond the transaction...” which is key to our journey to be our members’ trusted financial partner.

Another major project that was completed in 2023 was the renovation and occupation of our corporate annex across the street from our main office in Fort Wayne. This new building gave much needed relief as our organization was in extreme need of office space.

Our commitment to our mission is central to all that we do. Moreover, we are humbled by your faith in us to take care of your financial needs.

On behalf of the Board of Directors, Supervisory Committee, and the entire staff, I want to give you our sincere thanks.

## Balance Sheet

<b>ASSETS:</b>	<b><u>2023</u></b>	<b><u>2022</u></b>
Loans to members	494,330,238	523,294,336
Less: Allowance for Loan Losses	<u>(2,296,407)</u>	<u>(773,857)</u>
Net Loans	492,033,831	522,520,479
Cash and Investments	48,577,211	58,970,764
Land	3,501,668	3,547,170
Building, Furniture and Fixtures	16,407,397	12,823,183
Other Assets	<u>10,069,991</u>	<u>9,955,964</u>
<b>TOTAL ASSETS</b>	<b>570,590,098</b>	<b>607,817,560</b>

<b>LIABILITIES/EQUITY:</b>		
Dividends Payable	233,859	60,611
Other Liabilities	13,935,936	58,080,350
Member Shares and Share Certificates	504,666,154	496,521,680
Other Comprehensive Income	176,843	279,883
Unrealized Gain/Loss on Inv	(302,300)	(625,320)
Regular Reserves	13,392,171	13,392,171
Undivided Earnings	<u>38,487,435</u>	<u>40,108,185</u>
<b>TOTAL LIABILITIES/EQUITY</b>	<b>570,590,098</b>	<b>607,817,560</b>

Loan Interest Income	21,080,056	14,998,024
Income from Investments	<u>726,127</u>	<u>575,253</u>
Total Interest Income	21,806,183	15,573,277
Dividends Paid to Members	(5,017,231)	(1,034,251)
Interest on Borrowed Funds	<u>(1,577,075)</u>	<u>(370,383)</u>
Total Interest Expense	(6,594,306)	(1,404,634)
Interest Margin	15,211,877	14,168,643
Provision for Loan Loss	<u>(903,644)</u>	<u>1,022,172</u>
Net Interest Inc Aft Prov for Loan Loss	14,308,233	15,190,815
Fee Income and Other Non-Interest Income	9,654,584	12,007,551
Total Non-Interest Expense	<u>(23,840,868)</u>	<u>(22,048,741)</u>
Net Income	<u>121,949</u>	<u>5,149,625</u>
Number of Members	46,573	46,633