

2024 ANNUAL REPORT

LEADERSHIP REPORT

We are very proud of the credit union's efforts and achievements in 2024. Our strategies for the year were to continue to grow digital access for our members, focus on the right markets and continue to strengthen our financials. Our board of directors provide us our strategies and governance, while our management team operates the credit union toward those objectives.

Digitally we added services to our mobile and online banking. This included a new account opening and loan application system, adding convenience and streaming application services. If a member needs a replacement debit or credit card, we added the ability for members to receive a new card instantly into their mobile digital wallet. Nearly 600 members joined the credit union in 2024 exclusively through digital means. Over 1,800 loan applications were initiated digitally and added \$8.5 million in new loans.

Members that appreciate the service and experience at the credit union can now refer their friends and family for membership directly through our mobile app. We implemented referral rewards to both the member that made the referral and to the new member.

After a considerable strategic review of our markets and market potential, the credit union made the difficult decision to exit the North Carolina marketplace. We negotiated with another credit union headquartered in North Carolina to buy the branch and hire the staff. They are also running the branch with the Co-Op shared branch network, which allows our members to continue to utilize the branch lobby for transactions.

Financially the credit union gained strength. The net worth ratio, the capital reserves compared to our total assets, achieved the highest level in our history, of over 11%. We continued to improve the loan portfolio quality. Our delinquency dropped from 2.39% to 0.83% of our loans.



Milestones

Bringing financial goals to life one member at a time

24,492

Members

\$343M

Assets

\$66M

New Loans

\$6.5M

New Business
Loans

\$17M

New Mortgage
Loans

LEADERSHIP REPORT

Member service survey scores are one of our primary performance measurements. Optional surveys are sent to members after they visit one of our branches. This past year we added surveys after member phone calls. Our service scores continue to achieve industry high levels of 9.73.

Another measurement we are proud to achieve is our employee engagement score. We again, achieved high scores for the environment we provide our staff. Through a national engagement survey company, we achieved the 83rd percentile for financial institutions nationwide. This means we provide our staff an environment and culture to help them succeed at serving our members.

We are very pleased that we had another successful year and we look forward to the year ahead.

Sincerely,

Jeff Leichty, Board Chairman
Steve R. Collins, President and CEO

Board of Directors

Jeff Leichty, Chair
Shelly Musolf, Vice Chair
Tammy Long, Treasurer
Sarah Delgadillo, Secretary
Steve Collins, Member
Darius Darling, Member
Bryan Sharp, Member
Greg Martin, Associate Member

Supervisory Committee

Karen Platt, Chair
Elise Faber
Leah Stoffel

Executive Team

Steve Collins, President & CEO
J. Arnold, SVP, Chief Lending Officer
Michael Stratton, CFO/VP of Strategic Services
Rob Anderson, VP of Information Technology
Jessica Davis, VP of Member Experience
Lyndee Warner, VP of Marketing

TREASURER'S REPORT

For the year ended 2024, the credit union had a net income of \$2,419,663. This was a decrease of \$931,843 from 2023. The main reason for the decrease was because in 2023 we received a \$2.5MM grant from the Community Development Financial Institution (CDFI) fund. This grant was not available in 2024. During the year interest income from loans and investments was \$18,968,473, which was an increase of \$2.2MM. This increase resulted from higher interest rates on new loans and investments. The higher interest rates resulted in dividend expense increasing by \$1.5MM from \$1,864,442 to \$3,345,053.

Total operating expenses for the year were \$16,882,153, which was an increase of only 3.16%. Being able to keep operating expense growth at such a low rate year in and year out demonstrates the credit union's ability to effectively manage the overall operating expenses of the credit union. Total other operating income was \$5,874,044 which was a decrease of \$2.9MM from 2023 and was mostly attributed to the CDFI grant in 2023 which was not available in 2024. Also, during the year, the credit union recorded a \$542,111 gain on sale of fixed assets from the sale of the Gastonia, NC branch.

Loans outstanding to our members ended the year at \$268.1MM down \$7.9MM, or 2.87% from 2023. Most of the decrease was due to the credit unions' continued practice of limiting the number of indirect auto loans we are putting on our books and focusing more on serving the borrowing needs of our existing and future members. Also, during 2024 we lost \$1.1MM in loans because of the sale of the Gastonia, NC branch. In 2024 total deposits decreased by .54%, ending the year at \$301.8MM. Most of that decrease was because we lost \$2.1MM in deposits from the sale of the Gastonia NC branch.

In summary, the credit union was able to again achieve strong earnings while providing very competitive loan and deposit rates to meet the financial needs of our membership. The credit union continues to be classified as well capitalized by the NCUA with a capital ratio of 11.27% as of the end of 2024. This is the highest level of capital reserves in the credit union's history. Our current level of capital continues to provide us with adequate reserves to protect against most financial crises and allow for continued future growth.



Strengthening Our Team

Fortifying our employees and service to you

97

Employees

12

Employee
Promotions

2,665+

Professional
Development Hours

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is responsible for the continued review of credit union activities, ensuring that financial records are accurate and internal controls are in place to protect the credit union and our member's assets. The Committee accomplishes this by overseeing various audits, financial analysis, and procedural reviews.

The credit union engaged with an outside CPA auditing firm to conduct an audit of December 31, 2024, financial statements. Their previous audit did not disclose any material discrepancies and indicated that accounting records are maintained in accordance with generally accepted accounting principles and federal credit union guidelines.

We appreciate our members' involvement and commitment to Fort Financial Credit Union. The Committee pledges to remain current on credit union issues and respond to any questions in 2025.

Karen Platt
Elise Faber
Leah Stoffel



Community Engagement

Proudly serving in all of our communities

322

Community
Service Hours

\$81,937

Partnerships and
Sponsorships

186

Financial Education
Presentations

FINANCIAL STATEMENT

Assets	2024	2023
Credit card loans	20,663,632	18,808,812
Real estate loans	101,492,580	87,330,187
All other loans	145,946,355	169,873,095
Allowance for loan loss	(4,572,666)	(4,499,114)
Cash on hand	2,973,505	2,803,976
Investments	41,857,444	33,878,583
Land and building	21,742,912	22,308,174
Other assets	13,016,215	12,955,951
Total Assets	343,119,977	343,459,664

Equity and Liabilities	2024	2023
Liabilities		
Certificates	60,007,611	59,993,434
Share drafts	63,457,168	62,127,338
IRAs	15,753,814	16,061,462
All other deposits	162,555,128	165,221,946
Total Deposits	301,773,748	303,404,180

Other liabilities	4,617,319	6,138,053
Equity capital	36,728,910	33,917,431
Total Equity and Liabilities	343,119,977	343,459,664

OPERATING STATEMENT

Income	2024	2023
Interest on credit cards	1,879,077	1,521,462
Interest on other loans	15,210,209	14,876,800
Income on investments	1,879,187	385,168
Miscellaneous income	5,874,044	8,840,737
Other gains or losses	543,778	14,526
Total Income	25,386,295	25,638,693

Expenses	2024	2023
Salaries (wages)	6,192,739	6,033,646
Benefits	2,205,041	2,193,357
Travel & conference	258,349	228,049
Association dues	41,647	36,527
Office occupancy	1,164,282	1,227,020
Office operations	4,688,729	4,233,084
Loan servicing	1,561,045	1,840,169
Outside services	843,961	619,359
Operating fee (NCUA)	62,116	53,711
Miscellaneous	(135,756)	(115,691)
Total Operating Expenses	16,882,153	16,349,231

Distribution of Income	2024	2023
Dividends (all accounts)	3,345,053	1,864,442
Provisions for loan losses	2,739,412	3,828,055
Interest on borrowed money	14	245,460
Net Income to Undistributed Earnings	2,419,663	3,351,505



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