



Annual Report

2024



Agenda

March 17, 2025 | 5:30 PM

Farmers Union Conference Center | Jamestown

- Call to Order
- Invocation
- Introductions
- Report of Registration
- Minutes of Previous Meetings
- Financial Report
- Report of the President
- Old Business
- New Business
- Report of Nominating Committee
- Adjourned
- Drawing of Prizes
- Meal Served

The Annual Meeting is governed by Robert's Rules of Order.

Annual Meeting Minutes

March 18, 2024

The 85th Annual Meeting of First Community Credit Union was held on Monday, March 18, 2024, at the Farmers Union Conference Center.

Chair Owen Olson called the meeting to order at 5:30 p.m. Becky Pergotski gave the invocation.

Chair Olson introduced the head table and invited Director Doug Kalianoff to introduce the Audit Committee. Steve Schmitz, CEO, reported who serves on the First Community Scholarships LLC Board.

The report of registration showed 101 members and 5 guests, constituting a quorum. A motion carried to approve the minutes of the March 20, 2023 Annual Meeting, as printed in the brochure.

Chair Olson provided the report of the Board of Directors noting an error in the brochure of the reported assets and net income. Values reported in the Statement of Income and Statement of Financial Condition are correct.

Sean Rinkenberger, CFO, reviewed the Statement of Financial Condition as of December 31, 2023. A motion carried to approve the report as presented.

A historical video presentation to celebrate 85 years of First Community Credit Unions was presented.

Steve Schmitz provided the report of the President. He touched on historical notes including the growth of FCCU from 12 branch offices in 10 communities in 2010 to 25 branch offices in 23 communities, today. He also noted a new branch opening in summer of 2024 in Moorhead, MN. He also covered topics of rates and inflation, noting how it impacts members. Steve expressed gratitude to the board of directors, employees of FCCU and the members.

Chair Olson called for Old Business. There was none. Chair Olson called for New Business. There was none.

A motion carried to approve the actions of Management and the Board of Directors for the past year.

Colin Wegenast, Chair of the Nominating Committee, made known the other committee members Sue Corwin and Scot Nething who were not in attendance. Introductions of the two incumbent candidates running for the Board of Directors, Bonnie Nelson and Sharman Zachrison were introduced. Chris Aarhus who was appointed by the board of directors to fill the vacancy of Sandy Franke was introduced. Chair Olson declared the vacancies be filled by acclamation. Nelson and Zachrison were elected to three-year terms and Aarhus was elected to fill the remaining two years of Franke's term.

A motion carried to adjourn

A Message from our President

I am excited to bring you the 2024 First Community Credit Union Annual Report. These past 12 months have brought many new challenges, but our Credit Union has continued to display incredible resilience.

After the rapid increases of interest rates experienced in 2022 and 2023, rates finally began a slow decline in September of 2024, with the Federal Reserve lowering short-term interest rates by 1% compared to when the year began. This has brought some semblance of stability and maybe a return to normalcy in the financial industry. What this has meant for our members is rates on deposits are declining as well, but are still three to four times higher than they were just a few years ago. Loan rates are also declining, with the average rate coming down nearly 1% from the 2023 highs. We had a strong year financially with solid income, increases in our equity, as well as loan and deposit growth of nearly \$40 and \$60 million respectively. Growth is one of our Core Values and it is imperative that First Community Credit Union continues to grow to meet our members' every changing financial needs.

Our commitment to upholding our core values of community, integrity, passion, and growth, are what sets FCCU apart. These are important cornerstones for who we are and what we do. Every decision that we make and action that we take needs to support these core values. They can't just be a quote on the wall, we must be committed to live them every day.

Looking ahead into 2025, we are anticipating interest rates to continue a slow decline. There is still higher than desired inflation in the United States, so the Federal Reserve is expected to be cautious in their approach to lowering rates.

With that being said, we are hopeful the rate stability that began in 2024 will continue throughout this next year, with small changes which are much preferred in the financial industry.

Additionally, I am excited for the continued evolution of our digital services at FCCU. More than four years ago, we began a digital journey to make cutting edge technology available to our members, while also being committed to personal, in-branch services as well. In 2024, we continued to evolve, bringing more digital functionality to our members fingertips. Our goal is to have everything you can do at the branch also be available to do from your home or even on your phone, meeting you where and when it is most convenient for you.

As our credit union grows, each of us must grow as well. Our employees and the Board of Directors have consistently stepped up, year after year and words cannot express how appreciative I am of their efforts. The current economic conditions, uncertainty, the pace of change and new technology creates stress which requires us to continue to grow personally to meet these ever-changing needs. We ask for more of our team each year and they continue rising to the occasion.

And to our members – YOU are the credit union. I want to thank you for your continued trust and dedication to FCCU. Your commitment to a cooperative model for a financial institution and willingness to be part of something bigger has allowed us to grow and build the credit union to where it is today.

Thank you for your patronage; we look forward to serving you for years to come.

**Steve Schmitz, President & CEO
First Community Credit Union**



2024

Year in Review

Second Annual Day of Service



FCCU staff held our second annual Day of Service in May of 2024. The FCCU Day of Service was created as a way to give staff the opportunity work together to exemplify our brand promise, "Life is Better with Community" and also our core value of commitment to community.

With nearly all of FCCU's employees volunteering, more than 260 combined staff hours were accumulated during this time.



In local schools and with students, FCCU staff assisted with classroom activities and brought treats in Page; served lunch to Larimore High School students; taught a financial literacy lesson at St. Agassiz in Grand Forks; decorated flowerpots and planted flowers with Lakota kindergarten students and pre-k St. John students; and set up and judged the Kindred School Chalkfest.



FCCU staff also coordinated 'Operation Beautify Broadway' with the Napoleon 4-H Club to gather, paint rocks and place around businesses on Broadway; held craft activities after story time at the Crookston Library; and helped with exterior clean up at St. John's Academy in Jamestown and served lunch to students.



In our communities, FCCU staff participated in the Great Plains Food Bank Packathons in Bismarck and Fargo; cleaned up the park in Valley City and the Frontier Village in Jamestown; planted flowers in the Hankinson park; repainted picnic tables at the Milnor park; baked treats, prepared supper and did cleaning duties at the Ronald McDonald House Charities (RMHC) in Fargo;

In addition, FCCU sponsored and helped serve the meal for EMS Night in Wishek; cleaned and prepared the Milnor concession stand for the summer; and helped plant fruits and vegetables at 'The Farm at St. Francis' in Wahpeton, where produce is then donated to the Wilkin Food Pantry.



Partnership with UND Athletes

For the second year in a row, FCCU is proud to be the exclusive financial partner of UND Athletics. This one-of-a-kind partnership was a first for our institution offering a new experience for UND fans. In 2024, FCCU expanded its partnership even further with the launch of the UND credit card.



In addition, FCCU partnered with four local UND familiar faces, to help promote our partnership. Treysen Eaglestaff, Jocelyn Schiller, Jackson Kunz and Bo Belquist all joined team FCCU for the 2024-25 season. We are proud to support these local athletes who are helping inspire the next generation of athletes all across North Dakota. This partnership continues to grow and expand and we look forward to our future with UND athletics.

Moorhead Grand Opening

In September, FCCU held the groundbreaking ceremony for our newest branch in Moorhead, MN. In attendance for the ribbon cutting was President/CEO Steve Schmitz, Board Members FCCU employees and members of the local Moorhead chamber. Following the ribbon cutting, over 200 community members joined in for a free lunch.



The new branch in Moorhead features four offices, a complete lobby and teller line with a vaulted ceiling, a break room, a two lane drive up with an ATM and leasable tenant space. FCCU staff located at this branch include mortgage, agriculture/commercial and consumer lenders, as well as front line staff. This is the third Minnesota location for First Community Credit Union, providing a more convenient location for many of our Minnesota members.

FCCU

By the Numbers

Our community first laid its foundation in Jamestown, ND in 1939 with only 45 members. Over 86 years later, we now have branches across ND & MN, serving over 46,000 members.



MORE THAN

\$600,000

through donations and sponsorships

\$60,000



in college scholarships



OVER

2,600 volunteer HOURS

Charity Support

Every quarter, staff selects local charities and donates funds, items and time





Community Impact

FCCU is proud to not just do business in our communities, but also support them by giving back. We donate money, sponsor various events and organizations, volunteer our time, attend events and the list goes on and on.

Every year, FCCU staff vote to select two charity causes to support. Last year we invited you, our members, to help select the causes we supported.

Our charity initiatives provide a unique way for us to support meaningful causes in the region. Since 2014, FCCU employees have selected these causes, and organizations within them, to support by raising both funds and awareness. The funds are raised through Friday jeans money and other specific activities that relate to the cause. Here's a look back on the positive impact in 2024.

Continued

Community Impact

Q1 & Q2 Children & Youth

Our first charity cause in 2024, as voted on by staff and members, was Children and Youth.

Together we raised \$10,000 for the region's only Micro-Preemie Unit, located at Sanford Children's Hospital in Fargo. This specialized unit within the current NICU is designed for the care of micro-preemies, babies born before 26 weeks and weighing less than 20 ounces. Providers working here have the highest level of training to care for the youngest and tiniest patients.

In partnership with the Dakota Credit Union Association and Foundation, North Dakota Credit Unions pledged \$1 million dollars towards the 'Credit Unions for Kids Micro-Preemie Unit.'



FCCU staff participated in the Feed My Starving Children Mobile Pack in Fargo helping to pack nutritious meals for children worldwide. Branches also held a pajama & blanket drive to support area abused and foster children. From February through March, with the help of our communities, FCCU staff collected more than 205 blankets and 275 pajamas, socks, flashlights and more for Project Ignite which will be donated for 'Bags of Hope.' This was the seventh year which FCCU has supported this cause. In those seven years, FCCU donations total more than 1,000 blankets, 2,200 pajamas and raised an impressive \$31,500!

In spring, staff also helped with the Great Plains Food Bank Packathons in Bismarck and Fargo, packing food for children and families facing food insecurity in our local area.

FCCU's 2nd Annual Day of Service kept with the theme and staff participated in hands-on activities to help children and youth in our communities.





Q3 & Q4

American Foundation for Suicide Prevention

FCCU's second charity cause of the year, as chosen by both FCCU staff and members, was suicide prevention and mental health.

Together we raised \$6,500 for the American Foundation for Suicide Prevention (AFSP) Minnesota and North Dakota chapters, with funds going locally to support education programs, training, support and advocacy. In addition, donations were given to the Jamestown Ride to Silence the Stigma and Operation Zero, a non-profit dedicated to preventing veteran suicide, in Wahpeton.

Fundraising efforts included Coffee for a Cause, sales of HOPE silicone bracelets, dunk tank, grill out, a fishing trip raffle, and more.

In September, FCCU proudly sponsored Out of the Darkness Walks in Bismarck-Mandan, Wahpeton-Breckenridge, Fargo-Moorhead, Lake Region and Valley City with FCCU team members participating in each walk.



2024

Awards & Recognition

Dora Maxwell Award, Best Credit Union by Forbes, and much more!



In 2024, the North Dakota Housing Finance Agency recognized FCCU as one of six outstanding partners for the Champion of Affordable Housing Award. Our FCCU Home Loans Department was also named by USDA Rural Development, as a top rural housing lender in North Dakota.

In the spring, FCCU was recognized by the Dakota Credit Union Association (DakCU) with several awards. For our community involvement, FCCU was presented the Dora Maxwell award for our charity support towards local cancer centres, raising more than \$4,500 for this worthy cause.

Additionally, FCCU was also awarded for their marketing and communication efforts in the category of complete campaign. This award was for our “rooted in your future” campaign, a multifaceted complete campaign designed to bring more agriculture awareness, using only farming and ranching photos provided by our own staff.



Other recognitions in 2024 include being selected as one of the Top 50 Best Places to Work in the region by Prairie Business for the fifth year in a row and being named one of the Top 10 Best Places to Work by the Young Professionals of Bismarck for the sixth year in a row.

FCCU was named North Dakota's Best in State Credit Union by Forbes in 2024, for the second year in a row. A global media company focused on business, Forbes annually names the best banks and credit unions in each state. Forbes uses marketing research firm, Statista, to conduct in-depth interviews of thousands from all 50 states on their banking relationships in addition to utilizing good reviews.

FCCU's very own Derek Holt, Grand Forks Market President, was named to Prairie Business' 40 Under 40. This award was created to recognize exceptional professionals from industries and sectors who are making a



significant impact on their organizations and communities, across the region.

Finally, FCCU recognized two staff members for our annual awards. The "Living the Brand" Award is given to an individual who exemplifies what it means to live out our brand. The award winner is selected through a nomination process in which the following are considered: passion for their work, community contributions, member service with uncompromising integrity and embracing a growth-mindset. In essence, our values guide them every step of the way. In 2024, Alex Fortney, Ag/Commercial Lender in Devils Lake, was selected as the recipient of the Living the Brand award.

Brianna Tabor, Mortgage Loan Officer in Jamestown and Valley City, was recognized as the "2024 Volunteer of the Year." Brianna found several ways to contribute to the community including her work with High Plains Association of Realtors, FCCU events, as well as, community events in Jamestown, Valley City, Pingree-Buchanan School and more. Over the course of 2024, she volunteered more than 90 hours of her time to her communities.



Financial Overview

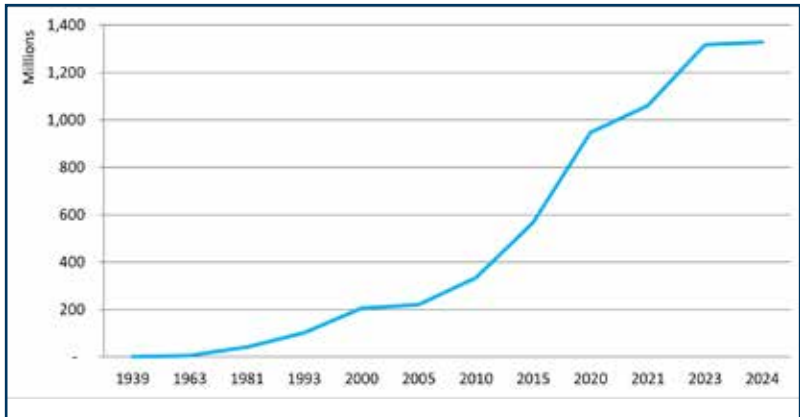
Statement of Financial Condition

| ASSETS | Dec. 31, 2024 | Dec. 31, 2023 |
|---------------------------------------|------------------------|------------------------|
| Loans (Net of allowance) | \$ 978,883,337 | \$ 941,240,248 |
| Cash & Investments | 273,817,608 | 303,801,828 |
| Property and Equipment | 40,898,105 | 40,029,547 |
| Other Assets | 34,269,461 | 31,719,798 |
| Total Assets | \$1,327,868,511 | \$1,316,791,421 |
| LIABILITIES AND EQUITY | | |
| Accounts Payable | \$16,446,111 | \$15,006,996 |
| Notes Payable | 83,000,000 | 145,000,000 |
| Total Liabilities | 99,446,111 | 160,006,996 |
| Member Shares and Deposits | 1,081,284,486 | 1,018,855,514 |
| Total Liabilities & Member Deposits | 1,180,730,597 | 1,178,862,510 |
| EQUITY | | |
| Total Member Equity | 147,137,914 | 137,928,911 |
| Total Liabilities & Equity | \$1,327,868,511 | \$1,316,791,421 |

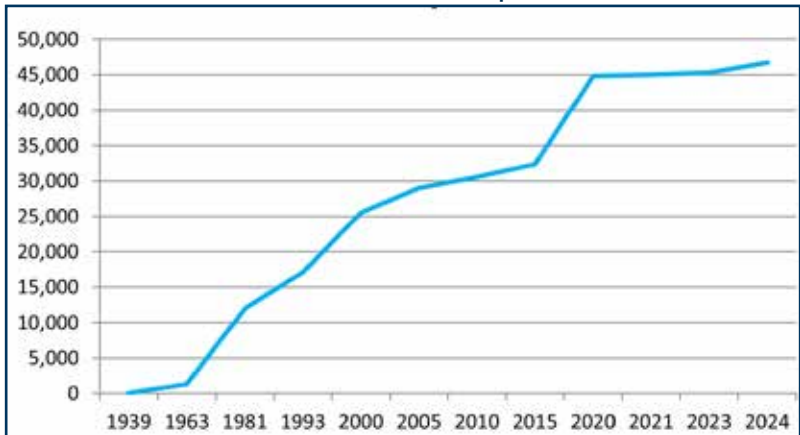
Statement of Income

| INTEREST INCOME | 2024 | 2023 |
|-------------------------------|---------------------|---------------------|
| Loans | \$54,595,662 | \$45,280,583 |
| Investments | 10,036,937 | 6,371,651 |
| Total Interest Income | 64,632,599 | 51,652,233 |
| Interest Expense | (28,284,532) | (16,173,620) |
| Provision for Loan Losses | (165,000) | (730,000) |
| Net Interest Income | 36,183,067 | 34,748,613 |
| Non-Interest Income | 12,100,657 | 14,331,058 |
| Total Income | \$48,283,724 | \$49,079,671 |
| EXPENSES | | |
| Compensation and Benefits | \$24,095,030 | \$22,877,265 |
| Operations and Administrative | 11,756,478 | 12,292,479 |
| Occupancy | 3,978,519 | 3,321,125 |
| Total Expenses | 39,830,027 | 38,490,869 |
| Net Income | \$8,453,697 | \$10,588,802 |

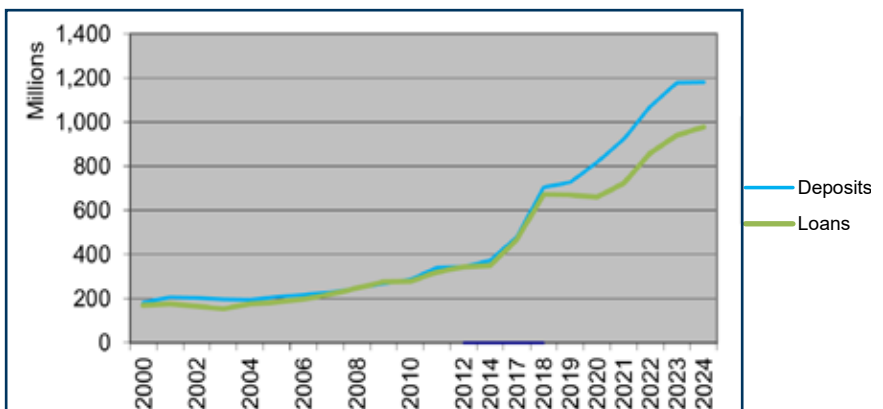
Assets



Membership



Deposits & Loans Since 2000



Executive Management Team



Steve Schmitz
President & CEO



Sean Rinkenberger
Chief Financial
Officer



Stephanie Finck
Chief Operations
Officer



Craig Grundstrom
Chief Development
Officer



Darin Finck
Chief Lending
Officer



James Vollrath
Chief Technology
Officer



Amie Aesoph
Chief Human
Resources Officer



Steve Davis
Senior VP,
Mortgage



Janna Bergstedt
Chief Marketing
Officer

Branch Management



Zachary Dosch
Bismarck Market
President



Chris Howell
Fargo Market
President



Derek Holt
Grand Forks
Market President



Jeremy Forester
Jamestown Market
President



Heather Wilhelmi
Lake Region
Market President



Alys Barth
Director of Retail
Sales & Development

2024

Board & Supervisory



Bonnie Nelson
Elected in 2012



Chris Aarhus
Appointed in 2023



Colin Wegenast
Elected in 2011



Doug Kalianoff
Elected in 2022



Mark Watne
Elected in 2013



Owen Olson
Elected in 2004



Sharman Zachrison
Elected in 2012

Audit Committee

Doug Kalianoff
Scot Nething
Rodney Buck

Nominating Committee

Sharman Zachrison
Scot Nething
Sue Corwin

Board Report

Welcome to the 86th annual meeting of First Community Credit Union. We are deeply grateful for your continued trust and loyalty, which make you an integral part of our credit union family. Your steadfast support drives us to continually enhance our services and pursue excellence in meeting your financial needs every day.

The credit union ended 2024 with assets of \$1,327,868,508 with net income coming in at \$8,453,696. We added 154 new members to our family, which now stands at 46,638.

During the 85th annual meeting in March, Sharman Zachrisson and Bonnie Nelson were reelected to the board, while Chris Aarhus was elected to finish the term of the late Sandy Franke.

At FCCU, investing in the future of our members is a cornerstone of our mission. Last spring, we proudly awarded \$61,250 in scholarships to 23 graduating seniors, including 12 multi-year scholarships. Over the past 28 years, we've granted more than \$700,000 in scholarships, underscoring our commitment to education as the foundation for unlocking potential. We're honored to support these journeys and encourage you to share these opportunities with students in your community. Let them know FCCU is here to help them start their financial journeys and achieve their dreams.

We also welcomed a new community to our family, as the grand opening for the Moorhead location was held September 17. It's the third Minnesota location for First Community Credit Union.

Our credit union continues to be celebrated for its excellence. In April, the North Dakota Housing Finance Agency recognized FCCU as one of six outstanding partners for the Champion of Affordable Housing Award. In June, Forbes Magazine named us North Dakota's best credit union for the second year in a row. USDA Rural Development recognized FCCU as a top rural housing lender in North Dakota in July. In September, we were named one of the "50 Best Places to Work" by Prairie Business magazine for the fifth year in a row. Additionally, Grand Forks Market President Derek Holt was named to Prairie Business' 40 under 40, which recognizes exceptional professionals making significant impacts in their industries.

Our members are the foundation of our success and the reason we strive to deliver exceptional service every day. Your importance to us goes beyond numbers or accounts — you are the reason we exist. We are proud to be a part of your journey, whether it's helping you build your savings, finance your dreams, or invest in your future. Together, we create a thriving community built on trust, collaboration, and shared success. Thank you for allowing us to serve you and grow alongside you.



Life is better with community.

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