

# 2024 | ANNUAL REPORT



87TH ANNUAL BUSINESS MEETING

**Call to Order by the Chair**

**Ascertain Presence of Quorum**

**Reading of Minutes of 2024 Business Meeting**

**Moment of Silence**

**Supervisory Committee Report – pg. 4**

**Chair & President's Report – pg. 6**

**Unfinished Business**

**New Business**

**Meeting Adjourned**



**2024 BOARD OF DIRECTORS**

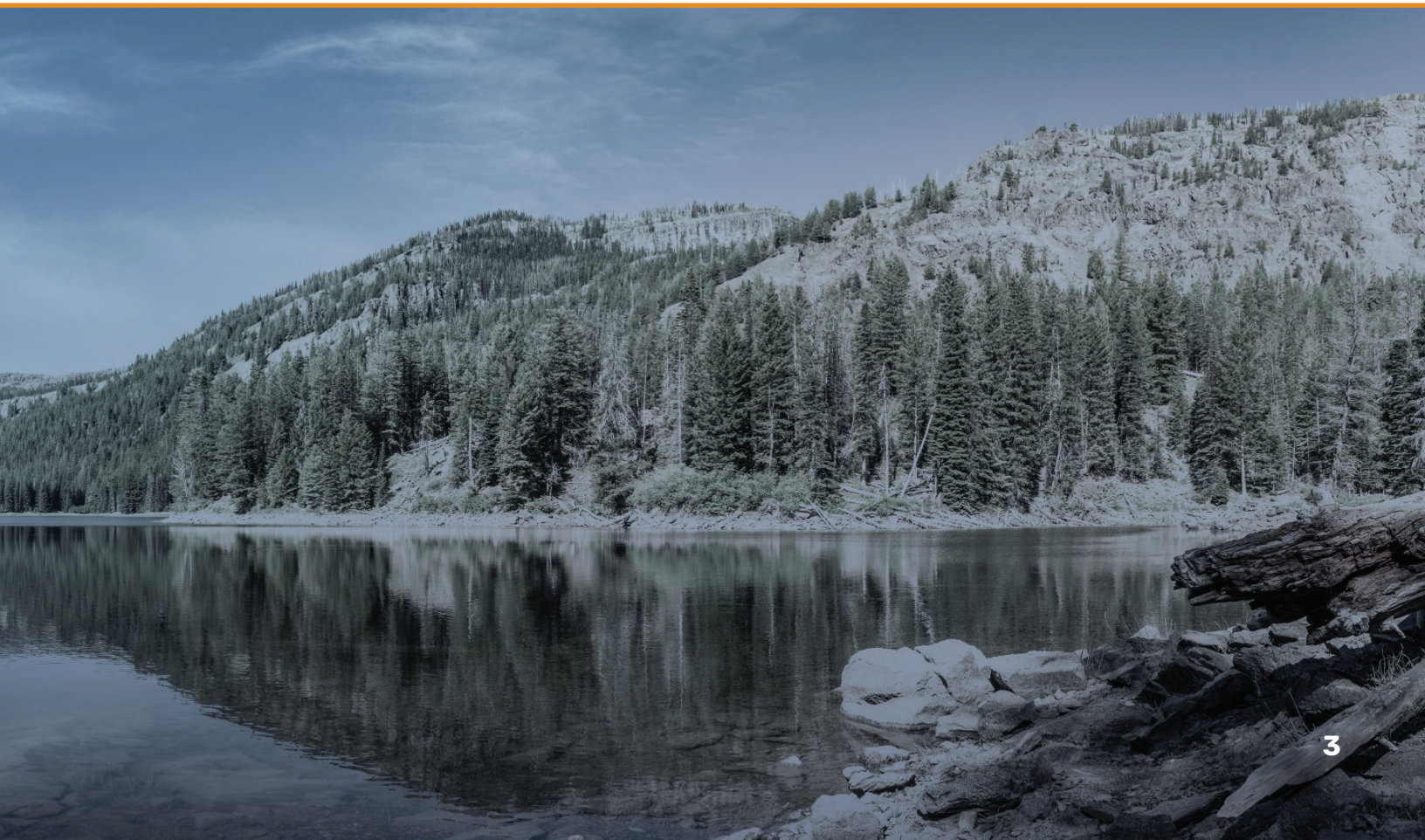
**Tod Dickeson** – Chair  
**Kyle Morscheck** – Vice Chair  
**Tara Leer** – Treasurer  
**Michelle Bly** – Secretary  
**Tom Pfliger** – Director  
**Wanda Keefer** – Director  
**Duane Wright** – Director  
**Brett Kinzer** – Director  
**Kym Clift** – Director

**SUPERVISORY COMMITTEE**

**Tom Luper** – Chair  
**Rebecca Sturmer**  
**Tom Pfliger**

**EXECUTIVE MANAGEMENT**

**Chris Loseth**  
President & CEO  
**Troy Sandvick**  
Chief Data Officer  
**Craig Emerson**  
Chief Financial Officer  
**Mike Vogeler**  
Chief Operations Officer  
**Brent Gifford**  
Chief Information Officer  
**Richard Paige**  
Chief Administrative Officer  
**Betty Barnes**  
Chief Credit Administration Officer



## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is charged with the responsibility of ensuring the operations of your credit union not only meets the regulations mandated by the Idaho Department of Finance, our primary regulator, and the National Credit Union Administration, an agency of the United States Government, our federal regulator, but also serves you, the members, professionally and efficiently.

We are also charged with safeguarding the assets and shares of the credit union. We engage Eide Bailly, LLC, to assist with our internal auditing and to conduct additional studies for the Supervisory Committee. Each year, we have a co-examination conducted by the State of Idaho Department of Finance, our primary regulator, and our federal regulator, the National Credit Union Administration, as an assurance that the assets of your credit union are carefully guarded.

**P1FCU maintained strong financial stability in 2024. The unaudited financial numbers from the past year show our growth as follows:**

### **MEMBERSHIP**

CHANGED FROM 127,211 TO

**127,823**

### **REGULATORY CAPITAL**

CHANGED FROM \$178,311,920 TO

**\$172,834,074**

Your funds on deposit at the Credit Union are federally insured to benefit our membership. The National Credit Union Administration (NCUA), an agency of the United States Government, oversees the National Credit Union Share Insurance Fund, which provides \$250,000 of coverage per individual share account. There are more combinations of accounts, joint owners, individual retirement accounts, and trust accounts that can increase your coverage beyond the \$250,000. We encourage you to meet with our credit union staff to discuss account options to increase your coverage by using various account structures that allow federal deposit insurance coverage well more than \$250,000.

Brochures are available at the credit union pertaining to the National Credit Union Share Insurance Fund or at their website, [www.ncua.gov](http://www.ncua.gov).

### ASSETS

CHANGED FROM \$2,189,917,058 TO

**\$2,111,687,215**

### SHARES

CHANGED FROM \$1,882,220,051 TO

**\$1,871,060,865**

### LOANS

CHANGED FROM \$1,798,750,215 TO

**\$1,759,400,798**

## A MESSAGE FROM OUR CHAIR & PRESIDENT & CEO

On behalf of our Staff, Management and Board of Directors, we want to thank you for attending our 87th Annual Business Meeting. We remain committed to bringing value to our members' financial lives and are committed to enhancing the quality of life in the communities we serve as we move into our 87th operational year. These are traits we are known for and traits that have become our brand. This has been our tradition for 87 years and we are continually building on these traits for the benefit of our members.

Financial well-being is a state of being wherein a person can fully meet current and ongoing financial obligations, can feel secure in their financial future, and are able to make choices that allow them to enjoy life. P1FCU is embracing a more formal strategic approach to "Financial Well-being for All". For 87 years P1FCU has been ensuring that people have complete, affordable access to financial services. We are now going to amplify what we have always done in a better manner for our member's and staff's financial lives. Everyone should have the opportunity to thrive financially.

Members and staff in the communities we serve face impediments and challenges in building financial stability and security. There is strategic value in putting member and staff financial well-being at the center of P1FCU's decision-making and product and service delivery.

Our formal strategic focus in providing Financial Well-being for All, as we have done for 87 years in many various ways, will continue to be our centerpiece in assisting members and staff in their daily financial lives.

Our Board of Directors and Executive Management Team continually reviews and enhances our Strategic Business Plan and analyze the operations of the credit union, the environment we operate in and develops strategies and objectives to keep P1FCU strong and relevant for our members while positioned for continued success. We conducted our Strategic Planning session in October with 27 management staff and the Board of Directors. We cannot say enough about the quality, dedication and commitment of our Staff, Management and Board in their efforts to serve our members' needs throughout the year.

Callahan & Associates, who tracks every credit union's financial performance in the United States, has once again given P1FCU excellent ratings as of 9/30/24. P1FCU is ranked in the 89th percentile of all credit unions in the United States for Total Return to Members, a rating based on Return to Savers, Return to Borrowers, and Member Service Usage. P1FCU ranks in the top 5%, based on asset size, of all credit unions in the United States.

We want to thank Tara, Tom, Kyle, Wanda, Michelle, Kym, Duane, and Brett along with Tod for their volunteer service on our Board of Directors in 2024. Additionally, we want to recognize Tom Luper, Becky Sturmer, and Tom Pfliger for their volunteer service as Supervisory Committee Members. The dedication of your volunteers is commendable and valuable to the members of P1FCU.

Thank you, our members, along with our Board, Staff, and Executive Management for making our credit union what it is today and for attending our 87th Annual Business Meeting.

Sincerely,



**Tod Dickeson**  
**Board Chair**



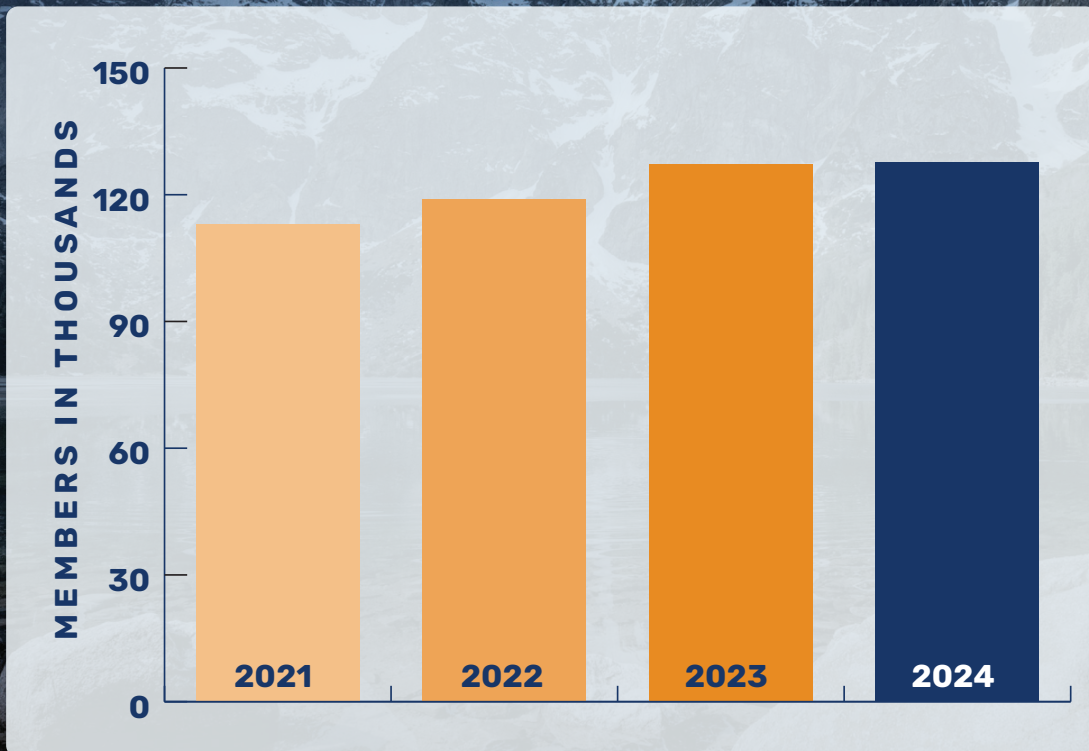
**Chris Loseth**  
**President & CEO**

Despite the economic challenges faced during the year, P1FCU was able to maintain strong financial stability while continuing to provide quality financial products and services to our members. Coming out of 2023, our membership had been through a historic level of inflation and interest rate increases, and then during 2024, we saw a significant decrease in the market value of used autos and recreational vehicles. Over 15% of our membership saw notable declines in their personal financial positions during 2024, which resulted in the large loan loss expense. When our membership struggles, it impacts the financial position of the credit union.

## MEMBERS

Membership growth was modest in 2024, with total members increasing from 127,211 in 2023 to 127,823 in 2024. With the expansion of our field of membership into the Boise/Nampa area from the Mountain Gem Credit Union

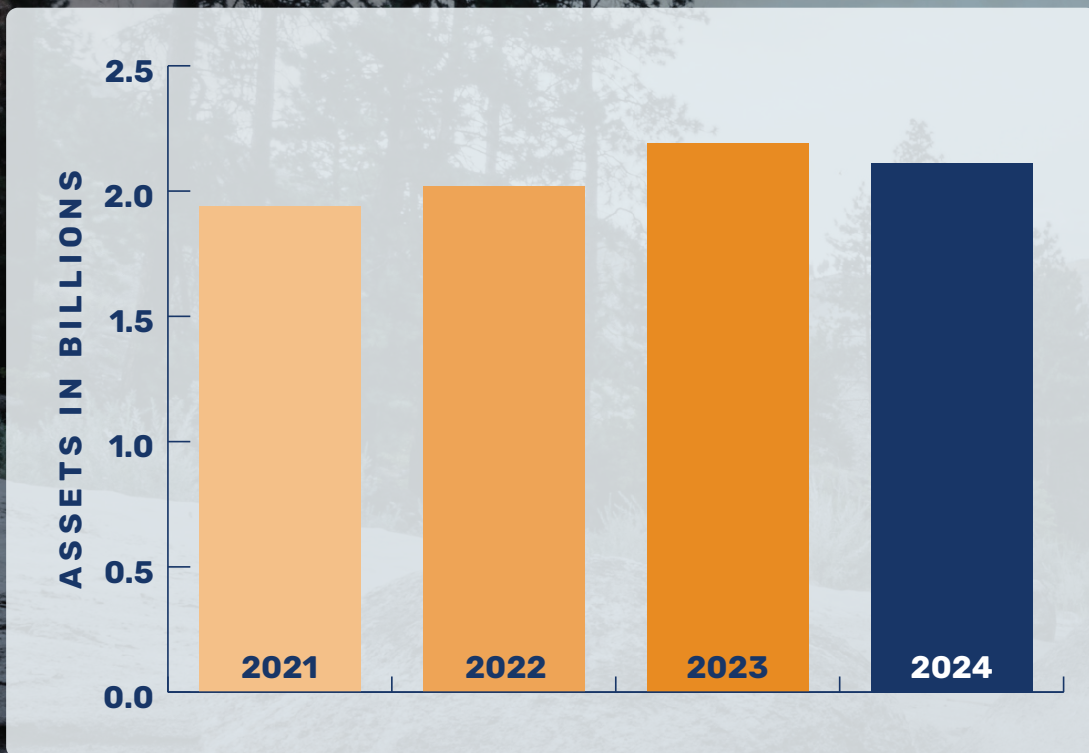
merger completed during 2022, and 3 new branches in that area, we expect membership growth to continue. Continued growth is consistent with our long-term objectives to expand the market share of P1FCU.



## ASSETS

P1FCU's assets contracted in 2024 by (3.57%) compared to our 5-year average asset growth rate of 11.41%. The reduction in assets during 2024 was due in part to reduced loan demand for several months of the year, along with a repositioning of our balance sheet that was necessary following the historical inflation

and interest rate volatility that has been experienced over the last couple of years. The assets and liabilities of the credit union have been optimized for growth in 2025, so that net interest income will increase with either rising or decreasing market interest rates.

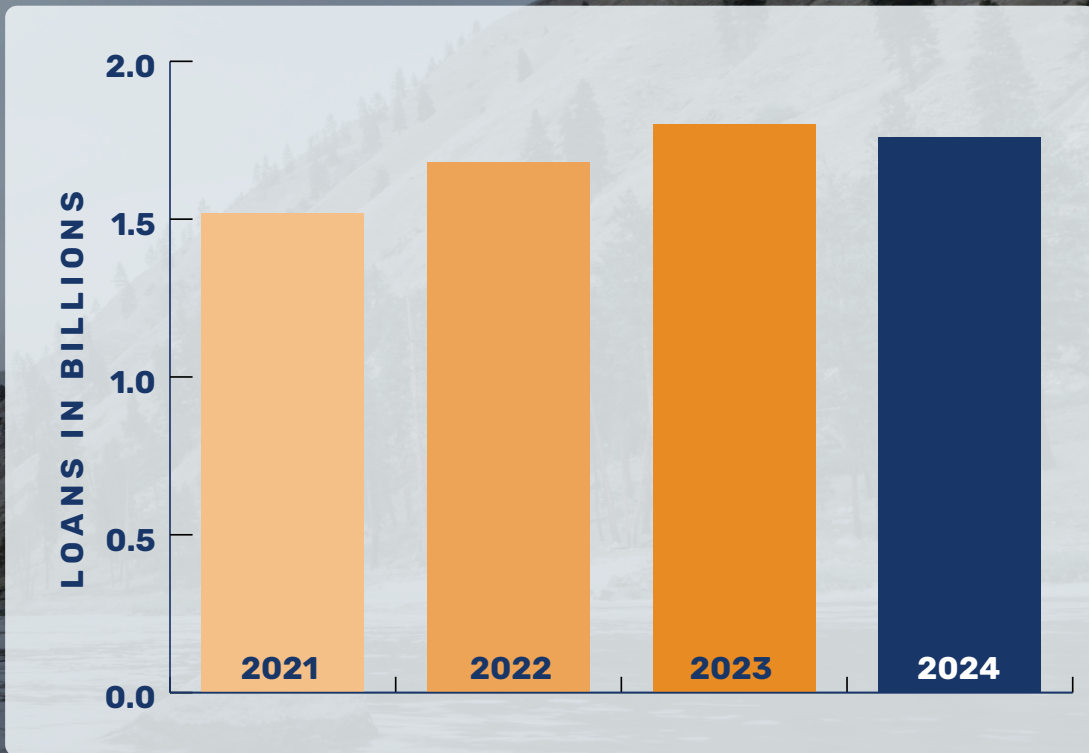




## LOANS

Lending for our members is at the core of P1FCU's operations. The Executive Management Team and Board of Directors spends much time analyzing the financial market and needs of our members within our lending programs. Loans contracted slightly in

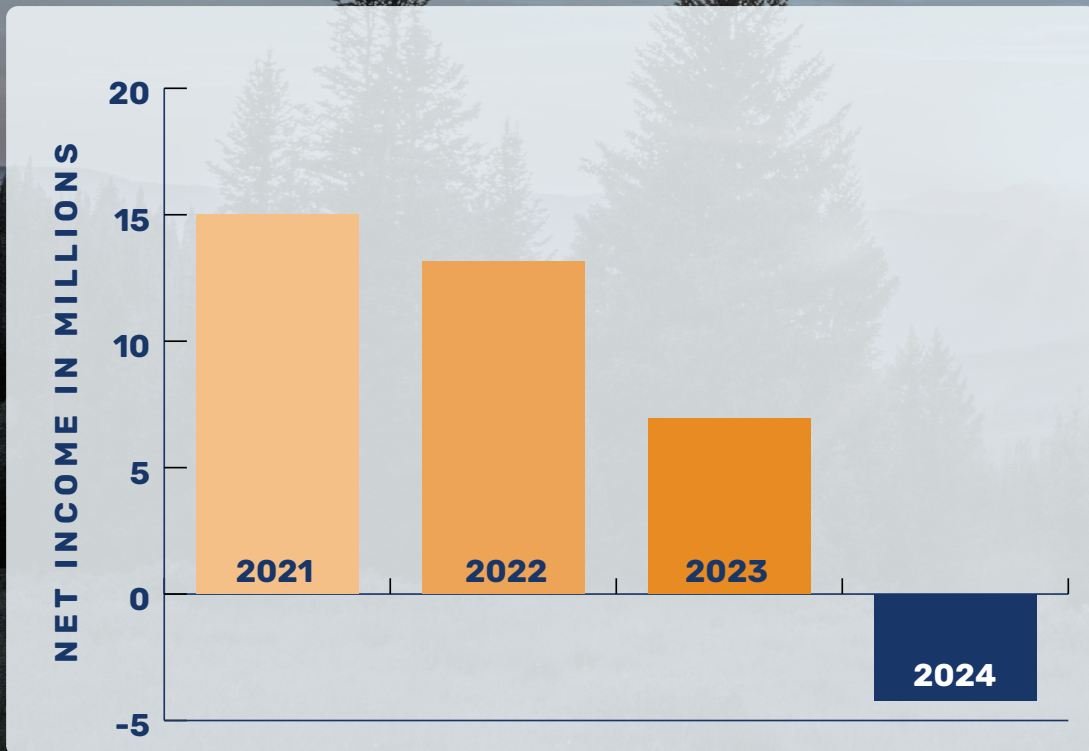
2024 by (2.19%) due to reduced loan demand for several months of the year. We continue our efforts to offer what our members need with consumer loans, mortgage loans, business loans, and credit cards.



## NET INCOME

P1FCU showed a net loss of (\$4,209,764) in 2024, primarily due to a loan loss provision expense of \$15,651,515 for the year. Also contributing to the net loss were non-recurring charges to income of \$791,369 related to initiatives that will improve the operational efficiency of the credit union in 2025. It should be noted that the operating net income for the month of December 2024, prior to year-end adjustments was \$603,907, which indicates that the balance sheet repositioning previously discussed is gaining traction. The core earnings improvement demonstrated in

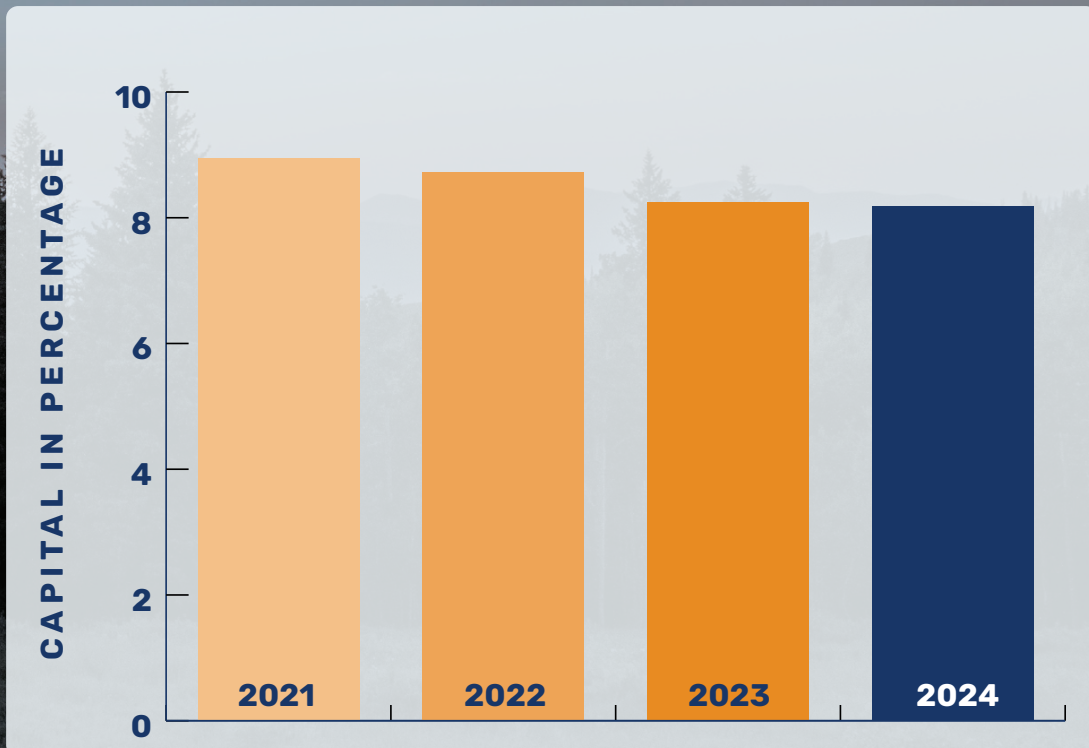
December was driven by gains in net interest income which increased by \$7,308,517 during 2024, despite a contraction in total loans during the year. P1FCU's Loan Loss Reserves are well funded and were increased by \$6,292,398 during 2024, which provides significant financial strength for the credit union. The Staff and Board Asset Liability Management Committees spend much time throughout the year reviewing operations and planning for our financial performance.



## CAPITAL

P1FCU’s Net Worth Ratio at 12/31/24 is 8.18% with Regulatory Capital of \$172,834,074. P1FCU’s Net Worth Ratio is 16.9% above the 7.0% regulatory level of Net Worth Ratio to be considered “Well Capitalized,” the highest regulatory ranking available, and Regulatory Capital in excess of the “Well Capitalized” level was \$23,747,887 at the end of 2024. Increased capital requirements were implemented by the NCUA during 2022 in the form of a new risk-based capital (RBC) ratio. The RBC ratio for P1FCU at the end of 2024 was 10.84%, which is well above the 10.0% regulatory level of RBC to

be considered “Well Capitalized”. We focus on the financial health of the credit union for the benefit of our members. P1FCU has weathered many economic downturns and challenges in the United States over the years while keeping the credit union financially stable. P1FCU is looking forward to our members’ future with a wide array of affordable products and services for our members while still maintaining competitive loan and share interest rates for our members’ benefit.



## STATEMENT OF FINANCIAL CONDITION

ASSETS	2022	2023	2024
<b>TOTAL LOANS</b>	<b>\$1,682,306,295</b>	<b>\$1,798,750,215</b>	<b>\$1,759,400,798</b>
Less: allowance for loan losses	(\$5,139,367)	(\$7,689,460)	(\$13,981,858)
Cash and cash equivalents	\$24,653,129	\$22,189,045	\$23,952,155
<b>NET LOANS &amp; CASH</b>	<b>\$1,701,820,057</b>	<b>\$1,813,249,800</b>	<b>\$1,769,371,095</b>
<b>Investments</b>			
Overnight funds–corporate credit union	\$21,716,682	\$57,100,835	\$21,163,258
Mortgage Backed Securities	\$83,178,764	\$76,759,750	\$67,321,938
All other Investments	\$6,789,397	\$8,633,470	\$10,089,986
<b>TOTAL INVESTMENTS</b>	<b>\$111,684,843</b>	<b>\$142,494,055</b>	<b>\$98,575,183</b>
<b>TOTAL OTHER ASSETS</b>	<b>\$207,310,431</b>	<b>\$234,173,203</b>	<b>\$243,740,938</b>
<b>TOTAL ASSETS</b>	<b>\$2,020,815,331</b>	<b>\$2,189,917,058</b>	<b>\$2,111,687,215</b>

## STATEMENT OF FINANCIAL CONDITION

LIABILITIES, SHARES & EQUITY	2022	2023	2024
<b>TOTAL LIABILITIES</b>	<b>\$16,076,821</b>	<b>\$158,856,832</b>	<b>\$94,021,703</b>
<b>Shares &amp; Deposits</b>			
Share drafts	\$423,435,443	\$406,265,840	\$406,089,640
Regular shares	\$556,380,668	\$479,499,044	\$472,472,383
IRA/Keogh & Retirement Accounts – Certificates	\$67,702,225	\$73,431,077	\$76,332,088
IRA/Keogh & Retirement Accounts – Shares	\$13,849,881	\$11,930,283	\$10,280,779
Money market shares	\$336,693,271	\$274,660,959	\$280,986,598
Share certificates	\$467,505,675	\$631,432,848	\$619,899,377
All other shares & deposits (non-member)	–	\$5,000,000	\$5,000,000
<b>TOTAL SHARES &amp; DEPOSITS</b>	<b>\$1,865,567,165</b>	<b>\$1,882,220,051</b>	<b>\$1,871,060,865</b>
<b>TOTAL EQUITY</b>	<b>\$139,171,345</b>	<b>\$148,840,175</b>	<b>\$146,604,648</b>
<b>TOTAL LIABILITIES, SHARES, &amp; EQUITY</b>	<b>\$2,020,815,331</b>	<b>\$2,189,917,058</b>	<b>\$2,111,687,215</b>



## STATEMENT OF INCOME

INCOME	2022	2023	2024
<b>TOTAL INTEREST ON LOANS TO MEMBERS</b>	<b>\$66,450,816</b>	<b>\$84,394,071</b>	<b>\$99,275,032</b>
Income from investments	\$8,856,373	\$21,868,188	\$23,467,995
Fee income	\$9,144,937	\$9,586,123	\$9,093,554
Other operating income	\$13,860,392	\$14,240,805	\$14,895,477
<b>TOTAL GROSS INCOME</b>	<b>\$98,312,518</b>	<b>\$130,089,188</b>	<b>\$146,732,058</b>
<b>EXPENSES</b>			
<b>OPERATING EXPENSES</b>	<b>\$70,865,268</b>	<b>\$74,703,640</b>	<b>\$79,435,352</b>
<b>INCOME (LOSS) FROM OPERATIONS</b>	<b>\$27,447,250</b>	<b>\$55,385,548</b>	<b>\$67,296,707</b>
Less: provision for loan losses	\$1,599,032	\$4,014,182	\$15,651,515
INCOME FROM OPERATIONS AFTER PROVISION	\$25,848,218	\$51,371,367	\$51,645,192
NON-OPERATING GAINS OR (LOSSES)	\$3,255,008	\$5,692,063	\$3,450,909
COST OF FUNDS	\$15,941,224	\$50,133,651	\$59,305,866
<b>NET INCOME</b>	<b>\$13,162,002</b>	<b>\$6,929,778</b>	<b>(\$4,209,764)</b>

# STRONGER TOGETHER

As a credit union, we encourage our team to get out into their communities and make a difference. Their contributions to P1FCU on the job are extraordinary, but when they're off the clock, their spirit can be felt throughout the Northwest. In 2024, our team donated an incredible 3,500 hours to 421 organizations. Thank you to all the volunteers and outstanding organizations making a difference in our communities.





 **P1FCU**