



2024  
ANNUAL  
REPORT

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PREPARED BY

*Jill Stewart*

EXECUTIVE ASSISTANT & MARKETING COORDINATOR

# VISION, MISSION, AND PURPOSE

## VISION

Everyone will have financial freedom  
and the ability to pay it forward.

## MISSION

To equip members with resources that  
engage, educate, and simplify banking  
so they can focus on what matters.

## PURPOSE

We believe everyone deserves a  
financial partner they can count on.

# BOARD OF DIRECTORS 2024-2025



Lowell Wilhite



Sherri Griggs



Carma Gunter



Lance Dixon



Lawrence Craig Taylor



Brian Beach



Michael Pflueger

*“Volunteering is at the very core of being a human. No one has made it through life without someone else’s help.”*  
*Heather French Henry*



# LOWELL WILHITE

Chairman, Board of Directors

In 2024, Mutual 1st Federal Credit Union continued our commitment to providing solutions that deliver tangible value to our members, transcending mere product offerings.

Our all-volunteer Board of Directors, along with our Supervisory and Loan Committee, remain steadfast in ensuring that Mutual 1st consistently delivers the highest quality products while maintaining financial stability. Our staff remains dedicated to innovation, implementing new initiatives to meet and exceed the service standards you have come to expect.

Mutual 1st achieved several notable accomplishments in 2024, including:

- ▲ Welcoming a new class of board members
- ▲ Continuing strong community outreach and investment
- ▲ Pursuing the strategic plan
- ▲ Migrating our credit and debit card portfolios to enhanced contactless cards
- ▲ Upgrading the telephone system to enable new service features
- ▲ Implementing a quarterly newsletter for members
- ▲ Completing successful IT risk assessments, regulatory examinations, and independent audits
- ▲ Experiencing growth in deposits

There were significant challenges, but thanks to the exceptional leadership and dedication of our staff, Mutual 1st successfully navigated the obstacles and remains poised for continued success in 2025.

As a member-owned, not-for-profit cooperative, our mission is to empower you with the resources that engage, educate, and simplify banking, enabling you to focus on your priorities. We firmly believe that every individual deserves a reliable financial partner. We eagerly anticipate and are actively working on significant accomplishments in 2025 that will further enhance the member experience.

I am pleased to announce that Mutual 1st remains a robust and secure institution, with a strong financial position. The most crucial indicator of a credit union's stability is its capital ratio. Mutual 1st is recognized as well-capitalized by federal examiners, with a year-end capital ratio exceeding 8%.

After much consideration, I have decided to step down from my position as Chair of the Board of Directors. It has been an honor to serve and to be entrusted with the responsibility of ensuring that decisions at the highest levels are made in the best interests of our members. Our commitment to our members is paramount to every decision we make.

On behalf of the board, I extend our heartfelt gratitude to our members for their unwavering loyalty and continued support.

Sincerely,



Chair, Board of Directors



## KEVIN STRAUB

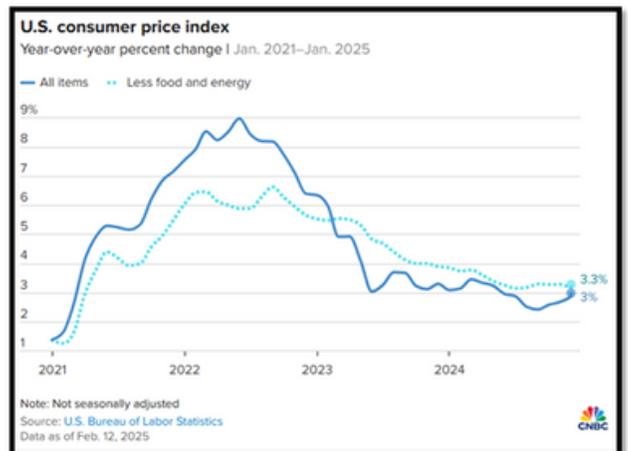
President and Chief Executive Officer

This past year your credit union surpassed an historic milestone, its 75th anniversary. This is a significant achievement not just in the number but in what it represents, an unwavering commitment to member strength, resilience, and trust.



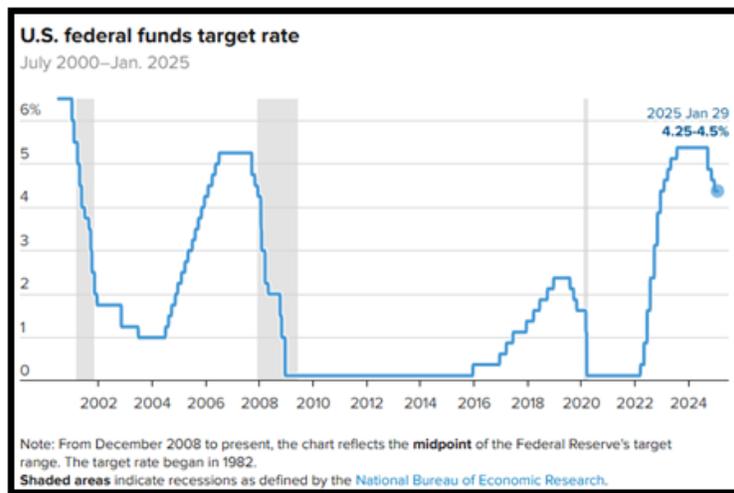
So, we proudly celebrate a small group of visionary leaders who formed your cooperative, based on a common bond, to help one another successfully pursue economic prosperity. For you see, it has always been about “mutual” and being defined by a passion for people, not for profit. This is so important especially in periods of economic uncertainty. Inflation and interest rates remained elevated and continued to be a challenging headwind for individuals, families, and businesses.

The Consumer Price Index, a broad measure of costs in goods and services, accelerated in January ('25) to an annual inflation rate of 3%. This remains above the Federal Reserve’s (Fed) target rate of 2%. What has been challenging is the impact of higher inflation over time. The average rate of inflation from 2022 to 2024 is 4.74%. It is certainly more than a number on a chart, rising costs have had an impact on all of us.

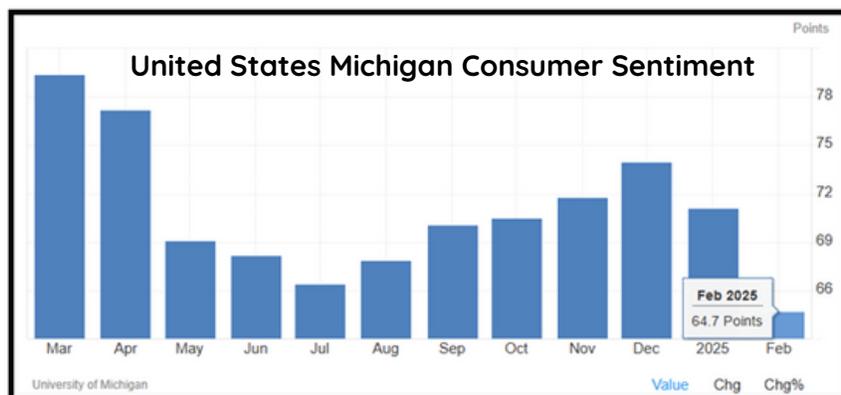


# REPORT OF THE CEO

The Federal Reserve (Fed) left rates unchanged, in January ('25), after three straight cuts to end the year ('24). Federal Reserve Chair Jerome Powell has reiterated in recent statements that the central bank's commitment is to bring down inflation but signaled that the Fed is not in a rush to push interest rates lower.

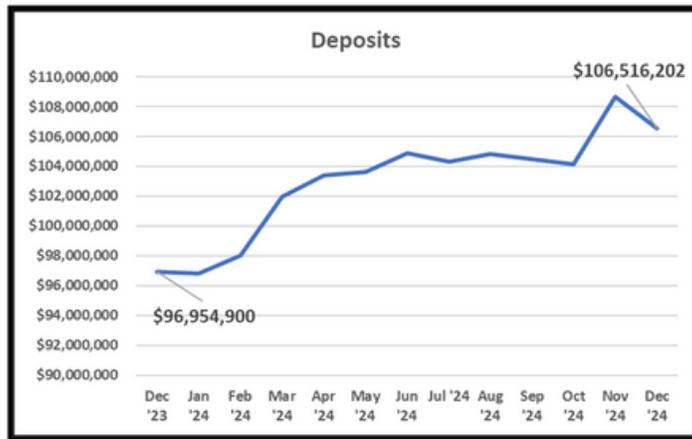


The combination of elevated inflation and high interest rates were reflected in the most recent University of Michigan Consumer Sentiment survey. Consumers have grown more pessimistic about the economic outlook and sentiment fell to 64.7 in February ('25), the lowest level since November of 2023.

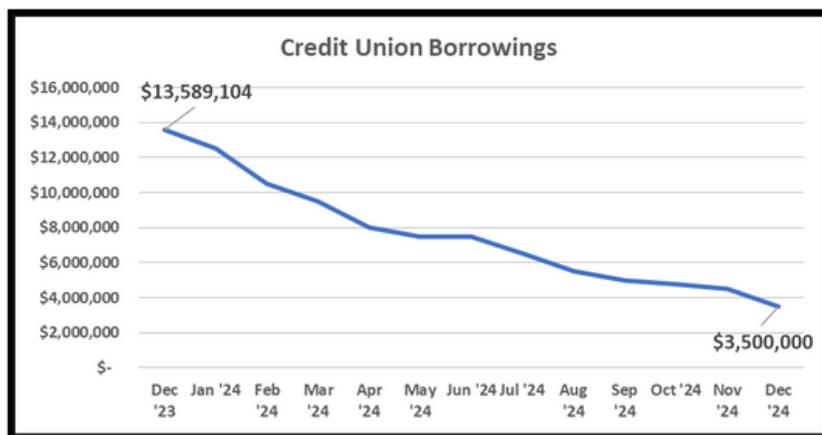


# REPORT OF THE CEO

As we mutually navigated the year ('24) we observed “money in motion”. Members paid down their loan balances by \$8.5 million and increased their deposits by \$9.6 million.



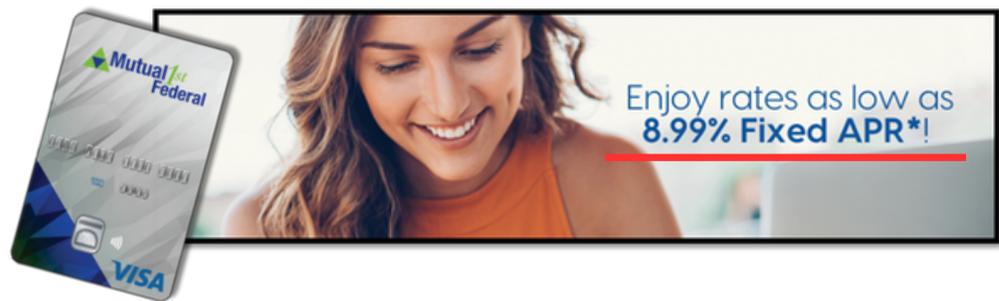
The combined inflow provided an opportunity for your member owned credit union to be intentional to reduce its borrowings and increase its liquidity.



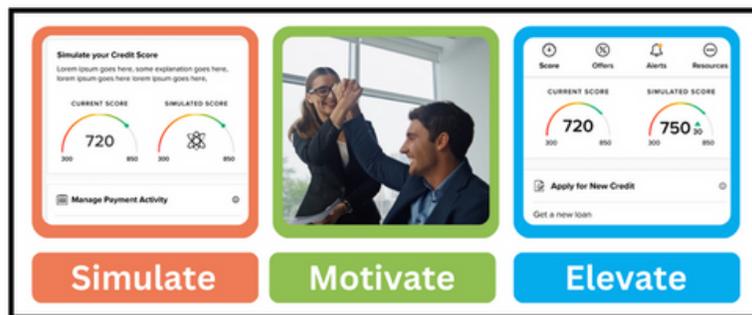
# REPORT OF THE CEO

As the year ('24) progressed, your credit union team focused on upgrading your debit cards and credit cards. This pursuit was intentional to enhance cardholder functionality, partner with a better service provider, and reduce expenses.

Available to you is a best-in-class credit card with rates that are significantly below the national average rate of 22.8% (Source: Federal Reserve). What is in your wallet?



It is encouraging to see members utilize the free credit score tool within the online/mobile banking application. Over 50% of our members that use online/mobile banking are enrolled and receive: free credit score, free credit score monitoring, free credit score simulator, and so much more.



As previously noted, it's always been about “mutual” and living the credit union’s Mission:

*To equip members with resources that engage, educate, and simplify banking so they can focus on what matters.*

Please know that your credit union continues to stay focused on cybersecurity and deploys the latest technology and best practices to keep member data secure and safe.



A risk assessment was performed by an external Cybersecurity Professional Services company. Below is a summary of their findings.

**Mutual First Federal Credit Union has a robust Governance, Risk, and Compliance (G.R.C.) program that includes a WISP (Written Information Security Plan), BCP (Business Continuity Plan), IRP (Incident Response Plan), and D.R. (Disaster Recovery Plan). These policies, plans, and procedures are regularly reviewed and tested.**

As a friendly reminder, Mutual 1st will never contact its members asking you to verify your account number, credit or debit card number, social security, PIN, or online banking username or password. If someone emails, texts, or calls you asking for your personal information, please contact Mutual 1st at 402-697-8200

In full transparency, your credit union encountered a couple of challenging headwinds this year that had a significant impact on performance.

It was discovered that inaccurate coding was programmed into our core system, which resulted in incorrect late fees being applied to certain indirect loans. Noting that a core value of the credit union is “integrity”, the team completed a detailed assessment. For members who had active indirect loans a payment was made that accounted for the difference. If the member had previously paid off the loan, then a check was issued and mailed to the member. This challenge had a material impact noting that the assessment went back for a period of years.



The second headwind was the need to make a purposeful increase to loan loss reserves to address a spike in delinquency, primarily driven by the indirect loan portfolio. Noting the challenge that members were experiencing we initiated two additions to the reserve.

As I prepare to close, I want to be deliberate to recognize Lowell Wilhite for his dedication and commitment to serving as the Chair of the Board of Directors. It has been an honor to work alongside of him.



Lowell Wilhite

I want to thank the volunteers who serve on the Board of Directors and on the various organizational committees. To my colleagues, it is a privilege to work and collaborate with you. Your efforts are appreciated. Please know that what you do matters.

In closing, I want to thank you for entrusting the credit union. My colleagues and I look forward to supporting you on your financial journey this year and for many years to come.

*Kevin Straub*



# SCOTT STEVENS

Vice-President and Chief Financial Officer

In 2024, inflation remained a major concern for much of the year, though it showed signs of moderating compared to its peak in 2022. However, the impact of inflation was still visible in consumer prices, along with housing.

In response to inflationary pressures, the Federal Reserve maintained a policy of higher interest rates through most of 2024 to curb inflation. The Federal Reserve started to cut the fed funds rate during the last third of the year with three reductions totaling 1.00%. Even with a decline in short-term rates, members did not want to take on additional debt with rates not decreasing as quickly as forecasted. This was seen in our loan portfolio with a decline of \$8.5 million for the year, with outstanding balances of \$88.6 million.

On the share side of the balance sheet, the slower decline in rates was attractive for our savers. With the addition of our Premier Money Market account, savings increased \$9.6 million and ended the year with balances of \$106.5 million. With the increase in cash during the year, the credit union was able to pay down on our Federal Home Loan Bank borrowings by almost \$10.1 million. Going forward, this will help to reduce our overall interest expense.

Net loss for the year was \$748,421. These results finished at a (.62%) return on assets (ROA). The net loss was driven by an increase in funding for our loan loss reserves and a refund of fees to indirect loan members. Mutual 1st's net worth ratio ended the year at 8.07% down .49% from 2023 and remained above NCUA's well-capitalized standard of 7.00%.

*Scott Stevens*

## Assets

	2024	2023
Cash and Cash Equivalents	\$5,364,291	\$2,633,607
Investments	\$17,132,250	\$12,905,886
Loans Receivable, net of allowance for loan losses	\$87,133,875	\$95,872,115
Fixed Assets, at cost, less accumulated depreciation	\$8,379,737	\$8,601,558
Other Assets	\$2,390,316	\$2,251,569
<b>Total Assets</b>	<b>\$120,400,468</b>	<b>\$122,264,735</b>

## Liabilities and Retained Earnings

	2024	2023
Savings Accounts	\$106,516,202	\$96,954,900
Borrowed Funds	\$3,500,000	\$13,589,104
Other Liabilities	\$1,332,495	\$2,066,285
<b>Total Liabilities</b>	<b>\$111,348,697</b>	<b>\$112,610,289</b>
<b>Retained Earnings</b>	<b>\$9,716,288</b>	<b>\$10,464,709</b>
Net unrealized holding gain/(loss) on investments available for sale	(\$664,517)	(\$810,263)
<b>Net Retained Earnings</b>	<b>\$9,051,771</b>	<b>\$9,654,446</b>
<b>Total Liabilities and Retained Earnings</b>	<b>\$120,400,468</b>	<b>\$122,264,735</b>

These preliminary numbers are subject to change based on the completion of the Petersen & Associates audit.

## Interest Income

	2024	2023
Loans	\$5,820,750	\$5,446,012
Investments	\$658,625	\$425,258
<b>Total Interest Income</b>	<b>\$6,479,376</b>	<b>\$5,871,270</b>

## Interest Expense

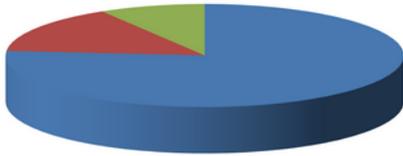
	2024	2023
Member Savings	\$1,532,301	\$888,931
Borrowed Funds	\$302,090	\$623,657
<b>Total Interest Expense</b>	<b>\$1,834,391</b>	<b>\$1,512,587</b>
<b>Net Interest Income</b>	<b>\$4,644,985</b>	<b>\$4,358,683</b>
<b>Provision for Loan Losses*</b>	<b>\$1,125,000</b>	<b>\$500,000</b>
Net Interest Income after Provision for Loan Losses	\$3,519,985	\$3,858,683
Other Operating Income	\$1,138,026	\$1,340,934
Other Operating Expenses	\$5,455,014	\$4,953,631
Net Income from Operations	(\$797,003)	\$245,986
Non-Operating Income	\$48,582	\$12,791
<b>Net Income</b>	<b>(\$748,421)</b>	<b>\$258,777</b>

\*Net Charge-offs: \$883,656

# FINANCIAL GRAPHS

## Income

- Loan Interest
- Fees and other income
- Investments



## Operating Income

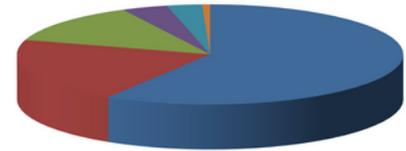
Loan Interest	\$5,820,750.34	76.414%
Fees and Other Income	\$1,138,026.14	14.940%
Investments	\$658,625.34	8.646%
<b>Total Gross Income</b>	<b>\$7,617,401.82</b>	<b>100%</b>

## Loans to Members

Consumer	\$52,097,961.47	58.805%
Home Equity	\$18,459,486.86	20.836%
First Mortgage	\$11,422,727.05	13.077%
Credit Card	\$3,422,367.51	3.863%
Participation	\$2,601,264.65	2.936%
Commercial	\$590,181.45	0.666%
<b>Total</b>	<b>\$88,593,988.99</b>	<b>100%</b>

## Loans to Members

- Consumer
- Home Equity
- First Mortgage
- Credit Card
- Participation
- Commercial



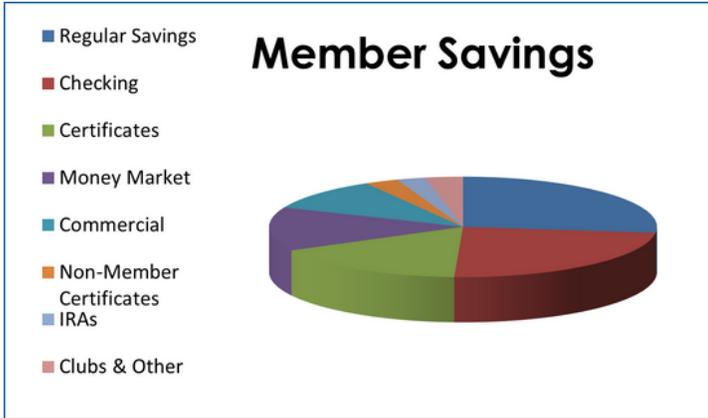
## Investment Portfolio

- Short term Investments
- Federal Agency Securities
- Certificates of Deposits
- FHLB Stock
- Alloya Membership Capital



## Investment Portfolio

Federal Securities	\$6,272,927.61	36.61%
CDs	\$2,500,000.00	14.59%
Short-Term Investments	\$7,200,506.29	42.03%
FHLB Stock	\$621,500.00	3.63%
Alloya Capital	\$537,316.13	3.14%
<b>Total</b>	<b>\$17,132,250.03</b>	<b>100%</b>



## Total Funds on Deposit

Regular Savings	\$28,642,932.45	26.891%
Checking	\$25,388,093.94	23.835%
Certificates	\$17,570,507.81	16.496%
Money Market	\$14,998,143.90	14.081%
Commercial	\$11,028,239.07	10.354%
Non-Member Certificates	\$2,978,000.00	2.796%
IRAs	\$2,558,994.29	2.402%
Clubs & Other	\$3,351,290.97	3.146%
<b>Total</b>	<b>\$106,516,202.43</b>	<b>100%</b>

# TOM BLOOMQUIST

Vice-President and Chief Experience Officer



Several opportunities presented themselves in 2024 for the front-line staff at Mutual 1st. This year, we had the joy of celebrating our 75th Anniversary throughout the year, culminating in a ribbon-cutting ceremony in August that highlighted our long-standing commitment to serving our community.



Our involvement in Elkhorn Days and Papillion Days allowed us to connect with local residents and promote the benefits of being part of the Mutual 1st family. Additionally, we hosted a Halloween branch event at our new Antler View branch, attracting attention from the nearby neighborhood and providing a fun experience for our members.

Elkhorn Days



Papillion Days Parade



BOO at the CU



BOO at the CU



A significant focus this year was on deposit growth, and we are proud to report a \$10,561,302 or 10.89% increase in overall deposits. The Premier Money Market, which debuted in May, proved to be a successful addition, with balances reaching \$7,923,700 by the end of the year. Checking account balances grew by \$770,949 or 3.13%, while savings account balances increased by \$827,414 or 2.53%.

As 2024 turns into 2025, we are hitting our stride and will continue to grow at Antler View. Our branches saw some personnel turnover at the beginning of 2024. As the year progressed, our new employees eagerly learned their jobs and served our members in a way that fits with our Purpose. By the end of the year, branch personnel were highly motivated, continuing to learn in their new roles, and brought positive attitudes into our branches.

Marketing experienced a bit of a reshuffle as most of the advertising was focused on making the public aware of the new Antler View branch. Our advertising efforts included social media, digital banners and videos, and videos on YouTube. We took time to explore mostly digital marketing channels, finding what worked well and focusing on expanding successes in 2025. We are confident that the effort we put into marketing in 2024 will continue to bear fruit throughout the new year.

*Tom Bloomquist*

# STEVEN YANG

Supervisory Committee Chair



Your supervisory committee is committed to protecting our membership and their interests by providing oversight of the operations and policies of Mutual 1st, as well as its Board of Directors.

The volunteers who serve on this committee have various backgrounds and areas of expertise and use them as they actively participate in our monthly meetings. We carefully review all of the examination reports of the credit union.

Examples include quarterly reviews and the annual audit completed by Petersen & Associates (an independent audit firm); any examination by the National Credit Union Association (NCUA); IT audits; and other regulatory oversight reports. We also complete several other reviews that are considered best practices for Supervisory Committees.

In addition, one of our members attends every Board meeting throughout the year. I'm pleased to report that the credit union received a clean audit opinion for the last several years and that your credit union is well managed and financially stable.

We appreciate the opportunity to serve the membership of Mutual 1st Federal Credit Union.

*Steven Yang*

In 2024, we donated just over \$7,400 to four non-profit organizations: **Women’s Center for Advancement, Food Bank for the Heartland, Nebraska Humane Society, and The Dreamweaver Foundation.** We are honored to support the missions of these organizations.

This year we had a booth at the Nebraska Humane Society Walk & Dog Fest, provided an opportunity for staff to volunteer at the Food Bank for the Heartland, and had successful supply drives for both the Food Bank and the Women’s Center for Advancement.

The credit union donates a set amount to each of the non-profits, and our Community Team organizes events to raise more on top of that. Our popular Soup-er Bowl in February is a soup competition for the coveted traveling trophy. Each person makes a donation to cook and/or eat, and we vote for the favorite. Our break room has never smelled so good!



With the donations we received from members and staff, we held a “CAN-struction” contest with a Mutual 1st theme requirement. Each team received a set amount of the donations, and they could add onto it as a team if they chose. As you can see, each design was very clever. Our Board of Directors voted for the winning design, which was the **BE FIRST** logo!

The traveling soup trophy, 2024 winners, and the soups of the Soup-er Bowl!



Creative CAN-struction efforts.

# COMMUNITY INVOLVEMENT



The supply drives for the Women’s Center and Food Bank were extremely successful thanks to the donations from our membership. We had to take multiple cars to drop off all of our donations!



We collected clothes, diapers, hygiene items, towels, and linens for the Women’s Center for Advancement. They are always prepared to help those who have had to leave their homes with nothing.

Delivering donations to the Women’s Center for Advancement.

The day we volunteered at the Food Bank for the Heartland, we inspected and packed boxes of pot roast kits, which includes meat and vegetables for an easy crockpot meal. We learned a lot about the different ways the Food Bank provides food to other food pantries and families throughout Nebraska and western Iowa.



Non-perishable food donations for The Food Bank for the Heartland, and volunteering in-person.



Nebraska Humane Society’s Walk & Dog Fest.

The Walk & Dog Fest at the Nebraska Humane Society gave us the opportunity to interact with so many furry friends and their humans. We had a great time visiting and handing out some Mutual 1st gear!

It was truly an honor to work with these amazing local non-profits, and we encourage you to learn more about each organization. In 2025, we have decided to focus on two organizations, one for each half of the year. We will be supporting **The Hope Center for Kids** from January to June, and **Young Entrepreneurs of the Future** for the rest of the year, so stay tuned for opportunities to help!

**Community Involvement Team 2024**  
Amy Fauth, Jay Haas, Taylor Gibson,  
Michelle Yeaman, and Jill Stewart

**Community Involvement Team 2025**  
Amy Fauth, Michelle Yeaman,  
Jennifer Olbricht, and Jill Stewart



# THANK YOU

## CONTACT US :



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