

# 2023 Annual Report

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ACCOUNTABILITY. CREDIBILITY. TRUST.



**National Highway  
LaVale Branch**

Friday, May 31st, 2024

# 2023 Minutes

The 73rd Annual Membership Meeting of ACT 1st Federal Credit Union convened on Saturday, April 29, 2023 at 5:30 pm., at the Allegany Museum Grand Ballroom. The meeting was an enjoyable time, for everyone in attendance.

After calling the meeting to order, Shawnee McElfish, Board Chair, requested approval of the Agenda. Christie Clark made the motion to approve the agenda, which was seconded by Mark Greenwald, and passed unanimously.

Chair, Shawnee McElfish, introduced the nominating committee, which included herself, Mark Greenwald and Michael Newcomb. Chair, Shawnee McElfish announced we had (2) incumbent members: Elaine Reuschlein and Corrine Lamm and (2) nominees - unopposed: Carl Miltenberger and Eugene Putsolski. No vote was needed

Shawnee McElfish made a motion, seconded by Christie Clark, to dispense with the reading of the minutes. The minutes were filed for audit.

Shawnee McElfish introduced the Chair of the Supervisory Committee: Elaine Reuschlein. The additional volunteers of the Supervisory Committee were announced, as well as a brief overview of the duties with regards to the Supervisory Committee. The duties are to assure safety and soundness concerning loans and drawer verifications.

A moment was taken to acknowledge the passing of one of our past ACT employees - Jennifer Southerly. Jennifer worked in our Romney office as a Call Center Representative, and a Member Service Representative. Our thoughts and prayers go out to Jennifer's family.

Christie Clark reviewed the Treasurers Report after thanking the Credit Union Team, Board of Directors and Supervisory Committee. We are currently very proactive with our onboarding and reboarding for products and services. Credit Union statistics do show a declining environment, but we are here to continue fighting and standing strong.

According to Statement of Financial Condition as of December 31, 2022, Total Assets were \$146.9 million. Total Shares were \$135.1 million.

Our 2022 Loan Portfolio was \$108.7 million, with a 12.5% growth rate. Dividends returned to our members totaled \$783,000. Our net worth was 8.03%. We ended the year with a membership of 13,756 members, reflecting a 31% growth. We are proud to say we raised funds for various charities totaling \$21,000. Some of the donations made were Hampshire Fire Boot Drive \$1,000, Relay for Life \$1,000, and \$1,125 for the Toys for Happiness program. We held our 4th Annual Golf Tournament and donated \$7,300 to Jane's Place. We also raised funds and donated to the Hampshire and Allegany Animal Shelter, Veteran's Donation Allegany County Western Maryland Food Bank, Alzheimer's Association, and many more. Our team is always working to help and support the community in any way we can. Shout' out for our upcoming 5th Annual Golf Outing, to be held on August 19, 2023 at Rocky Gap. All proceeds will be donated to Apples for Children, Inc. this year.

2023 is a busy tune for all us, but challenging year as well. We are introducing new products and services, to serve our members. Two of our new services will be a 1st Time Buyer Loan and a 2nd ACT Auto Program. We are looking forward to continuing helping our members with these new services, as well as our additional products we have to offer. We have goals set for all our departments and branches, and working together as a team, I know we can achieve our goals. The main message given was that this is not just a job/paycheck for Ms. Christie. This is her passion! Ms. Christie joined ACT 1st, almost 20 years ago, after being laid off from M&T Call Center, due to a credit union merger. She opened up her heart, mind and listened to gain the knowledge needed, as well as the love and passion she has for not only ACT 1st , but for credit unions in general. Everyone's journey may not be the same, and that is ok. However, everyone needs to know what your role is, and how you play a huge part in making something great happen for our members! You are important - we are important to 13,000 members. Members deserve products and services to help them, to make their lives better, but they also deserve you - you are all talented and so giving. We do not just have a job; we are a huge part of a GREAT THING!

There was no unfinished or new business to be addressed.

Christie Clark made the motion to adjourn the meeting. Corrine Lamm seconded the motion and it was passed unanimously.

Respectfully submitted,

Corrine Lamm, Board Secretary

Shawnee McElfish, Board Chair

## **BOARD OF DIRECTORS**

**Shawnee McElfish**

Chair

**Mark Greenwald**

Vice-Chair

**Corrine Lamm**

Secretary

**Sherry Buffenmyer**

Treasurer

**Elaine Reuschlein**

**Shawn Grove**

**Michael Newcomb**

**Carl Miltenberger**

**Gene Pustolski**

## **SUPERVISORY COMMITTEE**

**Elaine Reuschlein**

**Melissa McElfish**

**LaAnna Roberts**

## **NOMINATION COMMITTEE**

**Elaine Reuschlein**

**Gene Pustolski**

**Sherry Buffenmyer**

**Corrine Lamm**

## **CHANGES IN EXECUTIVE MANAGEMENT**

**Stephanie Boyd**

CEO

**Kelly Burkey**

CIO

**Kimberly Robertson**

CFO

# Community Outreach



- 1 ACT 1st FCU Fundraising Committee donating over \$8,000 to Apples for Children, Inc.
- 2 Our Romney Branch set up a Relay for Life display to pay tribute to Jennifer Southerly, a former staff member who unfortunately succumbed to breast cancer.
- 3 CEO Stephanie Boyd and Lending Underwriter Mollie Sisler taking donations to 2023 Stuff the Bus
- 4 Marketing Specialist Peyton Wolfe and Lending Underwriter Mollie Sisler loaded up the car with presents we gathered for two families we assisted during the holiday season.

## A MESSAGE FROM THE BOARD CHAIR

As we reflect on the past year and prepare this report, it is impossible not to feel an overwhelming sense of gratitude. Our journey would not have been possible without the unwavering support, dedication, and hard work from each one of our employees and members. In the past year, our credit union faced many challenges: high inflation, increasing cost of funds, decreased loan demand, and the ongoing rise in interest rates. These challenges were similar to those experienced across the financial industry service sector. As industry wide challenges continue into 2024, rest assured that ACT 1st Federal Credit Union Management and the Board of Directors remains committed to maximizing the value of your membership back to you.

The primary function of your board of directors is to guide the direction of the Credit Union as well as develop and approve the Credit Union's governing policies and procedures. I would like to share some of the work your board has done. In the second half of 2023, we welcomed interim CEO Michael Wright along with our new CFO, Kimberly Robertson, who both bring many years of expertise and skills. Skills that are invaluable to our team. We are happy to announce that as of January 2024, Stephanie Boyd, who has been an ACT 1st FCU team member and asset since 2015, was promoted to our CEO. She has learned a lot from Michael Wright and we appreciate his help and guidance during this transitional year. In addition, we are pleased to announce the promotion of Kelly Burkey, who has become our Chief Information Officer. Kelly has been with the ACT 1st FCU family since 2020.

Along with the changes in executive leadership, we revamped our strategic planning to ensure a successful future for our Credit Union and our members. I would like to thank our entire ACT 1st FCU membership for their loyalty and dedication. We will continue to work hard to ensure great member service and sound products and services. Without you, none of this would be possible!

**Shawnee McElfish**

## A MESSAGE FROM SUPERVISORY CHAIR

The responsibility of the Supervisory Committee is to ensure appropriate internal controls are in place to protect the credit union's assets. Additionally, they ensure the credit union's accounting records are accurate and reported in a prompt manner. The ACT 1st FCU Supervisory Committee is active and regularly on site to perform their procedures. The committee is also responsible for hiring an accounting firm to conduct an annual audit and verification to ensure credit union records are accurate and fairly reflect the financial standing of the credit union. The accounting firm selected by the Supervisory Committee is Fike, Conner & Associates, PA.

The committee looks forward to another year of servicing our members and ensuring that adequate controls are in place to keep your information is safe.

**Elaine Reuschlein**

## A MESSAGE FROM THE CEO

Valued Members,

After all the changes taking place in our economy and within the Credit Union industry, ACT 1st Federal Credit Union has continued to maintain great service for our members. Our commitment to providing our members with the best products and services along with financial guidance remains at the forefront of everything we do.

As a growing Credit Union, we are constantly finding new ways to give back to our members and community. This includes our 2023 Fundraiser for APPLES For Children, Inc. – Washington County, Maryland, which resulted in a donation of \$8,094.00. ACT 1st Federal Credit Union also supported many other sponsorships and donations throughout 2023.

In 2024, ACT 1st FCU will remain committed to supporting the needs of our communities by following the credit union philosophy of “People Helping People”. ACT 1st has long supported great local causes and organizations such as the local animal shelters, the Juneteenth Event in Cumberland, and the Hooley Plunge. We are also excited to host our Corn Hole Tournament benefiting Kenny’s Hope for Childhood Cancer, a non-profit organization providing help and hope to local children who have been diagnosed life-threatening illnesses.

As the newly appointed CEO of ACT 1st Federal Credit Union, I am grateful to work alongside teammates that bring their very best selves to work every day, with the ultimate goal to provide an exceptional service experience for our members. This credit union's many accomplishments would not have been possible without their energy, optimism, commitment, and wholehearted belief in our cause. I would like to thank all my co-workers for all we do for our credit union and members. I look forward to what we will accomplish in 2024 together!

**Stephanie Boyd**



# Statement of Financials Condition

## December 31, 2023 and 2022

| Assets                               | 2023                     | 2022                     |
|--------------------------------------|--------------------------|--------------------------|
| Loans                                | \$ 108,419,696.57        | \$ 108,730,398.78        |
| Allowance for Loan Losses            | (1,078,256.60)           | (468,211.55)             |
| Net Loans                            | \$ 107,341,439.97        | \$ 108,262,187.23        |
| Medallion Wealth MMA                 | 973.83                   | 1,555.22                 |
| Financial Northeaster MMA            | 26,649.81                | 43,994.70                |
| Cash on Hand                         | 1,108,002.70             | 875,741.32               |
| Vizo Corporate FCU                   | 11,268,355.19            | 9,097,510.86             |
| Government Securities                | 500,000.00               | 500,000.00               |
| Bank Certificates, Net of Discounts  | 10,778,000.00            | 13,516,000.00            |
| Deposits in other Credit Unions      | 3,494,000.00             | 2,985,000.00             |
| Investment in FHLB Stock/CUMA        | 195,771.95               | 184,544.85               |
| NCUA Share Insurance Capitalization  | 1,289,066.04             | 1,360,918.07             |
| Prepaid and Deferred Expenses        | 857,107.31               | 995,590.20               |
| Land and Building, Net               | 4,031,063.67             | 4,169,549.83             |
| Furniture and Equipment, Net         | 1,263,390.06             | 1,378,175.27             |
| Accrued Interest on Loans            | 265,137.48               | 381,896.83               |
| Accrued Investment Income            | 35,832.04                | 56,159.77                |
| Accrued CSCU Dividend/Equity Int.    | 8,593.51                 | 8,593.51                 |
| CUNA - Claims Fluctuation Reserve    | 6,845.00                 | 6,845.00                 |
| Fiserv Debit Card Settlement Reserve | 402,000.00               | 402,000.00               |
| Assets. Acq. Liq. of Loans           | 0.00                     | 21,250.00                |
| Cash Value of Life Insurance         | 0.00                     | 2,717,921.95             |
| <b>Total Assets</b>                  | <b>\$ 142,872,228.56</b> | <b>\$ 146,965,434.61</b> |
| <b>Liabilities and Equity</b>        |                          |                          |
| Accounts Payable                     | 106,571.45               | 30,252.26                |
| Charge Backs in Process              | (1,457.18)               | (20,904.25)              |
| Clearing Accounts                    | (186,451.75)             | (150,651.46)             |
| Accrued Expenses                     | 222,871.34               | 53,169.11                |
| Compensated Absences                 | 71,551.41                | 92,882.14                |
| Share Accounts                       | 52,503,261.94            | 62,647,849.28            |
| Share Draft Accounts                 | 16,638,349.21            | 16,683,435.18            |
| Club Accounts                        | 362,538.16               | 350,627.10               |
| Individual Retirement Accounts       | 9,635,940.20             | 10,660,110.45            |
| Share Certificates                   | 44,429,977.51            | 29,148,910.49            |
| Money Market Accounts                | 9,226,367.91             | 15,642,812.33            |
| Regular Reserve                      | 1,064,179.40             | 1,064,179.40             |
| Undivided Earnings                   | 8,798,528.96             | 10,762,762.58            |
| <b>Total Assets</b>                  | <b>\$ 142,872,228.56</b> | <b>\$ 146,965,434.61</b> |

# Statement of Income & Expenses

## Years Ended December 31, 2023 & 2022

| <b>Income</b>                        | <b>2023</b>              | <b>2022</b>            |
|--------------------------------------|--------------------------|------------------------|
| Interest On Loans                    | \$ 4,971,244.56          | \$ 4,980,066.33        |
| Income from Investments              | 743,036.10               | 508,013.55             |
| Fees and Charges                     | 631,033.49               | 474,376.15             |
| VISA Credit/Debit Card Interchange   | 472,483.32               | 456,053.43             |
| Miscellaneous Operating Income       | 219,712.73               | 211,322.15             |
| <b>Total Operating Income</b>        | <b>\$ 7,037,510.20</b>   | <b>\$ 6,629,831.61</b> |
| <b>Expenses</b>                      |                          |                        |
| Compensation                         | \$ 1,929,140.23          | \$ 2,012,974.80        |
| Employee Benefits                    | 545,350.61               | 624,222.63             |
| Travel and Conference Expenses       | 43,209.81                | 106,813.53             |
| Association Dues                     | 23,490.00                | 21,328.48              |
| Office Occupancy Expenses            | 280,083.36               | 295,994.44             |
| Office Operations                    | 850,303.10               | 809,046.33             |
| Educational and Promotional Expenses | 190,394.71               | 193,807.75             |
| Loan Servicing Expenses              | 201,299.08               | 211,934.43             |
| Online Payment/Card Program Expense  | 136,023.07               | 51,173.92              |
| Debit/Check Card Program Expense     | 389,000.71               | 342,108.99             |
| Professional and Outside Services    | 1,171,378.85             | 710,547.71             |
| Provision for Loan/Share Losses      | 1,522,278.89             | 524,163.34             |
| Fed. Supervisory and Exam Expenses   | 25,524.98                | 25,526.35              |
| Cash Over and Short                  | 157.85                   | 491.89                 |
| Interest on Borrowed Money           | 0.00                     | 0.00                   |
| Annual Meeting Expenses              | 3,302.93                 | 5,219.44               |
| Miscellaneous Operating Expenses     | 45,589.85                | 42,776.20              |
| <b>Total Operating Income</b>        | <b>\$ 7,356,528.03</b>   | <b>\$ 5,978,130.23</b> |
| Income (Loss) Before Dividends       | (319,017.83)             | 651,701.38             |
| Gain (Loss) on Investments           | 0.00                     | 0.00                   |
| Gain (Loss) on Disposal of Assets    | (38,189.89)              | 1,031.92               |
| Other Non-Operating Gain (Loss)      | 0.00                     | 29,907.01              |
| <b>DIVIDENDS</b>                     | <b>1,607,025.90</b>      | <b>783,173.18</b>      |
| <b>Net Income</b>                    | <b>\$ (1,964,233.62)</b> | <b>\$ (100,532.87)</b> |

## **2023 BIG APPLE WINNERS**

**Brandy Dolly**  
**Deanna Warner**  
**Madison Watson**  
**Misty Michaels**  
**Emily Holland**  
**Melissa Fout**  
**Amber Houdersheldt**  
**Mollie Sisler**  
**Emily Beck**

## **2023 WORK ANNIVERSARIES**

**Julia Campbell - 20 Years**  
**Yung Purdy - 15 Years**  
**Cathy McKenzie - 15 Years**  
**Angie Knipple - 5 Years**  
**Kathy Bush - 5 Years**