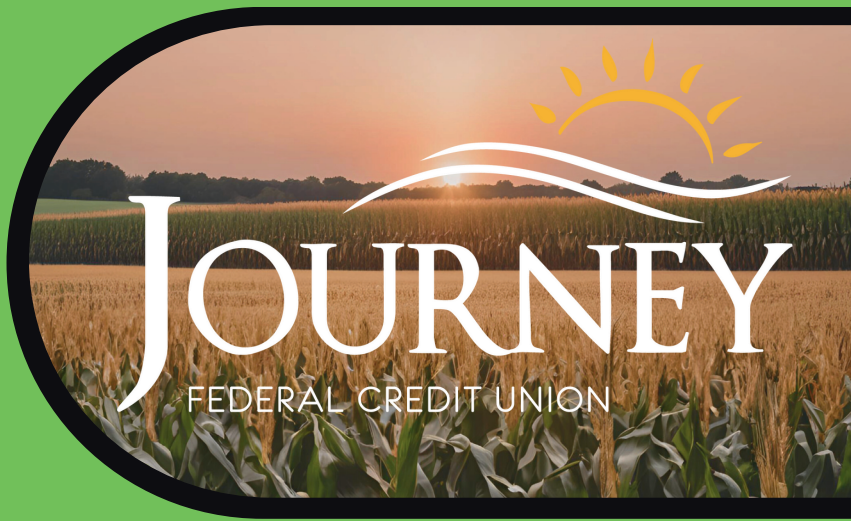


2024 Annual Report

A Year of Transformation,
Resilience, and Growth



Journey Federal Credit Union

1200 Zeeb Dr
St. Johns, MI 48879





Table of Contents

- Welcome; 2024 at a Glance
- Chairman's Report
- CEO's Message
- Financial Highlights
- Our Journey Forward
- Financial Report
- Financial Statements
- Community Impact
- Supervisory Committee Report
to the Board
- Future Plans for 2025 and
Beyond



2025 at a Glance

Welcome

2024 was a year of bold transformation for JFCU, marked by innovation, growth, and a tenacious commitment to our mission. By investing in our people, enhancing technology, and strengthening community ties, we laid the foundation for long-term success. This report reflects our journey—our challenges, achievements, and vision for the future—as we continue to serve you with excellence.



This year, JFCU launched the Journey Forward model, a transformative approach ensuring accessible, high-quality financial services for members across central Michigan, particularly in small towns often overlooked by larger institutions. While making strategic investments in Interactive Teller Machines (ITMs), new product offerings, and branch remodels and enhancements, we achieved over \$4 million in asset growth, an 11.5% increase in member shares, and nearly doubled our net income compared to 2023. These results reflect not only careful financial management but also our dedicated commitment to enhancing member experience through innovation and efficiency.

JFCU's strength lies in its people and community focus. In 2024, over 83% of our employees became certified financial counselors through the Journey to Excellence program, a 15-week cultural overhaul designed to elevate service standards and empower staff. Our largest single donation of \$10,000 to the Fantasy Forest project, continued scholarship initiatives, and new partnerships with local schools and colleges highlight our deep-rooted commitment to the communities we serve. As we move into 2025, we are excited to open our new Alma branch, complete branch renovations in St. Johns and Ovid, expand digital services, and continue building a stronger financial future for our members.

Winner of the



Strengthening Our Foundation

Chairman's Report

2024 was a year of growth and transformation for Journey Federal Credit Union. As your Board, we remained focused on ensuring sound governance, strategic oversight, and member representation during this pivotal time. The introduction of the Journey Forward model brought exciting changes, blending innovative technology with the personalized service our members value. Throughout this transition, the Board worked closely with leadership to ensure that every decision aligned with our mission to serve, support, and empower our members while maintaining financial strength and operational excellence.



This year, the Board prioritized initiatives that enhance operational transparency and member trust. We welcomed a new audit firm to provide independent financial oversight, updated our bylaws to reflect best practices, and adopted new tools to improve board communications and efficiency. These steps not only strengthen our governance framework but also ensure that we continue to serve our members with integrity, accountability, and a clear focus on sustainable growth in an ever-evolving financial landscape.

Community impact remained at the heart of our mission in 2024. From our largest single donation of \$10,000 to the Fantasy Forest project to supporting local schools, offering scholarships, and expanding partnerships with educational institutions, we have continued to invest in the well-being of the communities we serve. Our commitment to sustainability and growth is further reflected in our efforts to expand services, including the opening of a new branch in Alma, continued branch renovations in St. Johns and Ovid, and the development of enhanced digital tools to serve members wherever they are.

As we look to 2025 and beyond, our focus remains on guiding JFCU's growth while maintaining the personal, member-first approach that defines who we are. Expanding our presence, investing in our staff, and strengthening our technology will ensure that we continue to meet the evolving needs of our members. Thank you for your trust, support, and membership. Together, we will continue to build a stronger, more resilient credit union that not only meets today's needs but also paves the way for a successful future for all.

Chris Kowatch, Chairman of the Board

Growth allows us to serve more members, invest in our staff, and strengthen our community ties.



Leading the Journey Forward

CEO's Message

2024 was a year of bold transformation for Journey Federal Credit Union. We began a new chapter with the Journey Forward model, reimagining how we serve our members by combining innovative technology with personalized financial guidance. This shift was not just about modernizing our services—it was about strengthening our ability to meet members' needs with greater efficiency and care. Together, we are building a stronger, more resilient credit union focused on our members and community.

While making strategic investments in Interactive Teller Machines (ITMs), new product offerings, and branch enhancements, we achieved over \$4 million in asset growth, an 11.5% increase in member shares, and nearly doubled our net income compared to 2023. These financial milestones were achieved while enhancing our product offerings, including Journey Free Checking, our new Mastercard Credit Card with competitive rewards, and the launch of Journey Home mortgages.

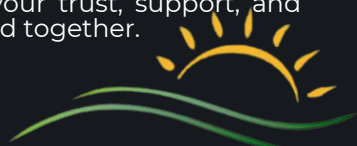
**“Technology
enhances
our service,
but our
people
define it.”**

Our work has not gone unnoticed—JFCU was honored with the MCUL Innovation Award, recognizing the transformative impact of these initiatives and our leadership in reimagining financial service delivery. This award reinforces our commitment to blending technology with personalized member care to create a better banking experience.

One of my proudest accomplishments this year was our investment in JFCU's people. Every staff member retained their position during this transition, with over 83% becoming certified financial counselors through the Journey to Excellence program. This 15-week initiative empowered our team to provide expert financial guidance, reinforcing our commitment to member service. We also made our largest-ever single donation of \$10,000 to the Fantasy Forest project, maintained scholarships, and built new educational partnerships.

Looking ahead to 2025, our vision is to continue growing while staying true to our mission. The opening of our new Alma branch, ongoing renovations in St. Johns and Ovid, and the expansion of digital services will allow us to serve more members with greater convenience and care. We will continue investing in staff development, ensuring our team is equipped to provide top-tier service and expert financial guidance. As part of this commitment, financial education initiatives will remain a priority, empowering members to make informed decisions and achieve their financial goals. Every step we take is driven by our promise to prioritize our members' needs, ensuring that JFCU remains a trusted partner in your financial journey for years to come. Thank you for your trust, support, and engagement as we move forward together.

Jeffrey Kusler, CEO



Highlights

MCUL Innovation Award Recognition

JFCU was honored with the MCUL Innovation Award in 2024 for our commitment to innovation and member service. This recognition highlights the success of the Journey Forward model, expanded financial counseling, and advancements in digital banking, reinforcing our leadership in modern financial solutions.

Net Income Surge

Net income nearly doubled compared to 2023, a testament to JFCU's focus on operational efficiencies, cost management, and innovative financial solutions. This remarkable increase highlights our ability to generate sustainable profits while maintaining exceptional member service.

Asset Growth

JFCU's total assets surged by \$4 million in 2024, reaching \$179.57 million. This growth was fueled by strategic financial management, prudent investments, and successful new product offerings, reinforcing our stability and commitment to serving members.

Member Deposit Growth

Member shares increased by an impressive 11.5%, reflecting the trust and loyalty of our growing membership. This expansion was driven by enhanced digital services, competitive rates, and personalized financial guidance that resonated with our community.

Loan Growth

JFCU's loan portfolio experienced steady growth throughout 2024, meeting diverse member needs with competitive loan products. Our strategic lending practices ensured accessibility, affordability, and member satisfaction, positioning us as a reliable financial partner.

Operational Innovation

The successful implementation of Interactive Teller Machines (ITMs), digital banking enhancements, and new financial products exemplifies JFCU's commitment to innovation. These advancements provided members with seamless digital access and personalized financial support, enhancing their banking experience.





OUR JOURNEY **FORWARD**

THE NEXT STEP IN BANKING

Seamless digital banking when you want it.

Expert financial guidance when you need it.

Redefining Better Banking

Journey Federal Credit Union's Journey Forward model is a transformative initiative designed to modernize banking services while maintaining the personalized member experience that has always defined our credit union. This forward-thinking approach integrates advanced technology with human expertise, ensuring that every interaction is efficient, secure, and tailored to individual needs.

At the heart of this model are our Financial Navigators—certified experts who lead the way in providing personalized financial guidance, supported by cutting-edge technology. Interactive Teller Machines (ITMs) enhance access by streamlining transactions and extending service hours, but it's our Navigators who drive the experience, ensuring that technology works in service of our members, not the other way around.

Journey Forward is more than just a technological upgrade—it's a commitment to financial wellness. Our Navigators assist with everything from budgeting to loan management, offering expert support whenever it's needed. Alongside these enhancements, refreshed branch environments provide a modern, welcoming space optimized for member convenience. This initiative reflects JFCU's dedication to combining innovation with human expertise, ensuring every member benefits from both advanced banking tools and the trusted relationships that define our service. These advancements were recently recognized with the MCUL Innovation Award, reinforcing our leadership in financial innovation.

Key Features and Benefits

- **Modernized Branches:** Our updated St. Johns and Ovid branches feature improved aesthetics and enhanced service capabilities, while our new Alma branch, opening in 2025, will offer digital banking conveniences with the same personalized care.
- **Interactive Teller Machines (ITMs):** ITMs offer extended service hours and the flexibility of self-service banking, with the reassurance of live assistance from our Pathfinders whenever needed. While we continuously work to enhance transaction speed and expand ITM capabilities, these machines provide secure, efficient service without replacing human interaction.
- **Enhanced Member Service:** Our Navigators, trained financial counselors, are here to offer personalized financial guidance, ensuring that complex needs are met with care and expertise, while routine transactions are handled efficiently through ITMs.
- **Extended Service Hours:** With ITMs, members can access banking services beyond regular hours, addressing the need for convenience without sacrificing capability.
- **Commitment to Financial Wellness:** We have invested in our staff, not cut costs, ensuring that every member receives expert financial guidance from trained professionals who are dedicated to their success.





Our Journey Forward Core Values



Convenience When You Want It

Banking should fit into your life, not the other way around. With our enhanced digital tools—like mobile check deposits, online loan applications, and 24/7 account access—JFCU offers the convenience you need to manage your finances anytime, anywhere. Our technology is designed to make your experience simple, secure, and stress-free.



Personalized Guidance When You Need It

When financial questions arise, our expert Navigators are here to help. As certified financial counselors, they provide personalized advice on everything from budgeting and loans to long-term planning. At JFCU, you're never alone on your financial journey—our team is ready to guide you every step of the way.



Empowering Your Financial Future

Our mission is to empower you with the knowledge, tools, and support to achieve your financial goals. Whether you're building credit, buying a home, or planning for the future, we're committed to finding solutions that work for you. At JFCU, we believe in saying "yes" to your dreams and providing the resources to make them a reality.





**PARDON
OUR
DUST!**



Financial Report



Overview

During 2024 Journey Federal Credit Union was able to earn over \$1.3 million in net income while simultaneously growing their balance sheet by over \$4 million. 2024's income and growth has positioned the institution well for 2025's initiatives including the remodel of two of its branches, the opening of a new branch in Alma, and the purchase of Interactive Teller Machines.

Balance Sheet

- **Total Assets:** The year concluded with total assets at \$179.5 million, which represents an increase of \$4.1 million from the prior year's balance.
- **Loans:** The Credit Union's loan portfolio grew from \$109.9 million in 2023 to \$115.9 million in 2024. Most of this growth came from our indirect auto portfolio and government guaranteed loans.
- **Cash and Equivalents:** Cash and equivalents grew from \$15.2 million to \$18.1 million. This position allows us to meet members' needs, support loan growth, and investments in the Credit Union's 2025 initiatives.
- **Total Fixed Assets:** Increased by \$0.7 million as the Credit Union began investing in Interactive Teller Machines and the remodeling of its Ovid and Saint John's branch which are both expected to be completed in 2025.

Financial Performance - Income and Expenses

- **Net Income:** The financial year ended with a net income of \$1,359,046
- **Income Growth:** Total income increased by \$1.8 million to \$10 million. Loan interest income increased because of high loan balances and favorable interest rates.
- **Dividend Expense:** The increase in income from the previous year enabled the Credit Union to return more to its members in the form of dividends. In 2024, dividends increased by \$0.6 million, bringing the total expense for the year to \$1.7 million.
- **Operating Expense:** 2024's operating expenses were \$6.4 million. Year-over-year increases can be attributed to expanding our marketing to members, investments in information technology services, and conversion expenses related to the implementation of a new core processor.

Ratios

- **Return on Assets:** 0.77%
- **Net Worth Ratio:** 9.30%
- **Efficiency Ratio:** 76.89%
- **Loan-to-Share Ratio:** 71.72



Income Statement

January - December
2023

January - December
2024

Loan Income

Direct Auto	\$ 919,902	\$ 1,033,755
Indirect Auto	1,067,266	2,037,572
Residential Real Estate	1,363,370	1,385,781
Unsecured	1,040,893	1,004,418
Other Collateral	354,942	362,165
Commercial	353,162	402,181
Government Guaranteed	32,844	220,348
FAS 91	(80,232)	(123,469)
Total Loan Income	5,052,147	6,322,751

Investment Income	1,188,778	1,552,939
Dividend Expense	1,051,457	1,673,995
Net Interest Income	5,189,468	6,201,695

Credit Loss Expense	928,173	569,325
Fee Income	1,084,913	1,139,177
Other Operating Income	876,054	1,005,207
Total Non-Interest Income	1,960,967	2,144,384

Non-Interest Expense

Employee Comp. & Benefits	2,595,193	2,875,729
Travel & Conference	64,712	47,478
Office Occupancy	305,078	313,125
Office Operations	901,054	565,311
Education & Promotion	186,365	156,606
Loan Servicing	231,047	242,680
Professional & Outside Service	1,177,001	2,149,063
Operating Fees	30,483	34,578
Other Operating	52,974	33,139
Total Non-Interest Expense	5,543,907	6,417,708

Net Income (Loss)	\$ 678,355	\$ 1,359,046
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Members

17,521

Balance Sheet

December 2023

December 2024

Assets

Cash & Equivalents

\$ 15,233,346 \$ 18,120,750

Investments

46,714,266 40,600,949

Loans

Direct Auto 20,290,602 19,001,380

Indirect Auto 36,528,453 41,253,981

Residential Real Estate 27,603,026 27,355,366

Unsecured 10,429,087 9,377,402

Other Collateral 6,091,012 5,093,353

Commercial 7,643,654 8,079,909

Government Guaranteed 992,456 5,440,139

FAS 91 349,356 297,902

Subtotal Loans

109,927,645 115,899,433

Allowance for Losses

(1,161,829) (1,262,873)

Net Loans

108,765,816 114,636,561

Fixed Assets

Land & Building 1,604,073 1,553,153

Furniture & Equipment 304,067 1,024,532

Total Fixed Assets

1,908,140 2,577,686

Other Assets

Accrued Loan Interest 378,208 439,841

Accrued Investment Interest 90,546 133,660

NCUSIF 1,571,166 1,531,517

Other Misc. Assets 760,971 1,498,013

Total Other Assets

2,800,891 3,603,031

Total Assets

\$ 175,422,459 \$ 179,538,975

Liabilities & Equity

Shares

Savings \$ 60,029,953 \$ 50,423,567

Checking 34,811,649 34,373,691

Money Market 41,454,080 50,745,673

Certificate 22,480,242 26,047,125

Total Shares

158,775,923 161,590,057

Other Liabilities

1,779,723 1,566,610

Equity

Undivided Earnings 14,665,301 15,343,656

Unrealized Gain (Loss) on Inv. (476,843) (320,393)

Net Income 678,355 1,359,046

Total Equity

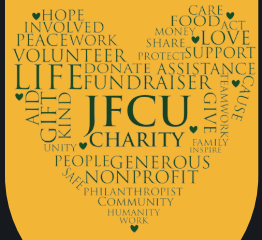
14,866,813 16,382,308

Total Liabilities & Equity

\$ 175,422,459 \$ 179,538,975

Building Stronger Communities

Community Impact



Investing in Our Community

At Journey Federal Credit Union, we believe that giving back is essential to building stronger, more connected communities. In 2024, we proudly made our largest single donation in history—\$10,000 to the Fantasy Forest project, creating a space where families can gather, children can explore, and our community can grow together. Additionally, our staff-led charity committee raised nearly \$3,500 through internal efforts to support March of Dimes, Special Olympics Area 28, Sarcoma Foundation, CASA—The Voice for Clinton County Children, and Beacon of Hope Baby Pantry. These contributions reflect our deep commitment to making a lasting impact and fostering a community rooted in care, learning, and connection.

Supporting Education and Financial Literacy

Education is the foundation of a thriving community, and JFCU is proud to play a part in supporting local students and schools. In 2024, we continued our long-standing scholarship programs, providing financial assistance to students pursuing higher education. Additionally, we expanded our partnerships with local schools within our growing field of membership. Through financial literacy workshops, event sponsorships, and hands-on learning opportunities, we provided students with essential tools to build financial confidence and success. Our goal is to empower young people with the knowledge they need to make informed financial decisions for the future.

Empowering Our Team for Better Service

Our commitment to community extends to our staff, who are at the heart of everything we do. In 2024, we launched the Journey to Excellence program, a 15-week cultural overhaul designed to enhance teamwork, service, and professional growth. As a result, over 83% of our employees became certified financial counselors, equipping them with the expertise to provide personalized financial guidance to every member. This investment in our team ensures that every interaction is rooted in knowledge, empathy, and a genuine desire to help our members succeed. As we continue to grow, our promise remains the same: to serve our members and communities with excellence and care every day.



CORE4 SCHOLARSHIP WINNERS

Nolan Stump - Fowler HS

Jollee Swender - Ovid-Elsie HS

Adriannah Ingleright - St. Johns HS



INSPIRING HOPE FOR
A GLOBAL COMMUNITY™

HEALTHY
MOMS.
STRONG
BABIES.






**PARDON
OUR
DUST!**



Branch Remodels and Construction

Building JFCU's Future



St. Johns Headquarters

The remodel of our St. Johns headquarters is well underway, with the drive-thru operations already transitioned to the Journey Forward model. Members can now access full banking services through ITMs with the support of Pathfinders available via video assistance. While the main lobby remains under construction, it is set to be completed by May 15, 2025, with the rest of the building, including operations and administrative offices, expected to be finished by September. In the interim, services are being provided through a temporary branch entrance, ensuring uninterrupted access for members.

Ovid Branch

Our Ovid branch has made significant progress, with the interior remodel nearly complete and fully operational under the Journey Forward model. The modernized lobby and drive-thru, equipped with ITMs, have already enhanced the banking experience for members. The final touches, including exterior updates, are expected to be completed by May 2025, offering a seamless blend of technology and personalized service in a welcoming environment.

Alma Branch

Securing and purchasing the Alma branch location marked a significant milestone in JFCU's expansion efforts. With design plans finalized and construction underway, the branch will feature a state-of-the-art digital banking foyer set to open in the summer of 2025, followed by the main lobby by the fall semester. This new branch will extend JFCU's reach, providing modern banking solutions and personalized service to more members in the region.

A Visual Journey

Our remodels have not only enhanced the functionality and aesthetics of our branches but also symbolize our commitment to progress and innovation. As construction continues, we remain focused on minimizing disruptions and keeping our members informed every step of the way. The completed remodels will offer modern interiors, improved service delivery, and seamless integration of digital tools, ensuring that JFCU remains at the forefront of member-centric financial services.





Supervisory Committee Report

The Supervisory Committee of Journey Federal Credit Union is dedicated to ensuring the safety, soundness, and integrity of our credit union. Throughout 2024, we worked closely with management to oversee financial performance, internal controls, and regulatory compliance, ensuring that JFCU serves its members with transparency and excellence.

A key highlight was our transition to Lillie as our external auditor, bringing a fresh perspective to our financial oversight and enhancing the strength of our operations. We are proud to report that JFCU received a CAMEL 2 rating from the National Credit Union Administration (NCUA), reflecting our financial stability, strong risk management, and regulatory adherence. Due to our charter expansion, JFCU will now undergo annual NCUA examinations for the next three years, ensuring continuous high standards.

Our partnerships with AuditLink and Comply-Yes! enhanced our Bank Secrecy Act operations, updated our policy library, and ensured accurate responses to auditors and examiners. Regular internal audits and member account verifications revealed no significant weaknesses, thanks to our diligent management and staff.

As we move forward, the Supervisory Committee remains committed to JFCU's financial health and operational integrity. Thank you to our management team for their hard work and to our members for your continued trust.
Zach Miller, Supervisory Committee Chairperson



Future Plans for 2025 and Beyond

The future of Journey Federal Credit Union is filled with exciting growth and innovation. Our new Alma branch will open its doors, delivering modern, personalized financial services to even more members across our field of membership. Renovations at our St. Johns headquarters and Ovid branch will be completed, creating welcoming and efficient spaces designed to enhance the member experience through technology and personalized service.

We will continue expanding our digital tools and enhancing ITM functionality, making banking seamless, convenient, and accessible from anywhere. Our commitment to sustainable growth ensures we can serve small towns and rural communities, providing essential financial services where larger institutions have stepped back.



Financial literacy and community engagement remain key pillars of our mission. We will offer more workshops, personalized financial counseling, and resources to help our members achieve their financial goals, ensuring that our community thrives.

We invest in our people, enhance our technology, and strengthen our community to build a better future. – Jeffrey Kusler, CEO



Thank You

As we close another remarkable year, we extend our heartfelt gratitude to our members, staff, and community. Your trust, feedback, and support have been the driving forces behind our success.

We remain committed to continuous improvement, personalized service, and innovative solutions that meet your needs. Our vision for the future is clear—sustainable growth, empowered members, and a community that thrives together.

Thank you for being part of our journey. Together, we are building a future where every member feels supported, valued, and empowered.

Journey Federal Credit Union

📞 989.227.3700

🌐 <https://journeyfcu.org>

📍 1200 Zeeb Dr., St. Johns, MI 48879



Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency

