



**GERBER FEDERAL
CREDIT UNION**

ANNUAL REPORT



2024

REPORT FROM THE BOARD CHAIR AND PRESIDENT/CEO

On behalf of the Board of Directors and the employees of your credit union, we are pleased to present the 2024 Annual Report to the members of the Gerber Federal Credit Union.

During 2024, your credit union received very positive feedback from regulators and survey consultants on how we work with members. The National Credit Union Administration (NCUA) regulatory exam was very complimentary of the systems, policies, and processes Gerber FCU has approved to manage risk and serve members. Our third-party member survey consultant put Gerber FCU in the top 1% of all credit unions nationwide for member loyalty. Our internal employee survey revealed that our colleagues enjoy working here and helping our members realize their dreams.

Gerber FCU grew in loans and deposits last year, but there are headwinds in the economy. Mortgage rates remain elevated, making it harder for first-time homebuyers to afford the monthly payments. We see some members rely on credit cards to meet their household needs. There are also disruptions in employment across all industries, as well as persistent high inflation. Be assured that we will do everything in our power to help our members through these times, so you come out better when conditions improve.

We successfully transitioned to our new digital banking platform and had more active users in three months than we ever had in twelve years under the old platform. You have told us you really like the enhanced features, including credit score reporting, card controls, transfers between financial institutions, etc.

We would like to thank you, our members, for your loyalty to Gerber FCU as the last headquartered financial institution in Newaygo County. We strive to live our mission every day and, in doing so, earn your loyalty and trust.



Andy Bradshaw
Board Chair



John P. Buckley, Jr.
President/CEO

75th ANNUAL MEETING AGENDA

1. Ascertainment that a quorum is present
2. Pledge of Allegiance - Invocation
3. Reading and approval of the minutes of 74th Annual Meeting - April 20, 2024
4. Management Reports (Discussion Panel)
5. Chairman Report
6. Supervisory Committee Report
7. Election of Board of Directors
8. Old Business
9. New Business
10. Adjournment

The agenda for the business meeting is prescribed in the by-laws and can be changed only by a two-thirds majority vote of the members present at the meeting.

SUPERVISORY REPORT

The National Credit Union Administration has examined your credit union operations through September 30, 2024. Your credit union will be audited for the 2024-25 period by Crowe, LLP. The internal controls of your credit union were audited by Jessica Broad, Vice President of Compliance & Risk, and Tom Wigent Internal Auditor. We were awarded a five-star rating for 2024 from Bauer Financial Reports, Incorporated.

LOAN REPORT

During 2024, your credit union approved and closed a total of 1,989 loans amounting to \$49,576,818. In addition, the credit union issued 313 new credit cards.

74TH ANNUAL MEETING MINUTES

Saturday, April 20, 2024

Board Chair Andy Bradshaw called the 74th Annual Meeting of the Gerber Federal Credit Union (Gerber FCU) to order at 10:01 AM in the Multi-Purpose Cafeteria of the Fremont High School in Fremont. Bradshaw appointed Rebecca Content as Acting Secretary. Content declared a quorum of at least 16 members was present.

Members of the Board of Directors Present: Andy Bradshaw, Randy Puff, Jason DeKuiper, Jim Merkel, Kathy Pope, and Rebecca Content.

Welcome: Chair Bradshaw welcomed the members.

73rd Annual Meeting Minutes: It was moved and seconded to dispense with the reading of and, subsequently, to approve the minutes as presented of the 73rd Annual Meeting held on April 22, 2023.

Management Reports: John Buckley, President/CEO welcomed the members. Buckley thanked Phil Archer for his 18+ years of service as he has announced his retirement at the end of May. Buckley then presented the reports prepared by Phil Archer, SVP/CFO, Jessica Broad, AVP - Compliance and Risk Management, Lori Little, EVP/CXO, and Ellen Davis, VP - Human Resources, for activities in their respective areas for 2023.

Credit Union Official Family Recognition: The following colleagues were honored for their years of service: Julie B., Member Solutions (Corporate) – 5 years; Sue C., Mortgage Processing (Corporate) – 20 years; Ellen D., Vice President – Human Resources (Corporate) – 20 years; and Denise N., Member Service (FMSB) – 25 years. We also congratulated Jamie J. on her retirement after 35 years of service. Finally, we recognized Danielle SA, who passed away at the end of 2023.

President/CEO Report: John Buckley provided an update on Community Involvement and Marketing for 2023. Buckley discussed the uncertain economy and the Credit Union efforts to enter 2024 with a strong balance sheet, better technology, and the best group of colleagues he can ever remember employing. Buckley noted the safety of the members' funds will always be foremost in management's considerations. Buckley also thanked the Board and Supervisory Committee for providing strategic direction for the Credit Union. Buckley thanked the colleagues for their service to the members. Finally, Buckley thanked the members for choosing Gerber FCU.

Chair Report: Andy Bradshaw commented on the Board taking on several challenges in 2023. Bradshaw noted that "How would this affect the members?" is asked often in Board meetings. Bradshaw noted the new digital banking platform is a great example of how the Credit Union is enhancing the member experience. The Board takes the Credit Union mission seriously and believes this will make Gerber FCU the financial institution of choice.

Supervisory Committee Report: Andy Bradshaw referenced the Supervisory Report which was contained in the Annual Report which had been posted to www.gerberfcu.com/annualreport.

Election of Board of Directors: Andy Bradshaw reported that Julie Burrell and Christopher Wren were nominated to fill two open seats on the Board of Directors for 3-year terms. Biographical information about each nominee was included in the Annual Report. John Buckley read the statements of each nominee to the members participating. It was moved and seconded that the declared nominees be elected by general consent in accordance with the election procedures in the Bylaws of Gerber Federal Credit Union.

Recognition of Jim Merkel and Randy Puff: Bradshaw invited Buckley to lead the recognition of retiring directors Jim Merkel and Randy Puff. Buckley described Merkel as the conscience of the Credit Union, making sure we always did the right thing. He noted the financials from just before Merkel joined the Board in 1991. Buckley said Puff was the visionary who was always looking for the next thing for the members. He recited figures from 1980, just before Puff joined the Board. Merkel thanked the members for allowing him to serve. Puff commented the Credit Union is in excellent hands with the new Board and current Leadership Team.

Old Business: None

New Business: None.

Adjournment: It was moved, seconded, and approved to adjourn the meeting at 10:34 AM.

Respectfully submitted,

Rebecca Content 4/23/2024

Rebecca Content
Acting Secretary
Gerber Federal Credit Union

ANDY BRADSHAW 4/23/2024

Andy Bradshaw
Chair
Gerber Federal Credit Union

FINANCIAL & STATISTICAL REPORT

ASSETS (We Own)	2024	2023
Loans to Members	\$138,366,086	\$135,694,818
Cash	\$2,018,554	\$1,670,385
Investments	\$86,443,784	\$78,153,524
Land, Building & Equipment	\$3,324,768	\$3,333,850
Other Assets	\$8,605,261	\$6,975,695
Total Assets	\$238,758,453	\$225,828,272

LIABILITIES (We Owe)		
Accounts Payable	\$2,239,986	\$1,774,208
Members' Savings	\$217,119,311	\$207,528,548
Regular Reserve	\$1,640,924	\$1,640,924
Undivided Earnings	\$17,758,232	\$14,884,592
Total Liabilities & Equity	\$238,758,453	\$225,828,272

INCOME (We Earned)		
Interest on Loans	\$8,033,142	\$6,756,673
Income from Investments	\$1,873,509	\$1,387,230
Other Income	\$3,076,158	\$2,810,401
Total Income	\$12,982,809	\$10,954,304

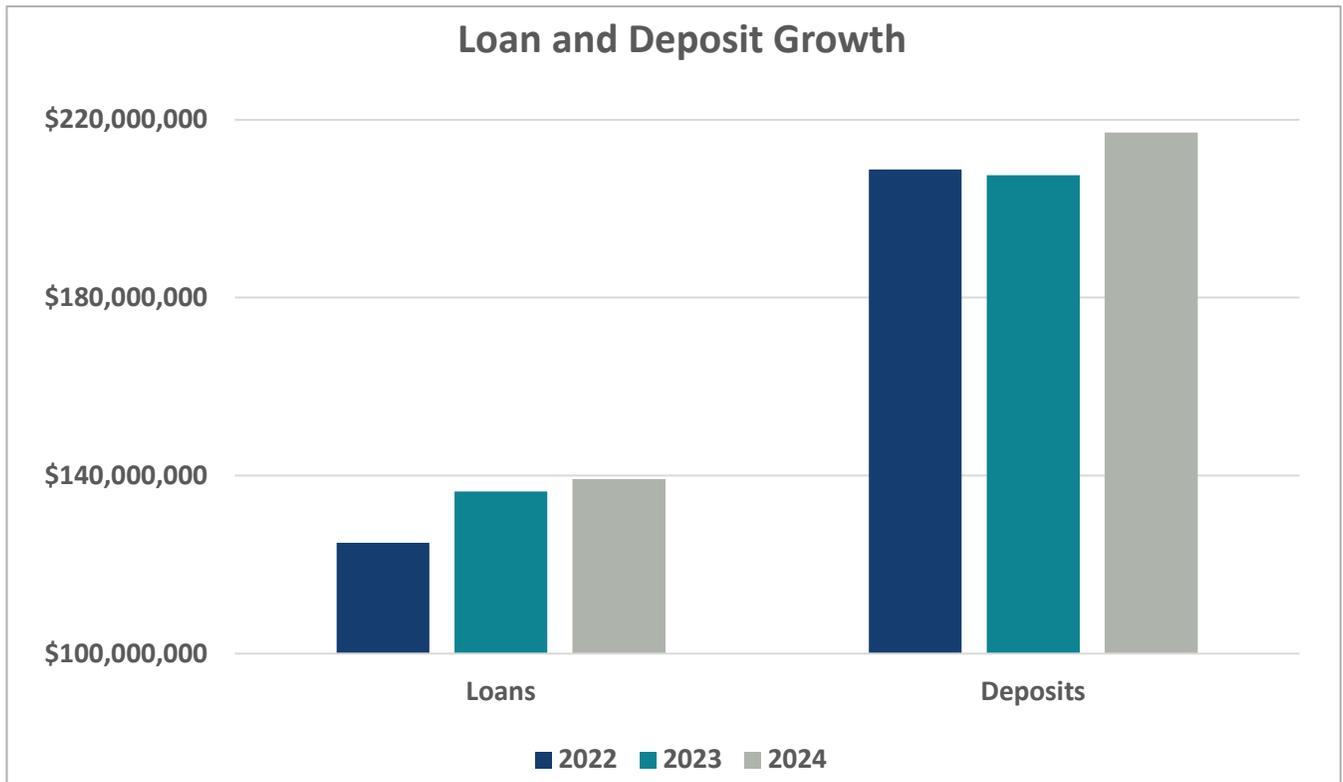
EXPENSES (We Spent)		
Wages & Benefits	\$3,971,414	\$3,685,441
Travel & Conferences	\$125,336	\$110,192
Office Occupancy	\$425,101	\$424,070
Office Operations	\$1,843,113	\$1,677,362
Education & Promotions	\$200,837	\$160,247
Loan Servicing Expenses	\$484,336	\$399,798
Professional & Outside Services	\$709,379	\$590,149
Members' Insurance	\$76,536	\$67,357
Supervision & Examination	\$43,163	\$37,130
Miscellaneous Operating Expense	\$147,532	\$57,398
Dividends	\$3,225,093	\$2,039,097
Non-Operating (Gain)/Loss	\$0	-\$16,531
Provision for Loan Losses	\$530,009	\$329,687
Total Expenses	\$11,781,849	\$9,561,397

NET INCOME	\$1,200,960	\$1,392,907
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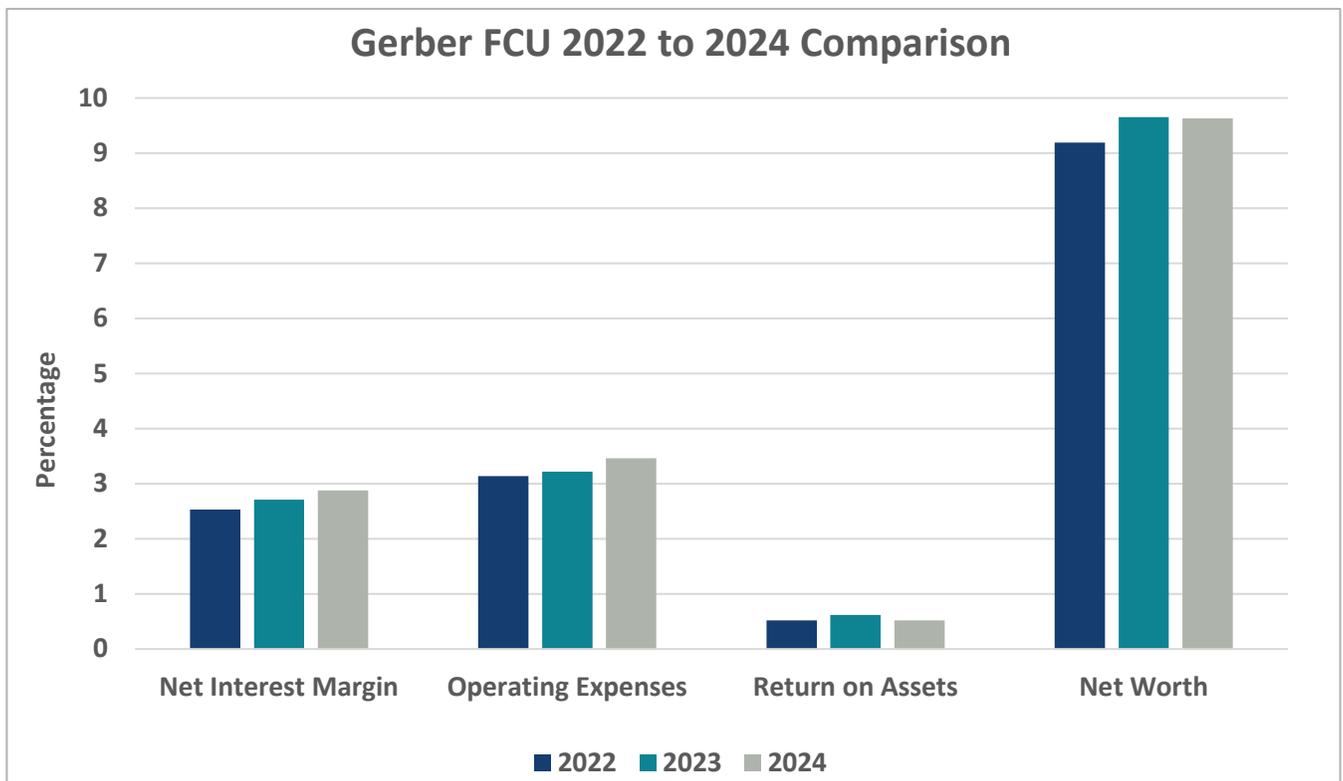
STATISTICS		
Number of Members	16,002	15,837
Number of Loans Granted	1,989	2,163
Money Loaned to Members	\$49,576,818	\$53,565,888
Money Loaned to Members Since Inception	\$1,068,372,949	\$1,018,796,131

MANAGEMENT REPORT - Todd Visser, Senior VP & CFO

Throughout 2024, Gerber FCU continued to build upon its strong and stable financial foundation as we experienced growth in Loans, Deposits, and Investments. Loan growth momentum from 2023 carried over into much of 2024 with demand slowing during the final quarter and ending the year at just over 2% from prior year end. While this was a common trend in the industry, most other credit unions experienced growth rates just over 1%. Deposits grew because of our rewarding rates, particularly with the certificate offerings. The growth in deposits not only funded the loan growth but also provided opportunities to grow the investment portfolio to generate stable returns and future cash flows.

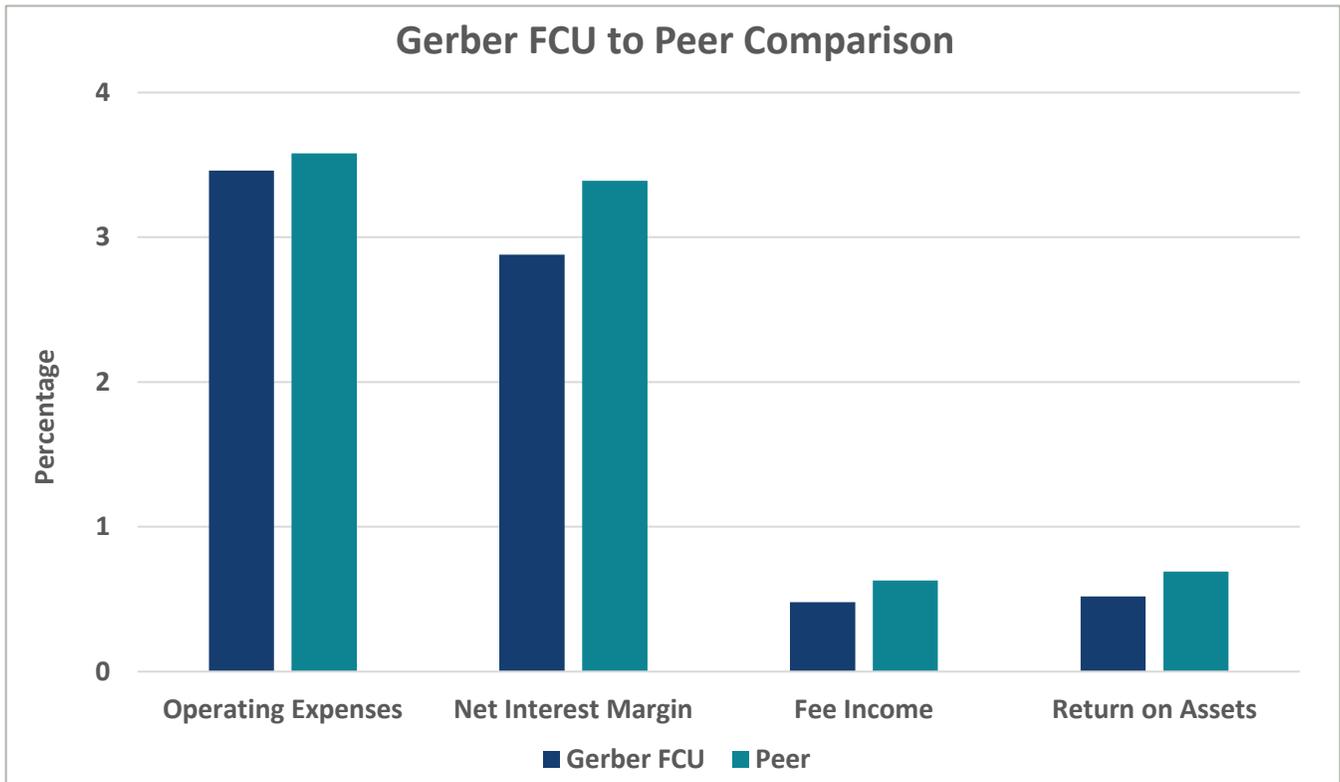


Net Interest Margin is essentially the difference between interest income from loans and investments less the interest paid out in dividends to members. Despite the significant increase in dividends paid out during 2024 we still maintained a stable Net Interest Margin.



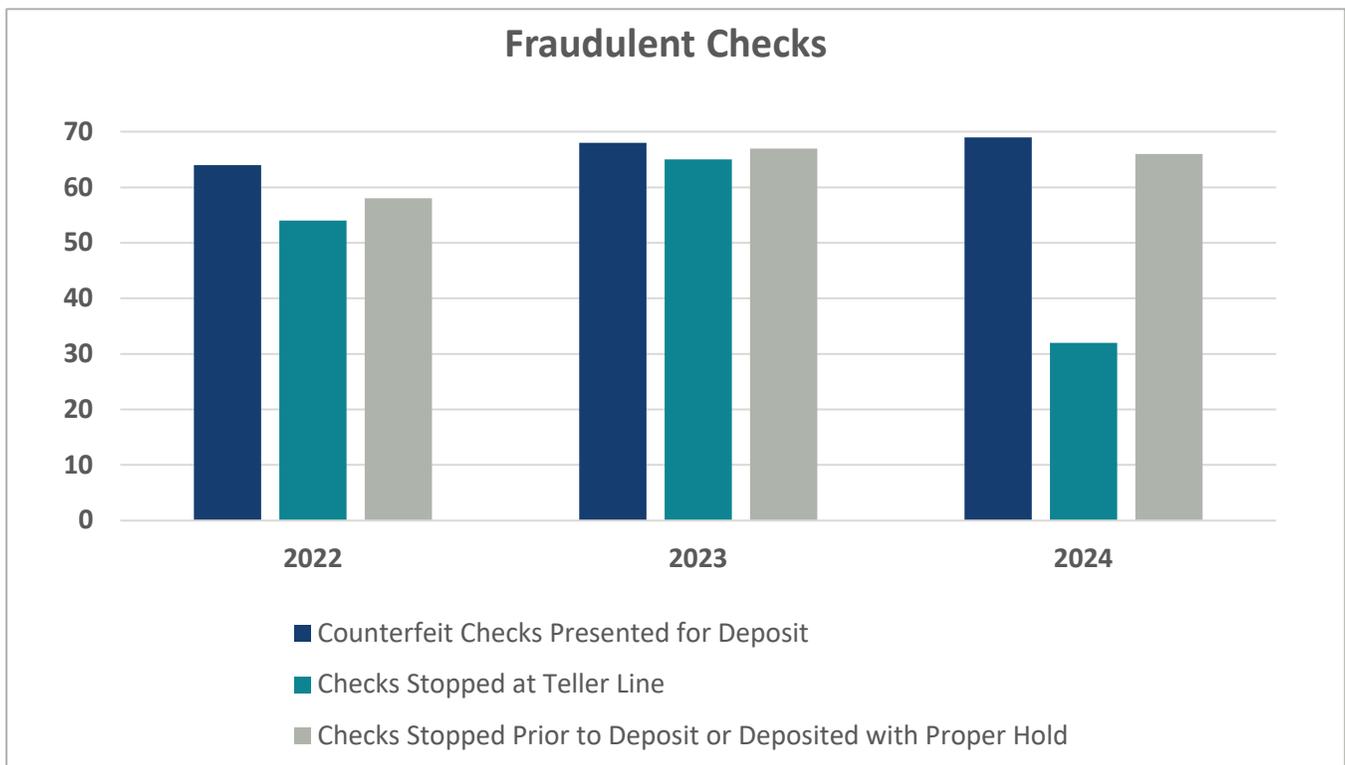
MANAGEMENT REPORT - Todd Visser, Senior VP & CFO - Continued...

Operating Expenses increased largely due to the increased dividend expense. Despite this increase, we continue to operate more efficiently than our Peers. Fee Income also continued to remain below Peer as we purposefully minimize member account fees and focus more on transactional and product-based fees. Similarly, Return on Assets continued to be strategically managed lower than Peer for the overall benefit of the membership. As stewards of your credit union, Management's philosophy has long been to operate at a level that satisfies the expectations of regulators to maintain strong financial health without added expense to you, the members.



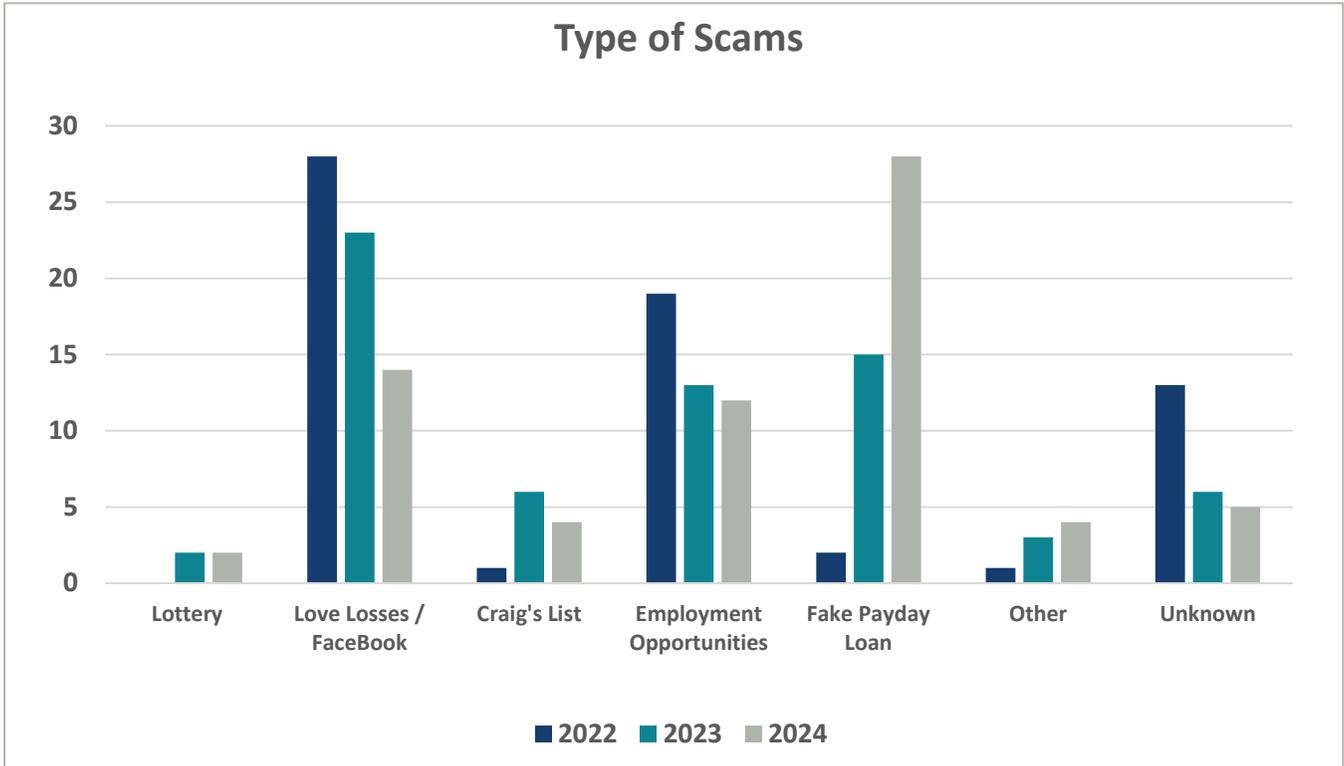
MANAGEMENT REPORT - Jessica Broad, VP - Compliance & Risk

In 2024, Gerber FCU Colleagues prevented \$265,000 in counterfeit check fraud, safeguarding member accounts. Fake loans, fake jobs, and romance scams were the most common scams related to fraudulent checks last year, often tricking members into sharing personal information.



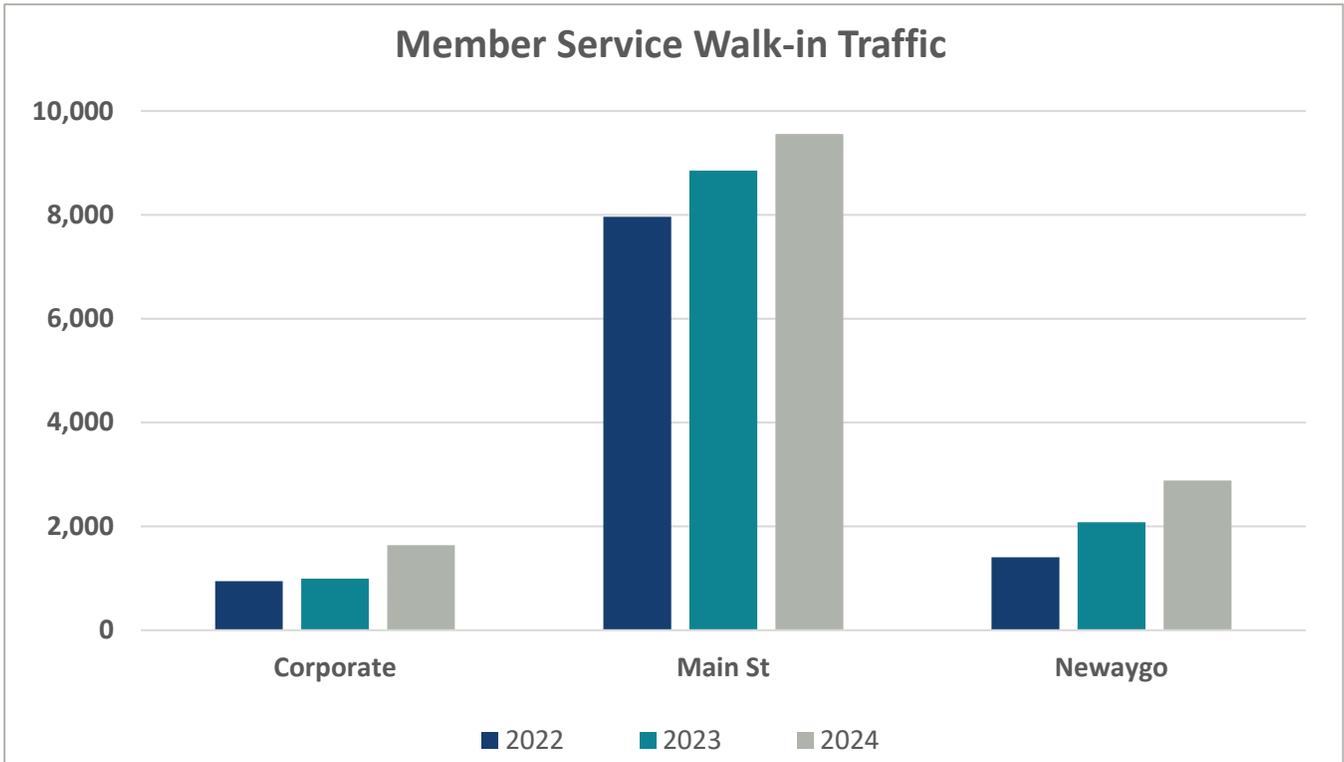
MANAGEMENT REPORT - Jessica Broad, VP - Compliance & Risk - Continued...

Scams like fake lottery winnings (e.g., Publishers Clearing House) and Microsoft account compromise schemes have also targeted our members, exposing their personal information or tricking them into sending money for supposed fees and expenses.



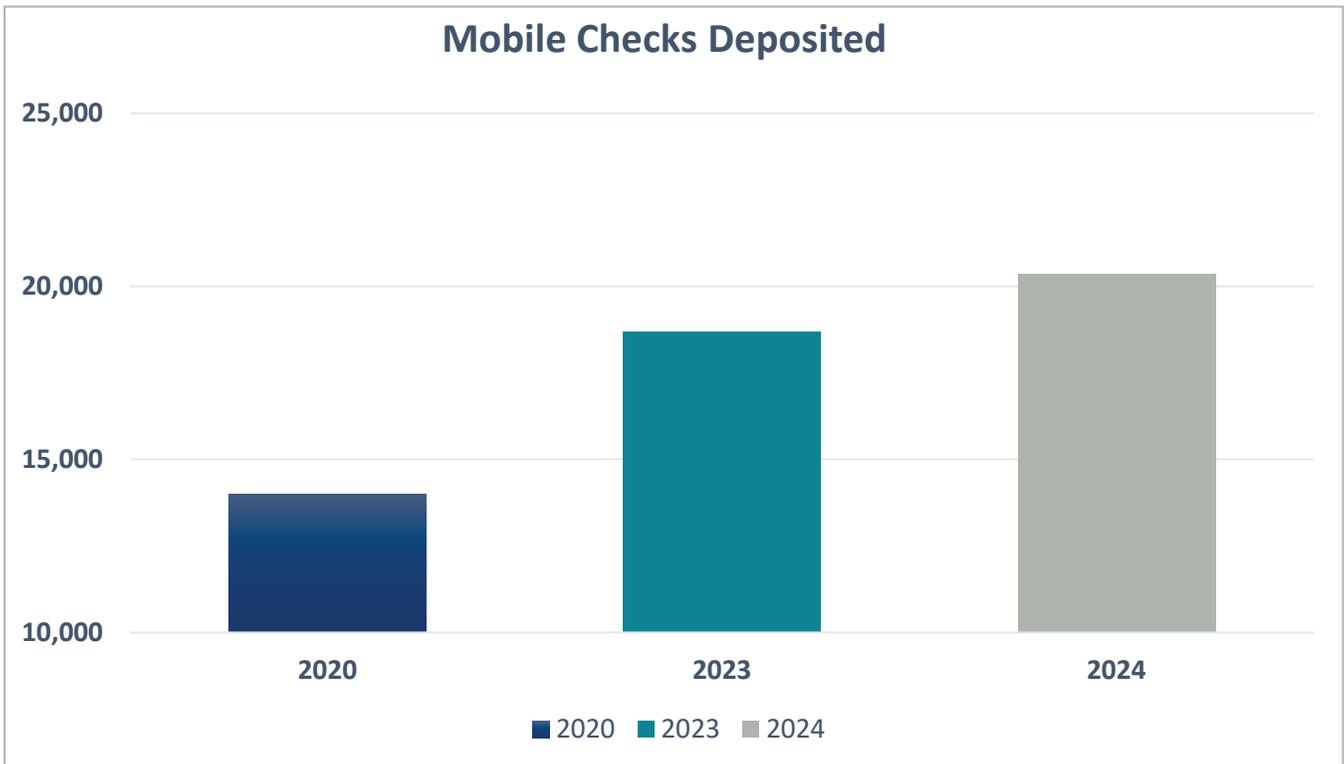
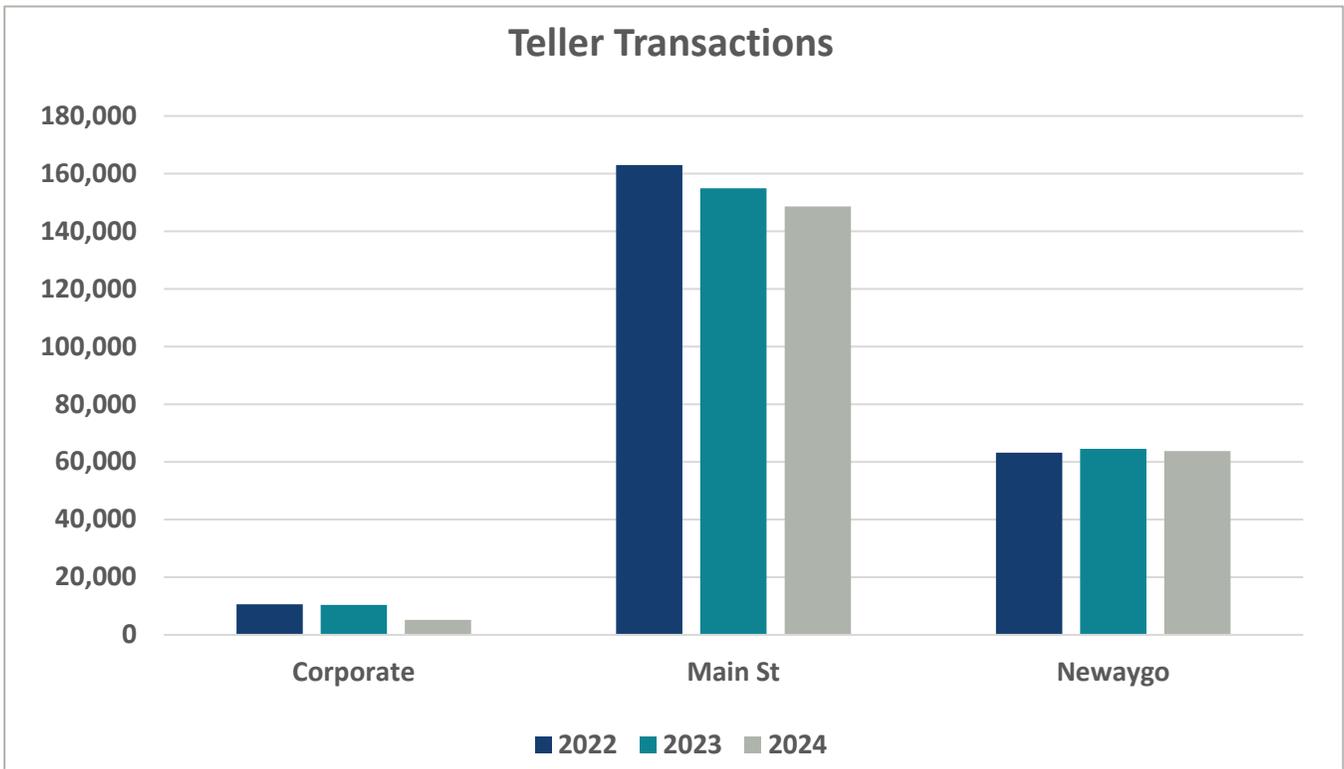
MANAGEMENT REPORT - Lori Little, Executive VP & CXO

Members continue to visit our branches in person, leading to an increase in walk-in traffic as they seek personalized service.



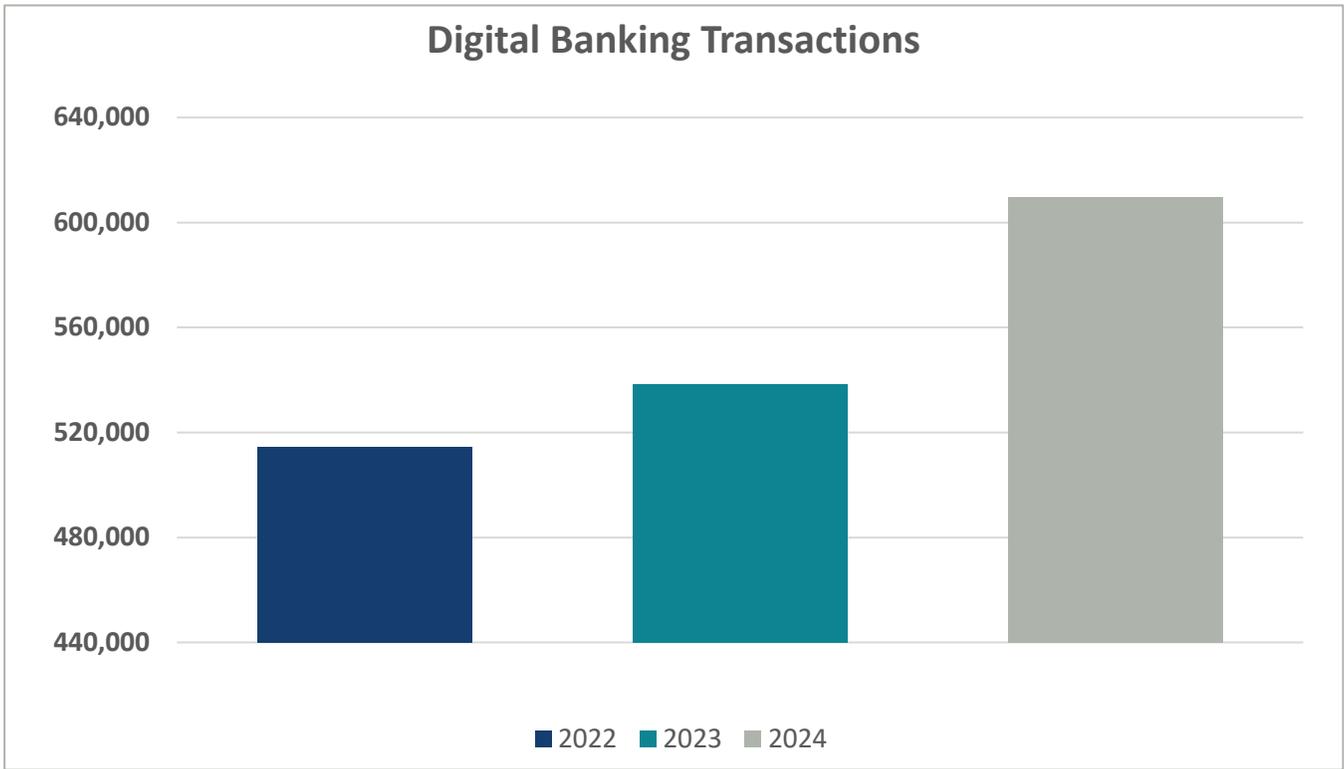
MANAGEMENT REPORT - Lori Little, Executive VP & CXO - Continued...

Teller transactions decreased or stayed the same at our branches, while the number of mobile checks deposited has continued to increase year after year. Members are finding the technology easy to use and enjoy saving time in their busy schedules.



MANAGEMENT REPORT - Lori Little, Executive VP & CXO - Continued...

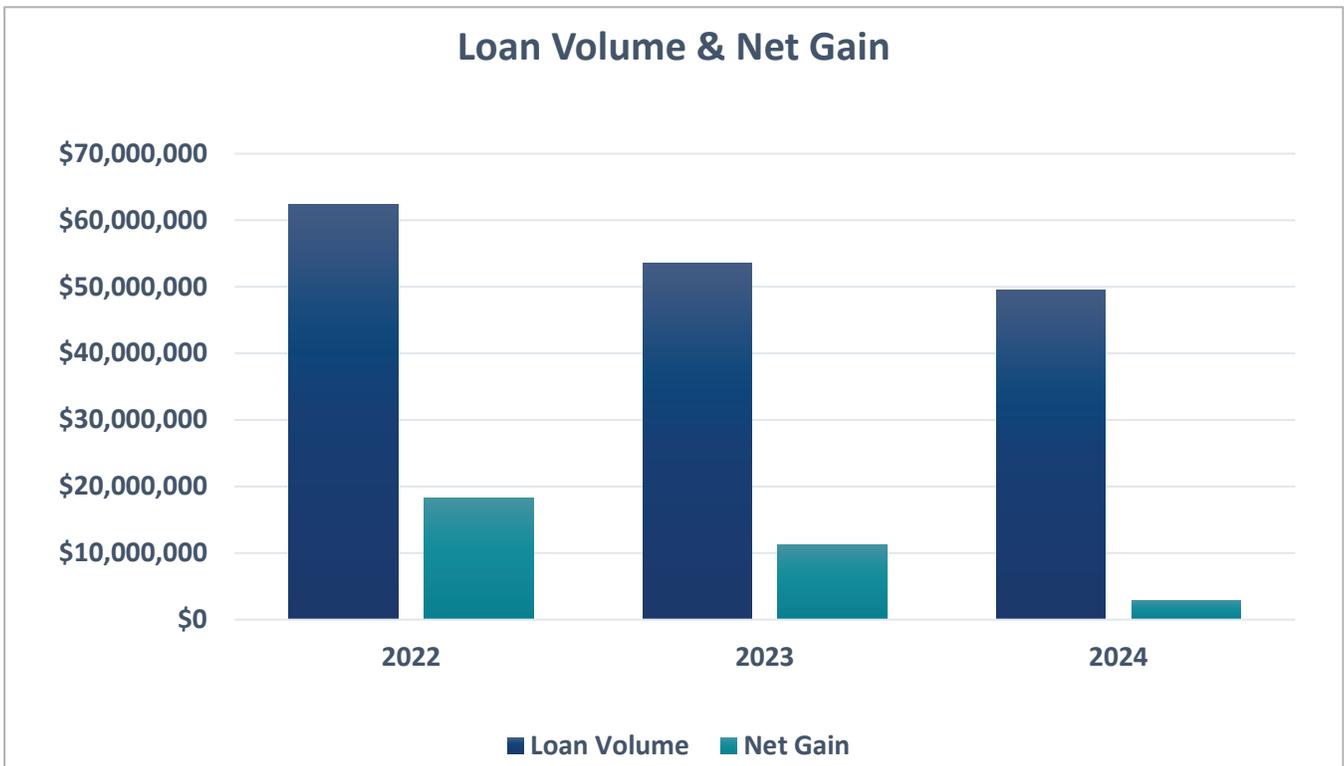
With the new digital banking platform, we are seeing a huge increase in digital banking transactions year over year. Members are enjoying the new features offered.



MANAGEMENT REPORT - Brent Deur, AVP - Consumer Lending

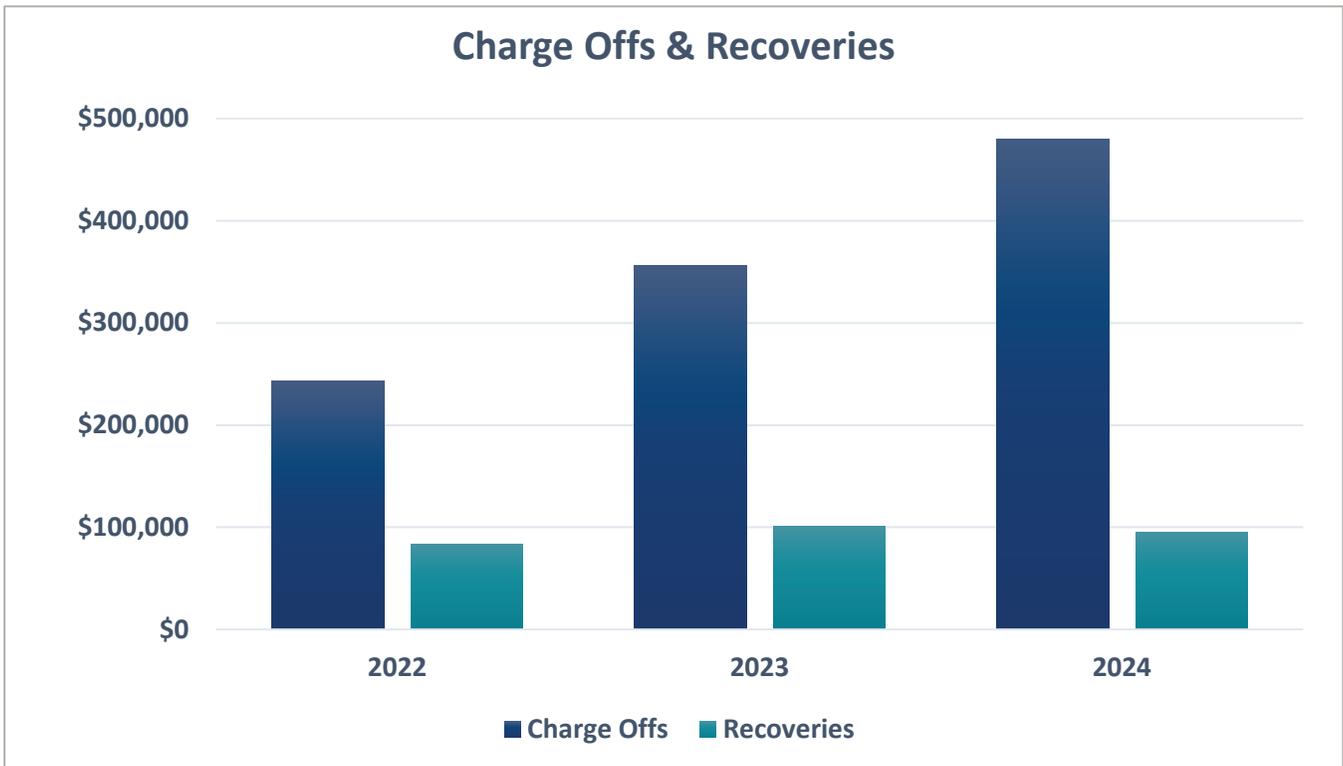
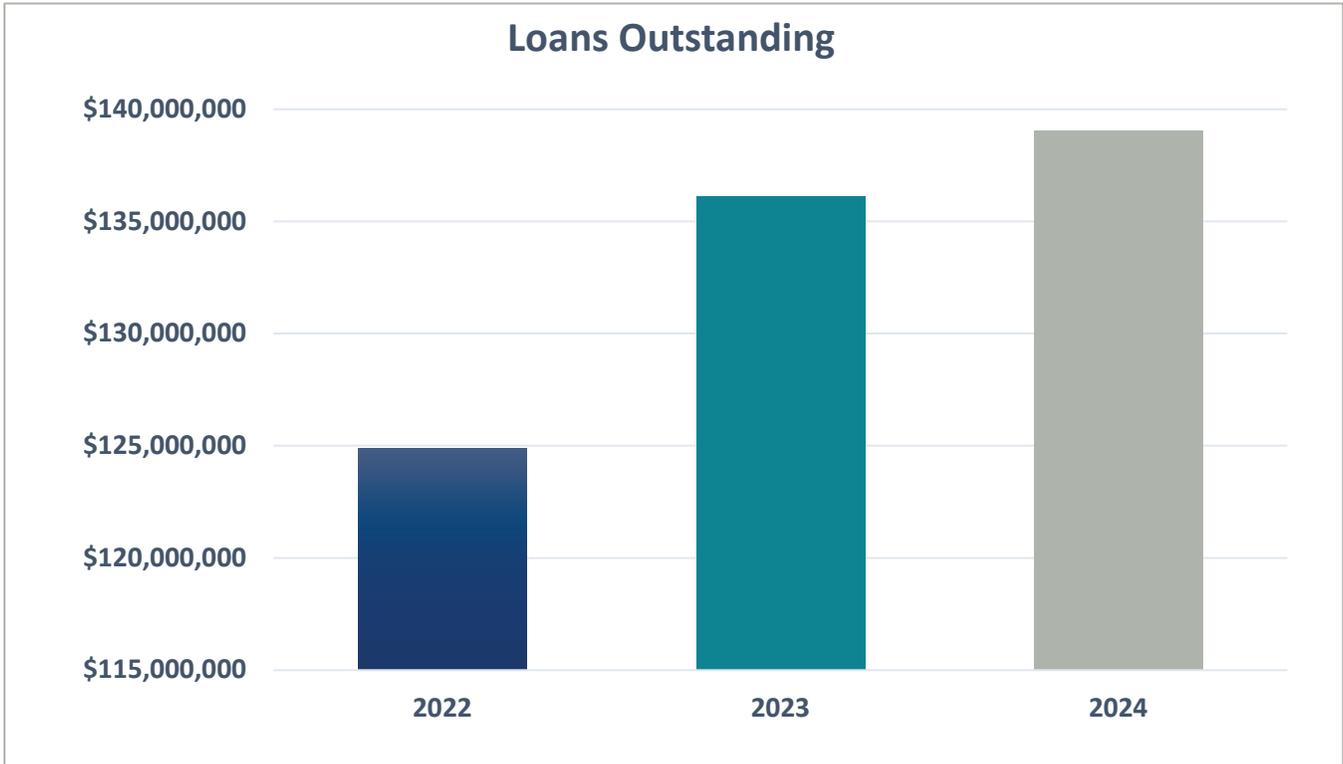
Interest rates, inflation, and the rising cost of everyday goods have contributed to a decline in members' willingness to purchase new products or take out new loans. The mortgage market has remained relatively stagnant, impacted by elevated interest rates, limited housing inventory, and high property values. These factors have collectively led to a slowdown in overall loan volume.

The good news is that, despite these challenges, we have successfully continued to grow our total loans outstanding in 2024.



MANAGEMENT REPORT - Brent Deur, AVP - Consumer Lending - Continued...

The rising cost of everyday necessities and broader economic pressures have caused financial strain for many of our members, leading to an increase in charge-offs in 2024. While this trend is being seen across the industry, we continue to perform better than many of our peers.



MANAGEMENT REPORT - Tina Spoelman, Senior IT Manager

We saw big changes in 2024 for the Information Technology Department as we moved internal network support services to a Managed Service Provider. Instead of a single, in-house colleague, we now have an entire Team of I.T. Professionals with expertise in Active Directory, firewalls, switches, Microsoft 365, and so much more to lean on. The new digital banking platform introduced to members in January saw security improvements throughout the year that thwart the bad guys from taking over member accounts, a new program was implemented for the Cash Recyclers at the Newaygo Branch and our virtual server environment was replaced with new hardware and updated software. Internal and external audits and exams had excellent results while existing imaging, accounting and file automation programs were successfully upgraded.

MANAGEMENT REPORT - Heather Wiersema, Marketing Officer

We are honored to be part of the Newaygo County Compassion Home family. The Compassion Home provides a home-like setting where individuals with terminal illnesses receive compassionate end-of-life care. Trained, loving volunteers and staff offer personal care along with physical, emotional, and spiritual support to guests and their families—24 hours a day. Throughout the year, our employees proudly organize fundraisers and donation drives to support the Compassion Home, helping to provide the essential items and resources needed to continue their mission of dignity and care.

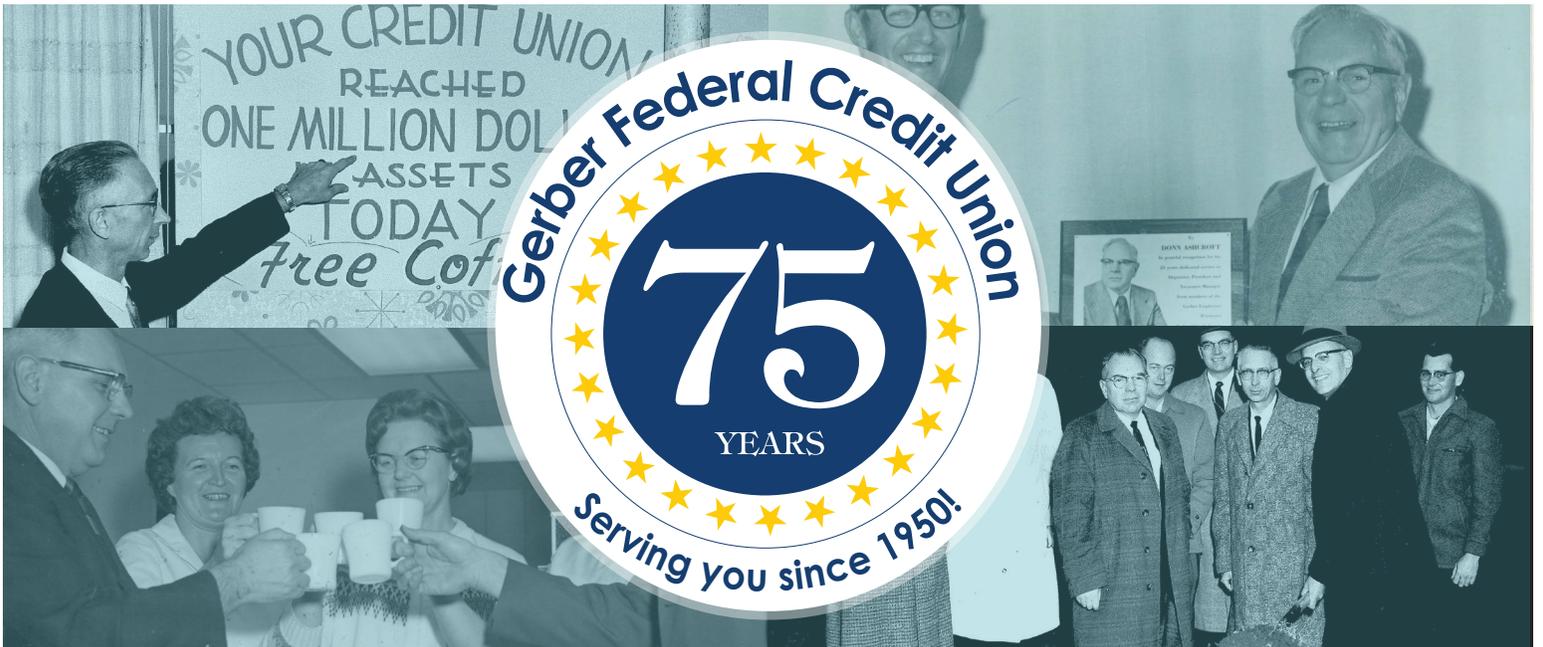


At Gerber FCU, we're blessed with incredible colleagues we consider family. Throughout the year, our team comes together to take part in a variety of community events that bring joy, connection, and local pride. From the National Baby Food Festival and the Newaygo Memorial Weekend Celebration to the Newaygo County Agricultural Fair, Logging Festival, and Harvest Festival—we love showing up for our community. We're also proud to support many initiatives with TrueNorth Community Services and countless other local events that strengthen the bonds within Newaygo County and beyond.

We're also truly fortunate to have incredible members we consider part of our extended family. Throughout the year, we offer many opportunities for members to stop by the branches, connect with us, and enjoy a little something special. In 2024, we celebrated together with events like: National Pi Day with fresh pies in-branch, Shred-It Day at our Corporate branch for secure document disposal, National Baby Food Festival Week with free crossbody bags for visiting members, International Credit Union Day with cookies and juice, Our beloved pocket and wall calendars to wrap up the year and let's not forget our ongoing tradition—First Fridays, where members join us each month for coffee, donuts, and great conversation. We're grateful for every opportunity to spend time with our members and look forward to many more celebrations ahead.

Keep an eye out for Gerber FCU in the upcoming ViewPoint with Dennis Quaid special documentary series, "Cooperative Impact: Exploring Credit Unions." This program will air on public television stations across the U.S.—including PBS, as well as major networks like CNN, Fox News, and CNBC. We'll share the official air date as soon as production is complete. Stay tuned!

Can you believe it?! Gerber FCU turns 75 this summer! Join us in celebrating this incredible milestone on **Friday, July 18th** at any of our branch locations. Enjoy refreshments, gifts, and great conversation with our amazing team. We can't wait to celebrate 75 years of serving you—our members!



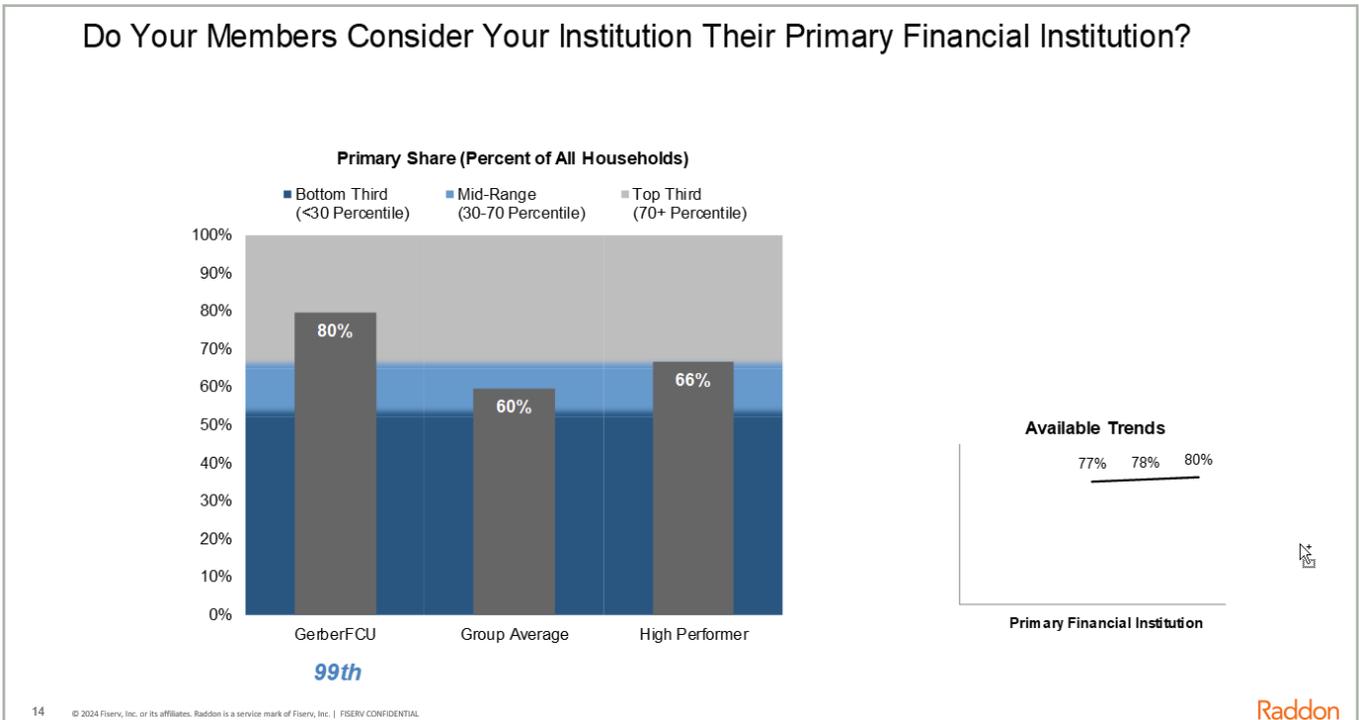
MANAGEMENT REPORT - John P. Buckley, Jr., President/CEO

NATIONAL CREDIT UNION ASSOCIATION (NCUA) EXAM

Composite CAMELS Rating:

- The credit union is fundamentally sound.
- The credit union has a history of few and minor findings, and management and the board are responsive.
- The credit union is stable and capable of withstanding business fluctuations.
- Net worth and earnings are satisfactory as the credit union chooses to prioritize giving back to the member over high levels of capital and earnings.
- The credit union is in substantial compliance with laws and regulations.
- Overall risk management practices are strong relative to the credit union's size, complexity, and risk profile.
- There are no material supervisory concerns and, as a result, the supervisory response is informal and limited.

GERBER FCU MEMBER SURVEY



Feedback from a few Gerber FCU Members:

The staff is wonderful. They always are friendly and happy to help you with whatever you need. I have been a member since 1970.

Member service is excellent, Gerber cares about us, and help me to make great decisions.

Overall I have been happy at Gerber FCU. I thought it was special when my children received a note from the CEO along with a copy of their accomplishments in the local paper. My grandfather worked at Gerber Products and open an account for me when I was a little girl, and I've never left!

MANAGEMENT REPORT - John P. Buckley, Jr., President/CEO - Continued...

GERBER FCU COLLEAGUE SATISFACTION SURVEY

We are very pleased that we have such engaged colleagues serving you every day. The survey completed last fall validates this. Even on areas where we need improvement, we had higher scores than average for credit unions who conduct such surveys.

TOP 5 SCORES – AGREE + STRONGLY AGREE

QUESTION	SCORE
As a credit union, we go above and beyond to deliver service to our members	100.00
There are many benefits to working for Gerber FCU	97.88
I am proud to tell others that I work for Gerber FCU	97.87
As a colleague, I am able to carry-out Gerber FCU's mission	97.87
The colleagues here create a pleasant working environment	97.87
When needed, we pull together as a team to get the job done	97.87
I am inspired by Gerber FCU's mission and values	97.82
We provide tailored solutions that are designed to meet individual member's needs	97.73

TOP 5 STRONGLY AGREE ONLY

QUESTION	SCORE
I am proud to tell others that I work for Gerber FCU	65.96
The colleagues I work with are friendly and helpful	55.32
As a credit union, we go above and beyond to deliver service to our members	54.55
I would not hesitate to recommend Gerber FCU to a friend seeking employment	46.41
The colleagues here create a pleasant working environment	42.55

MANAGEMENT REPORT - Ellen Davis, Vice President - Human Resources

We are proud to recognize the following colleagues for their milestone Service Anniversaries since the last Annual Meeting:

5 YEARS

Autum Christie, Card Service Clerk

Tom Wigent, Internal Auditor

20 YEARS

Jessica Broad, Vice President - Compliance & Risk

Brent Deur, Assistant Vice President - Consumer Lending

Jamie Lamb, Member Service Representative

Heather Wiersema, Marketing Officer

Gerber FCU had a record-breaking United Way campaign this year! It is a testament to the collaboration of our very generous colleagues along with a partial match from the Credit Union. This campaign was a collective effort of our entire team, driven by our shared commitment to building a stronger and healthier Newaygo County. We're proud to be part of a community that truly cares.



ELECTION OF BOARD MEMBERS

The Gerber Federal Credit Union Nominating Committee is pleased to announce the candidates for the 2025 election. Nominated by the Nominating Committee to serve three-year terms:

Kathy Pope is the Vice President and Chief Financial Officer at the Fremont Area Community Foundation. She provides oversight for accounting, investments, human resources, and information technology. She has 21 years of experience in the nonprofit sector and has 9 years of experience in public accounting holding the CPA designation. She has an associate degree in accounting from Delta College and a bachelor's degree in accounting from MSU. Kathy currently serves on the Newaygo County Area Promise Zone Board. She was a Girl Scout Leader and was a member of the Fremont Rotary Club and has been recognized as a Paul Harris Fellow. She served on the Board of Fremont Area Chamber of Commerce as Treasurer, the United Way of the Lakeshore's Newaygo Community Investment Panel, and the Audit Committee for Council of Michigan Foundations. She is active with her church, and lives in Newaygo with her daughter.

Kathy's Statement: "I am excited to continue on the Gerber Federal Credit Union Board of Directors and serve the members in meeting their financial goals. I look forward to supporting the mission and improving the services of the Credit Union especially in the area of promoting financial literacy for adults and children."

Scott VanSingel is currently a Controller at BCI Construction. He served 6 years as a State Representative for Michigan's 100th district. During this time, he chaired the Higher Education and Transportation budgets. Scott's past experience includes working for the world's largest CPA firm as a financial statement auditor, starting a successful rental real estate business and working as a financial analyst for Dematic Corp in Grand Rapids. Additionally, Scott has served as treasurer for numerous community and non-profit organizations, participated in numerous mission trips to Honduras and Mexico, served several years as a church deacon and currently serves as a Spanish translator at his church. Scott is a lifelong resident of Grant, MI where he is the 5th generation of his family in the community. He is married to Desiree and he has one daughter, Sophia. Scott attended Central Michigan University where he earned a bachelor's degree in business administration with majors in finance and accounting. He then earned his master's in business administration from Cornerstone University. Scott enjoys gardening, fitness, running, weightlifting, hunting, fishing, cutting firewood & forestry and international travel.

Scott's Statement: "I am interested in serving on the Gerber Federal Credit Union Board of Directors as I believe my finance and accounting background and education will be an asset. Furthermore, my experience as a legislator prepared me to work with diverse people groups and provide calm and rational leadership. This will be an exciting opportunity to continue serving my community."

The election will be held at the Gerber FCU 75th Annual Meeting scheduled tentatively for Saturday, April 26, 2025. Members who are not nominated by the committee may have their names placed in nomination by petition. Please submit your biographical data, resume listing qualifications, a petition signed by a minimum of 160 Gerber Federal Credit Union members and a signed certificate stating that you are agreeable to nomination and will serve if elected to office to the Nominating Committee by March 7, 2025. Please call (800) 338-3746 with questions. Please mail information to: Nominating Committee, PO Box 116, Fremont, MI 49412.

Members of the Nominating Committee: Julie Burrell, Jason DeKuiper and Andy Bradshaw.

BOARD OF DIRECTORS

Andy Bradshaw, Chair
Jason DeKuiper, Vice Chair
Kathy Pope, Treasurer
Rebecca Content, Secretary
Julie Burrell, Director
Scott VanSingel, Director
Christopher Wren, Director

SUPERVISORY COMMITTEE

Julie Burrell, Chair
Georgia Andres
Travis Kroll
Jim Merkel
Randy Puff

PRESIDENT/CEO

John P. Buckley, Jr.



Relationship



Trustworthy



Caring



Teamwork

Our **Vision** is to be the financial service provider of choice in the markets we serve. Our **Mission** is to improve the financial well-being of each member through superior member service and quality products.

LOCATIONS

Corporate Branch
508 W State St
Fremont, MI 49412

Main Street Branch
1004 W Main St
Fremont, MI 49412

Newaygo Branch
300 S Adams St
Newaygo, MI 49412



(231) 924-4880 | GerberFCU.com

