

AUDIT COMMITTEE REPORT

Based on an in-depth independent audit of the operations of First Community Credit Union by the CPA firm of Doeren Mayhew, CPAs and Advisors concluded that, in their opinion, the financial position of FCCU, the operations and cash flow for the year ending December 31, 2025, conforms with generally accepted accounting principles and practices.

STATEMENT OF FINANCIAL CONDITION

<u>ASSETS</u>	<u>2025</u>	<u>2024</u>
Cash	\$70,428,333	\$104,689,679
Investments		
Available for Sale	316,929,922	331,927,332
Other Investments	21,185,153	14,249,415
Loans to Members, net	2,083,430,845	1,945,867,670
Loans held for sale	289,777,394	0
Accrued Interest Receivable	7,137,691	8,056,609
Prepaid and Other Assets	52,644,427	29,412,966
Federal Home Loan Bank of Dallas Stock	27,360,500	16,985,700
Property and Equipment	95,097,816	85,786,866
NCUSIF Deposit	18,300,501	17,955,301
TOTAL ASSETS	\$2,982,292,582	\$2,554,931,538
LIABILITIES & MEMBERS' EQUITY		
Liabilities		
Members' Share Accounts	\$2,068,796,079	\$1,989,588,305
Borrowed Funds	660,500,000	359,000,000
Accrued Expenses and Other Liabilities	41,817,183	24,910,416
Total Liabilities	\$2,771,113,262	\$2,373,498,721
Members' Equity		
Undivided Earnings	231,612,214	214,010,174
Equity acquired in merger	415,637	415,637
Accumulated Other Comprehensive Gain/Loss	(20,848,531)	(32,992,994)
Total Members' Equity	211,179,320	181,432,817
TOTAL LIABILITIES & MEMBERS' EQUITY	\$2,982,292,582	\$2,554,931,538

COMPARATIVE OPERATING STATEMENT

	<u>2025</u>	<u>2024</u>
Interest Income		
Interest on Loans to Members	\$122,936,375	\$103,645,683
Investment Securities (Interest on Investments & Cash)	12,717,934	14,067,451
Overnight Borrowings (Interest on Investments & Cash Equivalents)	4,518,685	11,291,124
Total Interest Income	140,172,994	129,004,258
Interest Expense		
Members' Share & Savings Accounts	32,676,066	38,780,365
Borrowed Funds	26,652,822	25,615,811
Total Interest Expense	59,328,888	64,396,176
Net Interest Income	80,844,106	64,608,082
Provision for Loan Losses	13,087,215	11,042,398
Net Interest Income After Provisions for Loan Losses	67,756,891	53,565,684
Non-Interest Income		
Fees & Service Charges	17,532,348	14,214,608
Interchange Income	12,407,125	12,787,198
Gain on Equity Securities	2,143,968	2,272,591
Other Non-Interest Income	8,921,988	9,095,160
Total Non-Interest Income	41,005,429	38,369,557
Non-Interest Expense		
Compensation & Benefits	39,466,108	35,009,120
Office Operating Costs	37,431,958	33,101,802
Office Occupancy	6,404,207	6,071,651
Other	7,858,007	6,518,776
Total Non-Interest Expense	91,160,280	80,701,349
NET INCOME	\$17,602,040	\$11,233,892