



2024 ANNUAL FINANCIAL & COMMUNITY IMPACT REPORT



MISSION, VISION, VALUES

Our Mission

We show up. We listen to your story.
We provide possibilities.

Our Vision

A financial oasis where everyone
has access to the opportunities
they deserve.

Our Values

Passion. Persistence. Presence.



PASSION



PERSISTENCE

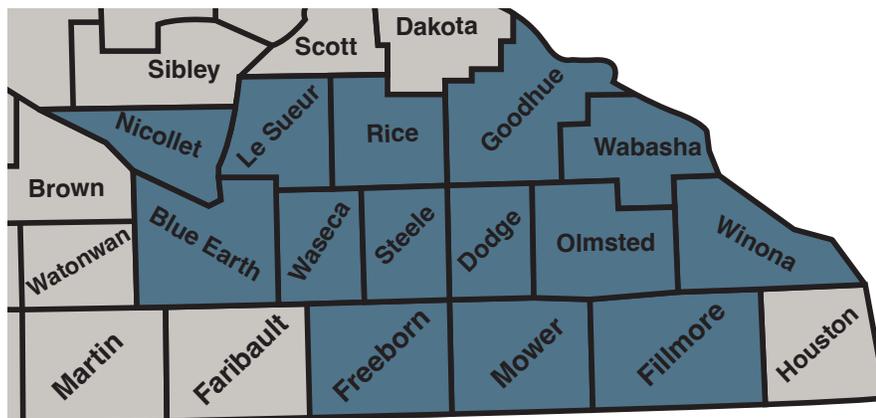


PRESENCE



Expansion of Membership

We expanded our field of membership and are proud to say the credit union now serves 14 counties in Southeast Minnesota. For over 90 years the credit union has provided financial services to those who live, work, attend school, worship, and conduct business in Olmsted, Dodge, Goodhue, Winona, and Wabasha counties. With the recent service area expansion, the counties of Blue Earth, Fillmore, Freeborn, Le Sueur, Mower, Nicollet, Rice, Steele, and Waseca now have access to First Alliance's unique approach to financial empowerment.





FINANCIAL WELL-BEING FOR ALL

At First Alliance Credit Union, we're dedicated to supporting the financial well-being of our members. Through our range of products and services, we help members build strong credit, grow their savings, secure affordable loans, and achieve their aspirations—empowering them every step of the way.

Financial well-being means feeling confident in managing your day-to-day finances, being prepared for the unexpected, and enjoying life without financial stress.

Why It Matters:

1. **Reduces Stress:** Good financial health lowers stress and anxiety, paving the way for a more balanced and fulfilling life.
2. **Improves Quality of Life:** Financial stability ensures your needs are met and supports you in pursuing meaningful goals.
3. **Enables Smart Decisions:** With a solid financial foundation, you gain the confidence to make informed choices, plan for the future, and handle unexpected challenges.
4. **Provides Security:** Financial well-being offers peace of mind, protecting you from debt and financial hardship.
5. **Unlocks Opportunities:** Sound financial health opens doors to credit, education, entrepreneurship, and new possibilities, empowering you to reach your full potential.

The following pages highlight some of our members' financial successes in 2024.

“As someone who was starting out and didn't have a bank account, this credit union is a good option. My credit was in shambles and First Alliance helped change that.

Bradley T.

MANAGING FINANCES

Taking control of your finances benefits not only you but also the entire community. When individuals understand how to budget wisely and make informed financial decisions, it creates greater stability for all. Additionally, it boosts your confidence in managing your finances and prepares you to handle any challenges that arise.

Debt Protection

Debt protection gives you peace of mind by helping guard against life's unexpected challenges. It's all about creating a sense of security and building financial resilience so our members and community can stay strong and supported.

134 members had **\$341,274** in payments covered during difficult times thanks to our debt protection program.

GreenPath

GreenPath is a national non-profit committed to improving people's quality of life through financial wellness. Through this partnership, we can help you feel more prepared for the unexpected while taking control of your financial future.

30 members received help from GreenPath in 2024. A total of **\$110,741** in debt was paid off thanks to this partnership.

Skip-A-Pay

This program lets you keep a bit more cash in your pocket when you need it most. Whether it's for upcoming plans or unexpected expenses, qualifying members can choose to defer a loan payment any time during the year.

1,598 loan payments were skipped in 2024.



No Hassle Loan

This loan provides \$1,000 to qualifying members on the same day without a credit check.

197 members received fast cash in 2024.

Fraud Protection

Fraud protection is essential for keeping members' finances safe and secure. By detecting and preventing threats like identity theft and unauthorized transactions, these services help build trust and ensure a secure environment for all financial activities.

13,765 Fraudulent transactions were blocked saving our members over **\$1,985,821** thanks to our fraud monitoring services in 2024.



SAVINGS TOOLS

Saving money doesn't have to be complicated—it just takes the right tools to make it easier. Savings tools are designed to help you set goals, build good habits, and grow your financial cushion over time. Whether planning for a big purchase or just wanting to feel more secure, these tools can help you stay on track and reach your goals.

WINcentive Savings®

WINcentive® Savings accounts provide the opportunity to save money while having the chance to earn money.

WINcentive® is a registered trademark of the Minnesota Credit Union Network

360 members have a WINcentive® Savings Account and collectively saved **\$570,691** in 2024 thanks to this savings program.

Money Market

Money market accounts are a secure option for saving while earning interest and often come with minimum balance requirements.

154 Money Market Accounts were opened in 2024 as a savings source.

Certificate of Deposit

Certificates of Deposit (CDs) offer a reliable way to save for both short-term needs and long-term financial goals.

234 first-time CDs were opened as a savings source in 2024.

Greenlight Debit Card and App

Teaching children financial literacy early is essential for building long-term financial resilience. That's why First Alliance Credit Union has partnered with Greenlight—the money app and debit card designed for kids! Through this partnership, we help our members give their children the tools to learn important money management skills that will last a lifetime.

54 families enrolled in Greenlight in 2024.

Dividends Paid

We paid our members over

\$3.1
million

in dividends on savings in 2024.

It pays to be a credit union member!



CREDIT SCORES

Improving credit scores empowers individuals and strengthens financial well-being. It opens doors to affordable loans, better interest rates, and opportunities like buying a home, pursuing education, or starting a business. This reduces financial stress, boosts local economic growth, and encourages responsible money habits, creating a stronger, more resilient community.



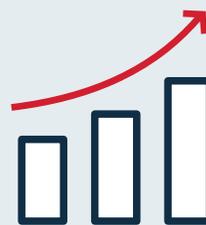
In 2024, **35** members with no credit started building a positive credit history through our Credit Builder Loan program.



In 2024, **555** members accessed affordable financing through the No Judgment, Just Guidance Loan Program. This program expands access to more affordable credit products for members with damaged credit, allowing them to make positive moves forward in their financial lives.



In 2024, **6,633** members monitored their credit score with the My Credit Score tool available for free in online and mobile banking.



By the end of 2024, more than

4,375

members with active loans from First Alliance Credit Union had improved their credit scores.



“They’ll make you feel welcomed and they gave me the resources to know more about my credit score and for me to get on a good path with my money.”

Julitza Morales Fernandez
Member since 2023

HOMEOWNERSHIP

Owning a home is more than just having a place to live—it's about building stability, pride, and a sense of belonging. Homeownership helps strengthen communities by giving families a solid foundation and encouraging investment in the neighborhood, creating a lasting impact for everyone.



Now that I feel empowered to use the financial tools that First Alliance has been able to teach me how to use – I haven't needed anything else!

Miriam Goodson | Member since 1996



31

members achieved affordable housing in our community through our Manufactured Home loans in 2024.

132 members

accessed financing by tapping into their home equity through our Home Equity Loans and Lines of Credit.



Community Housing Partnerships:

- Coalition for Rochester Area Housing
- Area Manufactured Home Parks
- Three Rivers Habitat for Humanity
- Two Rivers Habitat for Humanity
- Rochester Housing Alliance

TRANSPORTATION

Access to reliable, affordable transportation is essential for improving the quality of life in our communities. It helps people get to work, attend medical appointments, and stay connected to social, cultural, and educational opportunities, fostering greater stability and well-being for everyone.



Getting the loan was easy and it was a very competitive rate! I appreciate the relationship I have with First Alliance. I feel like more than just a number or credit score.

David S.

GAP (Guaranteed Asset Protection):

188 members protected their finances with GAP insurance, gaining peace of mind and reducing financial risk in 2024.

\$57,617 was saved by 12 members who filed GAP claims in 2024.

This coverage bridged the gap between insurance payouts and loan balances, protecting them from unexpected financial burdens.

MRC (Mechanical Repair Coverage):

22 new members protected themselves against unexpected car expenses with MRC in 2024.

\$35,819 was saved by 9 members who submitted a claim and were able to avoid unexpected costly repairs, allowing them to keep getting from point A to point B without stress.

In 2024, a total of

1,538

members secured secured affordable transportation.



NEW OR NEW-TO-YOU

We have a loan with payments you'll love.



Get Preapproved



ENTREPRENEURSHIP

Supporting small businesses through lending creates a ripple effect of positive change in our communities. It fuels local economic growth, creates jobs, sparks innovation, and strengthens community connections—helping to build a strong and sustainable local economy.

55 business loans were provided, giving access to over **\$4.9 million** in funding for local small businesses in 2024.



I don't think we could do what we do without First Alliance. They've met every one of our needs. It's been an incredible relationship.

Kevin Ward, Co-Owner ARSYS
Member Since 2007



DIVERSITY, EQUITY, & INCLUSION (DEI)

DEI Statement

At First Alliance Credit Union we value diversity and inclusion at our core, as such we strive to foster a culture of acceptance and support. We are committed to celebrating differences throughout our organization, within our staff, membership, and the communities we serve. We support everyone's unique qualities, such as gender identity, sexual orientation, race, ethnicity, religion, citizenship, age, physical disability, or mental disability, as these provide a richer, more welcoming environment in which we can all thrive.

175

members were able to access financing for a variety of loans thanks to our ITIN lending program.

By offering this service, we remove barriers to financial access and help foster community growth, ensuring every member has the chance to build a secure financial future.



We sponsored DEI focused events:

- Pride Fest in Rochester, MN on May 18
- Juneteenth Celebration in Rochester, MN on June 15
- Latino Fest in Rochester, MN on September 14



With 12 bilingual employees our members have access to support in the following languages:

- Spanish
- Tagalog
- Urdu
- Bosnian
- Hindi



First Alliance | FOUNDATION
CREDIT UNION

Mission Statement

The First Alliance Credit Union Foundation’s mission is to make financial success achievable for all. We believe the key to financial success starts with alleviating financial stress, especially for those communities that have been historically underserved. To that end, we support organizations that seek to relieve the financial stress of those in need but also use innovative, inclusive programs and proven methods to empower individuals by providing them with the financial tools they need to succeed.

In 2024 the First Alliance Credit Union Foundation made donations to:

- Women’s Shelter & Support Center
- Rochester Somali Community Center
- Family Service Rochester
- RCTC Foundation
- United Way of Olmsted County
- Collider Foundation
- Big Brothers Big Sisters of S MN
- Jeremiah Program

Founded in April

2022

**Total donations
made in 2024**

\$25,210

**Total donations
received**

\$23,133



**Make a donation now. Scan the QR code
or visit FirstAllianceCU.com/Foundation**

The First Alliance Credit Union Foundation is a 501(c)(3) non-profit



ALL FOR ONE DAY COMMUNITY GIVE BACK



All for One Day symbolizes the embodiment of our mission, vision, and values. It's a day where we unite as one to illuminate the path of inspiration, hope, and support for our community.

Brent Rempe

President/CEO of First Alliance Credit Union



We celebrated our annual All for One community give-back day on Monday, October 14th, 2024. Since 2015 First Alliance Credit Union has closed its branches on Indigenous People's Day so their staff can make a positive impact for local organizations that provide service in the Rochester area community. In 2024, during All for One Day, the credit union staff collectively volunteered over 136 hours at 7 local non-profits, with several remote team members also participating in their own communities.

- Family Service Rochester
- Alternative Learning Center
- Jeremiah Program
- Project Legacy
- Boys and Girls Club
- Women's Shelter & Support Center
- Hope Coalition



FINANCIAL LITERACY

104 blogs were published in 2024 as an educational resource on the First Alliance website.

Most Popular Free Resources in 2024

- Debt Consolidation Calculator: Debt happens—but when it feels overwhelming, consolidation could be the solution. Gain control of your debt with the help of this free calculator.
- Budgeting Calculator: No matter where you are in life, budgeting is always a smart move. Set a budget, track spending, and reach your financial goals with this free resource!

Visit the Learning Center on our website:
www.firstalliancecu.com/resource-center



www.firstalliancecu.com/blog

72 YouTube videos were published in 2024 as a financial literacy resource.

The most popular video in 2024

Questions to Ask When Buying a Used Car



Co-hosted fraud seminar

We hosted a Fraud Prevention Seminar on October 9, 2024, with guest speakers from Olmsted County Adult Protection and AARP. Members were given real-life examples of scams and were taught how to keep themselves informed.

Hosted the Coin Carnival

A Kids Money Event on April 20, 2024. This was an opportunity to bring our community together for an afternoon where kids learned to make good money moves!

GOOD MONEY MOVES



Listen now for the best tips and advice for managing your money with confidence!

New Episodes
Twice a Month



MINUTES OF THE 91ST ANNUAL MEETING

APRIL 23, 2024

Call to Order: Chairperson Hornberg called the 91st Annual Meeting of the members of First Alliance Credit Union to order at 6:30 p.m. The meeting was held at 2 Discovery Square, 415 2nd Ave SW, Rochester MN 55902.

Certificate of Notice: To whom it may concern: I, Mike DeBolt, do hereby certify that the following notice of the 91st Annual Meeting of the First Alliance Credit Union to be held on April 23, 2024 at 6:30 p.m., at 2 Discovery Square, was mailed to each member:

“The 90th Annual Meeting of First Alliance Credit Union will be held on Tuesday, April 23, 2024 at 2 Discovery Square, Rochester Minnesota 55902, beginning at 6:30 p.m.”

Declaration of Quorum: Mike DeBolt, Vice-Chair, certified that 67 members were present, which constitutes a quorum. Chairperson Hornberg declared the meeting official.

Roll Call: Board of Directors: Drennan, DeBolt, Currie, Said, Hess, Olson and Hornberg were in attendance. Associate Director Pozas was in attendance. Supervisory Committee member Heldt was in attendance.

Minutes of the 90th Annual Meeting: Copies of the minutes of the 90th Annual Meeting were given to each member attending this meeting. After review, Chairperson Hornberg called for corrections. It was moved by Milo Meyers and seconded by Robert Meyer to approve of the minutes as printed. Motion carried.

Elections: The Nominating Committee submitted a nomination to re-elect Rawhi Said and Russell Hess to three-year terms, expiring in 2027

Theresa Hornberg called for nominations for the Board of Directors from the floor. No nominations were received. Nominations were declared closed.

A motion was made by Robert Meyer and seconded by Milo Meyers instructing the Secretary to cast a unanimous ballot for the two candidates for the Board of Directors. Motion carried. Elected to the Board of Directors are: Rawhi Said and Russell Hess.

Treasurer’s Report, Credit Committee Report and the Supervisory Report:

Chairperson Hornberg advised the members that copies of the Treasurer’s Report and the Supervisory Committee Report were included in the Community Impact Report. A motion was made by Armin Budimlic and seconded by Milo Meyers to accept the Treasurer’s Report and the Supervisory Committee Report. Motion carried.

President’s Report: The President gave his report. A motion was made by Esther Pfeiffer and seconded by Harold Wobschall to accept the President’s Report. Motion carried.

Old Business: Chairperson Hornberg reviewed the minutes of the 90th Annual Meeting and determined that there was no unfinished business.

MINUTES OF THE 91ST ANNUAL MEETING APRIL 23, 2024

New Business: Chairperson Hornberg invited questions or comments from the membership. There were no questions or comments brought to the attention of the Board of Directors.

Adjournment: A motion was made and seconded to adjourn the meeting at 6:50 p.m. Motion passed.

Respectfully Submitted:

Theresa Hornberg

Theresa Hornberg | Chairperson

Russell Hess

Russell Hess | Secretary

2024 BOARD COMPENSATION

Our Board of Directors and
Supervisory Committee dedicated

1,128

hours to the credit Union in 2024.

A total compensation of

\$34,365

was paid between 7 Board
Members and 2 Supervisory
Committee Members and
1 Associate Board Member.



I serve on the board because I believe in the power of community and the strength we wield together. We're not just merely volunteers; we're champions for financial empowerment, ready to challenge the status quo and ensure every member has a voice. Together, we're driving innovation and protecting a lasting impact that transforms lives of each and every First Alliance member that comes through our doors.

- Rawhi Said



I am grateful to serve on the Supervisory Committee to ensure that First Alliance remains fiscally responsible and compliant with regulations, so we can continue to meet the evolving needs of our members with integrity and trust.

- Dylan Kosaski

TREASURER'S REPORT

Brent Rempe | *President/CEO*
Treasurer of the Board of Directors

Economic and Financial Landscape

In 2024, the financial sector continued to navigate economic shifts. While price levels remained high, inflation stabilized. As the Federal Reserve began cutting interest rates, demand for lending increased toward the end of the year. Despite these macroeconomic challenges, First Alliance Credit Union remained financially strong, delivering value to our members through competitive products and services.

Financial Performance

The credit union's total assets decreased by approximately \$12.3 million, from \$282.6 million at the end of 2023 to \$270.3 million as of December 31, 2024, a decline of about 4.4%. In line with broader economic trends, deposit balances continued to contract to \$336.6 million, a decrease of \$7.9 million or 3.24%, contributing to the decline in assets. The loan portfolio decreased from approximately \$223 million at year-end 2024 to \$216 million, reflecting shifting borrowing trends throughout the year. While loan demand was lower at the start of the year, it rebounded as interest rates eased.

First Alliance Credit Union closed the year with a net income of \$2.17 million, the highest achieved through operational activities without extraordinary income. This strong financial performance was driven by effective cost management, strategic lending, and a commitment to maintaining competitive financial products for our members.

The credit union maintains a solid capital position, with a net worth ratio of 11.04% as of December 31, 2024, up from 10.21% in 2023. This financial strength ensures our ability to invest in future growth, enhance member services, and navigate ongoing economic uncertainties with confidence.

Acknowledgments and Future Outlook

These achievements are a testament to the dedication of our more than 20,600 loyal members and the hard work of our management team, staff, board of directors, and committee members.

At First Alliance Credit Union, we show up, we listen to your story, and we provide possibilities. We remain steadfast in our mission to serve those who are often overlooked by other financial institutions. Our values of passion, persistence, and presence drive us to provide access to financial opportunities and resources that empower individuals and families to build a stronger financial future. Our vision is a financial oasis where everyone has access to the opportunities they deserve.

As we move forward, First Alliance Credit Union will continue to strengthen its financial position, invest in innovation, and provide the highest level of service to our members. We look ahead with optimism and confidence, knowing that together, we can achieve even greater success in the years to come.

SUPERVISORY COMMITTEE REPORT

Bobbi Olson | *Chair of the Supervisory Committee*

The Supervisory Committee is responsible for ensuring the safekeeping of First Alliance Credit Union's assets by overseeing internal controls, compliance with policies and procedures, and adherence to regulatory standards.

To fulfill this responsibility, the Committee engaged CliftonLarsonAllen LLP (CLA) to conduct an independent external audit of the credit union's financial statements for the fiscal year ending March 31, 2024. CLA verified member share and loan account balances, assessed internal controls, and ensured the accuracy of financial statements. The audit findings were presented at a joint meeting of the Board of Directors and the Supervisory Committee on August 27, 2024, with CLA issuing an unmodified (clean) opinion and reporting no significant findings.

In addition, the credit union contracted with Cornerstone Resources to conduct fully independent internal audits. The Supervisory Committee approved the internal audit schedule and reviewed all internal audit reports to ensure compliance and risk mitigation. Internal audits covered key areas such as Automated Clearing House (ACH) transactions, wire transfers, and deposit compliance, with findings and management responses presented quarterly to the Committee and Board of Directors.

The Committee also oversaw model validations to enhance financial risk management. Cornerstone Resources was engaged to validate the Current Expected Credit Loss (CECL) model, ensuring the accuracy of credit loss projections, while CLA conducted an independent validation of the Asset Liability Management (ALM) model to assess interest rate and liquidity risk. These validations support strategic decision-making and regulatory compliance.

First Alliance Credit Union also underwent regulatory examinations by the Minnesota Department of Commerce and the National Credit Union Administration, along with audits conducted by ChexSystems, Equifax, and the Federal Home Loan Bank (FHLB).

The Risk Management Department works closely with the Supervisory Committee to manage the internal and external audit schedule, review policies and procedures, and coordinate with auditors and examiners. The department also helps ensure that audit recommendations and findings are properly tracked and addressed, providing quarterly reports to the Committee and the Board to maintain accountability and oversight of risk management practices.

To maintain transparency and regulatory compliance, the Supervisory Committee also submits a semi-annual activity report to the Minnesota Department of Commerce summarizing key oversight activities and audit findings.

The Supervisory Committee appreciates the management and employees of First Alliance Credit Union for their professionalism and cooperation during all audits and examinations.

COMPARATIVE FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL CONDITION AS OF:

	12/31/23	12/31/24
ASSETS		
Consumer Personal Loans	\$124,124,033	\$117,425,151
Consumer Real Estate Loans	61,263,587	59,448,987
Business Loans	37,590,486	39,154,116
Deferred Loan Costs	1,159,777	1,024,855
Allowance for Losses	(2,064,214)	(2,139,880)
Cash and Equivalents	14,265,121	13,029,413
Investments	28,874,976	26,608,947
Fixed Assets - (net)	8,129,913	7,687,992
Prepaid Expenses	667,956	633,486
Other Assets	8,562,334	7,445,355
Total Assets	\$282,573,969	\$270,318,423

LIABILITIES AND EQUITY

Dividends Payable	\$0	\$0
Other Liabilities	10,992,683	5,493,858
Share and Club Accounts	74,101,294	72,972,708
Share Draft Accounts	60,776,561	60,438,756
Money Market Accounts	62,586,121	63,463,537
IRA Savings Accounts	3,005,657	2,760,946
IRA and Share Certificates	44,006,489	36,918,805
Non-Member Deposits	0	0
Other Reserves	27,105,164	28,269,814
Total Liabilities and Equity	\$282,573,969	\$270,318,423

COMPARATIVE FINANCIAL STATEMENTS

RESULTS OF OPERATIONS FOR THE 12 MONTHS ENDED:

	12/31/23	12/31/24
INTEREST INCOME		
Interest-Consumer Personal Loans	\$8,343,018	\$9,088,634
Interest-Consumer Real Estate Loans	3,461,550	3,827,005
Interest-Business Loans	1,896,531	2,068,538
Investment Income	922,582	1,469,724
Total Interest Income	\$14,623,681	\$16,453,901
Interest and Dividend Expense	2,955,477	3,592,513
Net Interest Margin	\$11,668,204	\$12,861,388
Total Other Operating Income	\$5,877,556	\$4,859,641

EXPENSES

Compensation and Benefits	\$6,389,485	\$6,369,990
Travel and Conference	272,098	234,744
Office Occupancy	868,525	695,629
Office Operations	1,432,535	1,437,953
Outside Services	2,643,514	2,822,234
Marketing	632,271	522,519
Lending Services	1,173,931	1,157,285
Other Professional Services	252,948	357,776
Member Insurance	0	0
All Other Expenses	251,972	429,846
Total Expenses	\$13,917,279	\$14,027,976
Provision for Loan Losses	1,102,712	1,519,712
Net Income/(Loss)	\$2,525,769	\$2,173,340



FirstAlliance
CREDIT UNION

all for one.

507-288-0330 | firstalliancecu.com

Equal Opportunity Lender. Federally insured by **NCUA**