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CREDIT UNION®
Federally insured by NCUA.

INTOUCH CREDIT UNION

2025

ANNUAL REPORT





REPORT OF THE **PRESIDENT**



We're building something special! ITCU is proud to be a financial institution constructed to put the needs of its collective membership as our foremost priority instead of making profits that benefit an elite few. Credit unions are unique, cooperative-structured, member-owned banking institutions that deliver services to consumers and small businesses in the most affordable way possible. And although we pay our fair share of taxes, such as payroll taxes, sales taxes, property taxes, and a host of others, we are only exempt from paying federal income taxes on credit union profits, so we can return the profits earned above the amount needed for safe operations back to members in the form of reduced fees, better savings rates, and lower loan rates. Affordability is one of the reasons why we exist.

Credit unions are also required to operate in a safe and sound manner by complying with all state and federal regulations, including those related to government deposit insurance. We are designed and built to serve our local and regional communities where it matters most, those kitchen table items that help individuals, families, and small businesses make ends meet. And when they do not, we use our collective resources to step up and contribute to make a value-added difference, like with our annual food insecurity initiative. Once again in 2025, we were able to donate thousands of dollars to local area food banks to help fight hunger and make a difference.

Despite our continuing construction progress, we are only about 50% complete. We are in the process of delivering the most robust and secure digital banking platform in the country. We have doubled down on efforts to fight fraud in this a.i.-dominated environment, and will soon launch new, stronger digital authentication tools that are simpler and easier to use. We are also introducing new services designed to help you achieve your financial goals faster. You will have the opportunity to improve your FICO score without going into debt by getting credit bureau tradeline history for paying monthly items like rent and utility bills; sign up for our free subscription monitoring and cancellation service; and use our new online investment services with stock, bond, EFT, and cryptocurrency investment options that accept amounts as low as \$5, just to name a few of the current and forthcoming member benefits we will offer in 2026. Even more is coming, and all will be delivered with quality and affordability in mind.

On behalf of InTouch Credit Union leadership and staff, thank you for your loyalty, trust, and commitment to the Credit Union. We will never take your business for granted and are dedicated to helping you financially succeed.

Sincerely,

A handwritten signature in black ink that reads "Kent L. Lugrand". The signature is written in a cursive, flowing style.

Kent Lugrand
President & Chief Executive Officer



REPORT OF THE **CHAIRPERSON**



In 2025, InTouch Credit Union received the highest satisfaction scores in the history of the annual membership survey. We thank you for the privilege of serving you and are honored by the recognition you have shared with us.

We continue to strive to exceed your service experience expectations as well as provide you with competitive products and services, including eliminating more fees than ever before so that banking with ITCU is more affordable, as well as introducing new savings and investment products to improve how your money works for you.

In addition, the results from the membership survey confirmed your preference to use Digital Banking as the primary method for conducting business with ITCU. As part of our commitment to support your financial needs by providing safe, efficient and convenient access, we focused on secure, encrypted, intuitive technological solutions designed to help you conduct most of your banking transactions digitally.

The Board of Directors, leadership team, and staff thank you for your loyalty and support. We recognize the privilege you have given us to serve you and will continue to provide you with products and services designed for your financial well-being.

Sincerely,

A handwritten signature in black ink that reads "Nancy Pressel". The signature is written in a cursive, flowing style.

Nancy Pressel
Chairman, Board of Directors







REPORT OF THE **AUDIT COMMITTEE**



Throughout 2025, the Audit Committee continued to oversee the Credit Union's financial reporting, internal controls, and legal and regulatory compliance as part of its role to assist the Board of Directors in fulfilling fiduciary responsibilities for InTouch Credit Union.

During the year, Cornerstone Resources, Waypoint Advisory Services, and Harold Antao & Company performed several audits on critical operational areas and functions to assess operational safety and soundness. To supplement the internal audits, the Risk Management department completed risk assessments and controls reviews as additional measures to monitor regulatory compliance and business continuity preparedness.

Doeren Mayhew, a certified public accounting firm, conducted the required comprehensive annual financial statement audit. The Audit Committee noted no material internal control weaknesses related to the financial reporting process. The Audit Committee believes the Credit Union's financial statements are reported accurately and fairly. A complimentary copy of the audited financial statements may be obtained at any branch, by contacting the Credit Union's Contact Center at (800) 337-3328, or by submitting an email request to reports@itcu.org.

Cybersecurity threats continued to impact multiple industries in 2025; in response, the Board of Directors established a Cybersecurity Committee to ensure increased vigilance. The Audit Committee transitioned oversight of cybersecurity testing and training to the Cybersecurity Committee. Beginning in the fourth quarter, the Cybersecurity Committee assumed responsibility to oversee social engineering tests, penetration testing, and technology protocol audits as part of the Credit Union's commitment to ensure members have a safe and secure digital service experience.

The internal audits, risk assessments, internal controls reviews and testing conducted in 2025 confirmed the Credit Union functions in an operationally secure manner.

Respectfully,

A handwritten signature in black ink that reads "Theresa M. Tschirky".

Theresa M. Tschirky
Chairman, Audit Committee





STATEMENT OF FINANCIAL CONDITION

ASSETS

As of December 31

	<u>2025</u>	<u>2024</u>
Cash and Cash Equivalents	\$ 13,267,731	\$ 21,577,146
Investments	\$ 94,039,159	\$ 128,490,088
Loans to Members, Net	\$ 650,784,691	\$ 624,386,358
Accrued Interest Receivable	\$ 2,729,266	\$ 2,573,095
Property and Equipment	\$ 28,393,085	\$ 28,578,648
National Credit Union Share Insurance Fund Deposit	\$ 6,789,216	\$ 7,057,626
Other Assets	\$ 21,901,429	\$ 21,690,760
Total Assets	\$ 817,904,429	\$ 834,353,721

LIABILITY AND MEMBERS' EQUITY

Liabilities

Member Shares	\$ 728,911,796	\$ 753,560,097
Accrued Expenses and Other Liabilities	\$ 20,183,822	\$ 14,272,017
Total Liabilities	\$ 749,095,618	\$ 767,832,114

MEMBERS' EQUITY

Liabilities

Unrealized Gain (Loss) on Investments	\$ (853,252)	\$ (1,716,134)
Reserves	\$ 69,662,063	\$ 68,237,741
Total Liability and Members' Equity	\$ 817,904,429	\$ 834,353,721



STATEMENT OF INCOME

INTEREST INCOME

January through December

	<u>2025</u>	<u>2024</u>
Interest on Loans to Members	\$ 32,717,080	\$ 32,879,345
Interest on Investments	\$ 7,942,477	\$ 13,212,608
Total Interest Income	\$ 40,659,557	\$ 46,091,953

INTEREST EXPENSE

Dividends on Members' Shares	\$ 9,895,311	\$ 11,045,601
Interest on Borrowed Funds	\$ 5,427,699	\$ 11,629,195
Total Interest Expense	\$ 15,323,010	\$ 22,674,796
Net Interest Income	\$ 25,336,547	\$ 23,417,157
Provision for Loan Loss	\$ 3,932,878	\$ 8,199,839
Net Interest Income After Provision for Loan Loss	\$ 21,403,669	\$ 15,217,318

NON-INTEREST INCOME

Service Charges, Fees, and Other Operating Income	\$ 6,164,985	\$ 6,542,938
Gains (Losses) from Asset Market Value Changes	\$ 7,519,054	\$ 4,759,616
Net Gains (Losses) from Sales/Disposals of Assets	\$ 633,414	\$ (406,409)
Total Non-Interest Income	\$ 14,317,453	\$ 10,896,145

NON-INTEREST EXPENSE

Compensation and Benefits	\$ 14,837,834	\$ 17,627,365
Operations	\$ 19,458,965	\$ 20,977,259
Total Non-Interest Expense	\$ 34,296,799	\$ 38,604,624
Net Income	\$ 1,424,323	\$ (12,491,161)



PRODUCTS AND SERVICES

InTouch Credit Union is proud to work for the financial well-being of our members, and we do so through an encompassing range of products and services. Visit [ITCU.org](https://www.itcu.org) for more information and relevant disclosures.

PRODUCTS INCLUDE

Auto Loans (new and used)

Motorcycle, Boat, and RV Loans (new and used)

Checking and Savings Accounts

- Personal
 - Prime Checking
 - High-Yield Checking
 - Value Checking
 - Debit Card
 - Regular Savings
 - Save to Win® Savings Accounts
 - Money Fund Accounts
 - Health Savings
 - IRAs
 - Holiday Club Savings
- Business
 - Regular Checking
 - Business High-Yield Checking
 - Nonprofit Checking
 - Regular Business Savings
 - Business Money Fund Savings
 - Nonprofit Savings

Youth & Young Adult Checking and Savings Accounts

- Chip's Kids Club (Ages 0-12)
- Geared Up! (Ages 13-17)
- On My Own (Ages 18-24)

Share Certificates of Deposit (CDs)

- 3- to 60-month Terms
- Business CDs
- IRA CDs
- High-Yield Checking CDs
- Youth & Young Adult CDs

Credit Cards

- achieve!
- celebrate!
- connect!
- Business

Real Estate Loans

- Mortgage
- Home Equity
- Home Equity Line of Credit

Personal Loans

Business Loans

SERVICES INCLUDE

InTouch Teller® Interactive Teller Machines

Video Banking

Automobile Protection

- PPA/Debt Protection
- Guaranteed Asset Protection
- Mechanical Breakdown Protection
- Depreciation Protection

ACH and Wire Transfers

Apple Pay®, Google Pay™ and Samsung Pay™

Debit and Credit Card Rewards

Electronic Services

- eReceipts
- eStatements
- eNewsletters

Online Chat and SMS Assistance

Digital Banking

- Bill Pay
- Credit Sense
- Instant Balance (Mobile-Only)
- Mobile Deposit Capture (Mobile-Only)
- Money Management Financial Management Tool
- MyCards Digital Card Management Support
- Touch ID® (Mobile-Only)
- Zelle®

HomeAdvantage® Real Estate Services

Business Merchant Services

Business Credit Card Processing

Investment and Retirement Services

Safe Deposit Boxes (Where Available)

Shared Branch Network Services

Other Products and Services

- Accidental Death & Dismemberment Insurance
- Bloom+ Credit History Builder/Score Support
- Credit Recovery Resources
- Goalsetter Youth & Young Adult Savings
- Member Discounts
- InTouch Auto Finder
- Retirement Simplified
- Trust and Will Services

Insurance

- Auto
- Home
- Life
- Pet
- Renters
- Health



BYLAWS, DIRECTORS AND MANAGEMENT

BYLAW CHANGES (ADDED)

- Persons who are National Association of Collegiate Esports (NACE) student-athletes
- Members of the Cornerstone Friends of the Foundation

BOARD OF DIRECTORS

Nancy Pressel	Chairperson, term ends in 2028
John Roberts	Vice-Chairperson, term ends in 2027
Jodie Robinson	Secretary, term ends in 2026
Dan Crouse	Treasurer, term ends in 2027
Theresa Tschirky	Director, term ends in 2026
Terri Bryant-Harrell	Director, term ends in 2028
John Shinneman	Deputy Secretary, term ends in 2028
Jon Hardesty	Deputy Treasurer, term ends in 2027
Michael Gallo	Director, term ends in 2026

ADVISORY DIRECTORS

Charleen Barnwell
Leanne Ferdig
Ryan Bowen
Donnie Shepherd
Mark Chezem
Patricia O'Neil

SENIOR MANAGEMENT

Kent Lugrand	President/Chief Executive Officer
Robert McDonald	Sr. Vice President/Chief Financial Officer
Sammie Cantrell	Sr. Vice President/Chief Risk Officer
Tom Condos	Sr. Vice President/Chief Information Officer
Kristen Schmieg	Sr. Vice President/Chief Digital Officer
Bridger Robinson	Sr. Vice President/Chief Lending Officer
Tim McCoy	Sr. Vice President/Chief Marketing Officer
Gloria Smith	Sr. Vice President/Chief Branch Officer
Matt Santee	Vice President of I/T
Chris Oglesbee	Vice President of Retail Operations
Karessa Pewtress	Region Vice President Nevada
Ria Henning	Vice President Contact Center

SENIOR MANAGEMENT DEPARTURES

Dan Maldonado	Region Vice President Michigan
Valerie Williams	Region Vice President Texas



WE'RE BUILDING SOMETHING SPECIAL... AND TOGETHER WE'RE MAKING A DIFFERENCE!

In January 2022, we launched "You and Us, Fighting Hunger Together," a significant initiative aimed at combating food insecurity within our communities. This initiative represents a partnership between the Credit Union (ITCU), its employees, and our valued members, working collaboratively to tackle hunger in the areas where we live and work.

This effort is uniquely funded by the contributions from our members who choose ITCU for their lending needs and who utilize ITCU credit and debit cards for their purchases. A designated portion of the proceeds from anticipated loan interest and the income from card transactions is allocated to support local food banks. This collaborative approach allows both the members and the Credit Union to effect meaningful change in the lives of those around us, reminding us that those we help could easily be any one of us under different circumstances.

As of now, the choice of our members to rely on ITCU for their loan and card requirements has facilitated the creation of 1,179,223 meals to our local food banks. We are deeply grateful for our members' ongoing support; however, our journey is far from over. With an initial donation target of \$1 million, there is still a considerable distance to cover. The employees of ITCU are fully dedicated to reaching this goal and are committed to ensuring that InTouch Credit Union remains the preferred choice for our members seeking loans, credit cards, or checking accounts accessible with a debit card.



