



APPY STRONG

— SINCE 1932 —

ANNUAL
REPORT
2024

Letter from the Board Chairman, MR. JOE BOGGS



Appalachian Community Federal Credit Union experienced a year defined by growth, gratitude, and generosity. As of December 31, 2024, our total assets reached **\$169,000,463**—reflecting a **\$3.5 million** (2.1%) increase over 2023. Total shares grew by **\$3.24 million** (2.3%), reaching **\$150,029,983**. We also saw a **\$5.6 million** (3.9%) increase in total loan growth, reinforcing our commitment to helping our members achieve their financial goals.

A location for a new Church Hill branch was identified and secured at 201 S. Central Avenue, Unit 2 with renovations currently underway. A grand opening is scheduled for spring 2025. With more than

25 years of financial services experience, Church Hill native Melissa Brooks has been selected to lead our second location in the Hawkins County market.



We were honored to be recognized with a Beautification Award for Redevelopment from Keep Kingsport Beautiful for the transformation of our downtown Kingsport branch and administrative offices located at 201 E. New Street. Sponsored by Boehm Landscaping, the Beautification Awards recognize homeowners, churches, and businesses for maintaining and beautifying their properties. Awards are presented each year from May through September.

Rogersville Branch Manager Misti Race was named Volunteer of the Year by the Rogersville/Hawkins County Chamber of Commerce for her unwavering dedication to serving the community. It was a privilege to see her recognized for all of her efforts as President of the Rotary Club of Rogersville as well as her endless hours of volunteer service.



Sherri Eaton, our Stone Drive/Kingsport Branch Manager, was also recognized for her volunteer efforts by Your Kingsport Chamber of Commerce as she was named their 2024 Ambassador of the Year. The Ambassador program serves as an opportunity for the region's business professionals to strengthen their involvement with the community, promote and grow their businesses, expand their clientele and cultivate strong relationships while promoting their Kingsport Chamber.





Your Appy Team continues to focus on listening to our members and adapting our services to meet your evolving needs through our Voice of the Member survey program, MemberXP™. Our participation in this program underscores our commitment to fostering loyalty through personalized service and innovative solutions. We are delighted to report we

have been recognized with a Best of the Best award for the second year in a row for our Consumer Loan Experience. This award demonstrates the hard work and passion of our entire team, who strive daily to create meaningful experiences for you, our members.

When Hurricane Helene impacted our community, ACFCU quickly stepped in to support relief efforts. Together with our members and staff, we raised \$5,000 through a combination of corporate contributions and individual donations. These funds were distributed to several organizations providing critical aid, including the American Red Cross, Appalachia Service Project, Second Harvest Food Bank of Northeast Tennessee, Samaritan's Purse, United Way of Southwest Virginia, and United Way of East Tennessee Highlands.



We also joined forces with the Tennessee Credit Union League and credit unions across the region for a statewide Grocery Giveaway Campaign. Together, we provided over \$17,000 in free groceries to families at 25 grocery stores throughout Northeast Tennessee. Giving back to our communities is at the heart of everything we do, and we hope this initiative allowed these families to experience the true meaning of the 'Credit Union Difference' firsthand.

At ACFCU, we recognize the economic challenges facing our nation. That's why we remain committed to standing by our member-owners and our community—helping you save money, save time, and grow your financial future. We're also dedicated to offering the convenience and peace of mind you deserve. Rest assured, ACFCU is well-capitalized and financially resilient. We are fully prepared to continue serving you in 2025 and for many years to come.

Together, we are Appy Strong!

On behalf of our volunteer Board of Directors, Supervisory Committee, and the entire Appy Team, thank you for your trust, membership, and loyalty to ACFCU!

Joe Boggs

Chairman of the Board of Directors

CONSOLIDATED STATEMENT OF FINANCIAL CONDITION AS OF 12/31/2024

ASSETS	
Cash and cash equivalents	\$9,163,283
Investments available for sale	\$745,148
Restricted investments	\$1,287,408
Loans receivable, net of allowance for loan losses	\$149,065,868
Accrued interest receivable	\$630,623
Property and equipment, net	\$5,557,442
Deposit in National Credit Union Share Insurance Fund	\$1,345,515
Foreclosed assets	—
Other assets	\$1,205,176
TOTAL ASSETS	\$169,000,463
LIABILITIES	
Share and deposit accounts	\$150,029,983
Accrued dividends and interest payable	\$1,272
Accounts payable and accrued liabilities	\$428,145
Subordinated debt	\$1,714,286
TOTAL LIABILITIES	\$152,173,686
MEMBERS' EQUITY	
Undivided earnings	\$16,831,614
Accumulated other comprehensive loss	(\$4,837)
TOTAL MEMBERS' EQUITY	\$16,826,777
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$169,000,463

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME AS OF 12/31/24

INCOME	
Net income	\$654,700
Unrealized gains on investment securities available for sale	\$57,646
COMPREHENSIVE INCOME (LOSS)	\$712,346

CONSOLIDATED STATEMENT OF MEMBERS' EQUITY AS OF 12/31/24

	Undivided Earnings	AOCL (Loss)	Total
BALANCES, Dec. 31, 2024	\$16,176,914	(\$62,483)	\$16,114,431
Net income	\$654,700	—	\$654,700
Other comprehensive income	—	\$57,646	\$57,646
BALANCES, Dec. 31, 2024	\$16,831,614	(\$4,837)	\$16,826,777

CONSOLIDATED STATEMENT OF OPERATIONS AS OF 12/31/2024

INTEREST INCOME	
Loans	\$9,083,296
Other interest-earning assets	\$419,567
TOTAL INTEREST INCOME	\$9,502,863
INTEREST EXPENSE	
Dividends and interest on share and deposit accounts	\$3,808,232
Interest on borrowed funds	\$51,634
TOTAL INTEREST EXPENSE	\$3,859,866
NET INTEREST INCOME	\$5,642,997
PROVISION FOR LOAN LOSSES	
Net interest income after provision for loan losses	\$5,260,006
NON-INTEREST INCOME	
Fees and service charges, net	\$2,517,984
Net gain on disposal of property and equipment	\$15,000
Net loss on foreclosed assets	(\$40,930)
Rental income	-
Grant income	\$530,768
Other income, net	\$282,416
TOTAL NON-INTEREST INCOME	\$3,305,238
NON-INTEREST EXPENSES	
Salaries and benefits	\$3,763,033
Office operations	\$2,369,348
Office occupancy	\$765,914
Professional and outside services	\$251,308
Loan servicing expense	\$662,904
Educational and promotional	\$43,840
Travel and conference	\$23,313
Other expenses	\$30,884
TOTAL NON-INTEREST EXPENSE	\$7,910,544
NET INCOME	\$654,700

WE CERTIFY TO THE BEST OF OUR KNOWLEDGE THIS STATEMENT IS TRUE AND PRESENTS FAIRLY THE FINANCIAL POSITION FOR THE PERIOD COVERED.

QUALITY FINANCIAL CONCEPTS

Investing can often feel confusing and overwhelming. That's why Appalachian Community Federal Credit Union partners with Quality Financial Concepts (QFC) to offer members expert investment guidance from CERTIFIED FINANCIAL PLANNER™ professional Shane Smith.

Smith holds the prestigious Chartered Financial Analyst® (CFA®) designation—one of the highest distinctions in the investment management industry. To achieve this, he completed a rigorous program that includes earning a bachelor's degree, passing all three levels of the CFA curriculum, and accumulating over 4,000 hours of qualified work experience.

With a focus on practical, common-sense investment strategies, Smith is dedicated to providing ACFCU members with personalized guidance and tailored financial plans to help them reach their goals.



QFC solutions include:

- Retirement Planning
- Risk Management
- Professional Wealth Management
- Long Term Planning
- Insurance Planning
- Estate Planning Strategies
- Tax Advantages
- Portfolio Analysis & Monitoring

**For more information or to schedule an appointment,
contact Smith at 423.416.5200 or mssmith@qualityfinancial.com.**

*M. Shane Smith, CFP®, Branch Office of and
Securities offered through Crown Capital
Securities, L.P. Member FINRA & SIPC. Advisory
services offered through QFC Advisory LLC.
Tax services and insurance offered through
QFC Services LLC. QFC Advisory LLC and QFC
Services LLC are wholly owned by Quality
Financial Concepts LLC (collectively, QFC).
CCS and QFC are not affiliated. Not NCUA
Insured. No Credit Union Guarantees.
May Lose Value.*



Supervisory Committee Report, MRS. JULIA IVES

The Supervisory Committee is dedicated to protecting the best interests of you, our valued members. We do this by reviewing Appalachian Community Federal Credit Union's (ACFCU) management practices and working closely with the internal compliance department on daily operations. As an independent oversight group, we operate separately from the ACFCU Board of Directors to ensure unbiased supervision. Our primary responsibility is to oversee the safety and soundness of the credit union and verify the effectiveness of internal controls.



Each year, the Supervisory Committee engages a qualified CPA firm to conduct a thorough audit of the credit union's financials, as required by our federal regulator, the National Credit Union Administration (NCUA). For the year ending December 31, 2024, Brown Edwards, CPA, LLC of Roanoke, Va., performed the audit. They confirmed ACFCU's financial statements accurately reflect the credit union's financial position and comply with generally accepted accounting principles.

After reviewing the audit results, along with ongoing reports and financial updates throughout the year, the Supervisory Committee confidently affirms ACFCU remains safe, sound, and fully prepared to continue serving you at the highest level.

If you have any questions or concerns, feel free to reach out to me or another member of the Supervisory Committee. It is our privilege to serve you. Thank you for your membership and loyalty to ACFCU!

A handwritten signature in black ink that reads "Julia Ives".

Julia Ives
Chairperson, Supervisory Committee



Meet Our Executive Leadership Team



Left to Right:

Brack Lindamood, *Director of Information Technology*

Vicki Gobble, *Chief Financial Officer*

Andrew Mullins, *President & CEO*

Olivia Rumley, *Chief Lending Officer*

Miranda Cooper, *Chief Experience Officer*

Rhonda Hazlewood, *Director of Human Resources*

LOCATIONS

Johnson City

3101 Peoples Street, Suite 100
Johnson City, TN 37604

Kingsport

1500 East Stone Drive
Kingsport, TN 37660

201 East New Street
Kingsport, TN 37660

Norton

1400 Park Ave NW
Norton, VA 24273

Rogersville

1206 West Main Street
Rogersville, TN 37857

Coming Soon: Church Hill
201 S. Central Avenue, Unit 2
Church Hill, TN 37642

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