Topside
Federal Credit Union









2025 ANNUAL REPORT

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MINUTES
2024 Annual Meeting

1. Call to Order
The 2024 Annual Membership Meeting of Topside Federal Credit Union was called to order by David Martin, Chairperson, at 6:00 PM.

2. Invocation
The invocation was delivered by Lucia Perkins, Secretary.

3. Pledge of Allegiance
The Pledge of Allegiance was led by Chairperson David Martin.

4. Approval of the 2023 Annual Shareholder Meeting Minutes
Chairperson Martin presented the minutes of the 2023 Annual Shareholder Meeting for review.
MOTION: To approve the 2023 Annual Shareholder Meeting Minutes as presented.
CARRIED: Motion passed unanimously.

5. Reports
All reports on the agenda were delivered by Bruce Six, CEO, on behalf of the respective officers and committees.

a. Chairman's Report
Mr. Six presented the Chairman's Report, highlighting Topside FCU's accomplishments and strategic progress throughout 2024.

b. Treasurer's Report
The CEO presented the Treasurer's Report, summarizing the financial performance of the credit union, including asset growth, loan portfolio trends, deposit performance, and overall financial strength.

c. Supervisory Committee Report
Mr. Six delivered the Supervisory Committee Report, noting that internal and external audit activities confirmed Topside FCU's compliance, sound financial controls, and adherence to regulatory standards.

d. CEO Report
Credit unions were founded to provide accessible, affordable financial services to individuals underserved by traditional banks, a mission Topside continues to uphold.

- Member expectations have shifted toward digital convenience. Topside FCU now offers a robust suite of services, including digital banking, card controls (My Cards), remote deposit, online account opening, online loan applications, and 24/7 support via the AI assistant "Topper," all at no additional cost to the membership.
- Financial performance in 2024 was strong:
  - Return on assets reached 0.61%, up 0.10% from the prior year.
  - Capital increased by $2.9 million.
  - Core expenses decreased by over $277,000.
  - Membership growth remained steady, while slower loan activity resulted in a loan-to-share ratio of 63.17%.
  - Topside remains well-positioned to lend, offering highly competitive credit card rates nationally.
- Looking ahead, Topside will focus on:
  - More customizable banking products.
  - New certificate options.
  - Additional remote engagement methods for members.
  - Expanded offerings for individuals lacking access to traditional banking services.
  - Encouraging members to recommend Topside FCU to friends and family.

All reports were accepted as presented.

MINUTES CONTINUED
2024 Annual Meeting

6. Member Questions
CEO Bruce Six addressed questions from the membership.

7. Election Results
Mr. Six announced the results of the Board of Directors election.
The following individuals were elected to serve on the Board of Directors:
- David Martin (Incumbent)
- Gabrielle Hedges

Both individuals were elected to the available board seats.

8. Meeting Close
Chairperson David Martin adjourned the meeting at 6:47 PM.
Members were invited to remain after adjournment for door prize drawings.

Attendance
Board & Leadership Present:
- David Martin - Chairperson
- Jim Fedak - Vice Chairperson
- Woodfin Straughan - Treasurer
- Lucia Perkins - Secretary
- Jim Venable - Director
- Wendy Zelazny - Director
- Martha Hutzel - Director
- Harold Van Dusen - Associate Director
- Elizabeth Unruh - Associate Director
- Bruce Six - Chief Executive Officer
- Dora Lilly - Chief Execution Officer
- Jim Bangert - Chief Financial Officer
- Scott Varga - Chief Information Officer
- Kathy McCarthy - Chief Lending Officer
- Lisa Williams - Chief Marketing Officer
- Tammy Beach - Executive Assistant

General membership was also present.

REPORT
Supervisory Committee

The Supervisory Committee serves as an independent oversight body within the governance structure of Topside Federal Credit Union, and we take this responsibility with the utmost seriousness. Our role is to ensure that the Credit Union remains safe, sound, and fully compliant with all applicable laws and regulations. Acting on behalf of the membership, we provide an additional layer of accountability that supports the long term stability and integrity of the organization.

To fulfill these obligations, the Committee engages qualified external audit and review firms to conduct comprehensive evaluations of the Credit Union's financial condition, internal controls, and operational practices. These independent assessments help verify that Topside FCU is operating responsibly, safeguarding member assets, and adhering to regulatory requirements. We review all findings, monitor corrective actions when needed, and work closely with management and the Board of Directors to ensure continuous improvement.

In addition to our audit responsibilities, the Supervisory Committee also serves as the designated arbiter of member correspondence and complaints directed to the Board. When concerns are raised, we investigate them thoroughly, evaluate the circumstances, and recommend appropriate resolutions. This process ensures that member voices are heard and that issues are addressed with fairness and transparency.

The Supervisory Committee remains committed to protecting the interests of all Topside Federal Credit Union members and supporting the cooperative principles that guide our mission.

Willie Shelton
Chairperson Supervisory Committee

BOARD OF DIRECTORS

David Martin, Chairperson
Jim Fedak, Vice Chairperson
Woodfin Straughan, Treasurer
Harold Van Dusen, Secretary
Gabrielle Hedges, Director
Martha Hutzel, Director
Elizabeth Unruh, Director
Wendy Zelazny, Director

EXECUTIVE TEAM

Bruce Six, Chief Executive Officer
James Bangert, Chief Financial Officer
Dora Vogel, Chief Execution Officer
Kathy McCarthy, Chief Lending Officer
Scott Varga, Chief Information Officer
Lisa Williams, Chief Marketing Officer

SUPERVISORY COMMITTEE

Willie Shelton, Chairperson
Patrick Janis, Secretary
Jim Fedak, Board Representative

REPORT
Treasurer

Topside Federal Credit Union's assets increased in 2025, and the Credit Union had no borrowings at year-end. Shares increased from $446 million in 2024 to $454 million in 2025, representing a 1.68% increase. Consistent with broader market conditions, loan demand remained soft for much of the year. Net loans decreased from $278 million to $260 million, a 6.34% decrease. While most loan categories declined in 2025, the largest reduction occurred in third-party mortgage loans, which are highly sensitive to interest rates and overall real estate market activity. As a result of higher shares and lower loans, the loan-to-share ratio declined from 63.17% in 2024 to 58.21% in 2025.

The net worth ratio, a measure of capital relative to assets, increased from 8.07% to 8.38% at year-end. Strong profitability and controlled asset growth were the primary contributors to this improvement. The National Credit Union Administration rates your Credit Union as "Well Capitalized," and maintaining this designation remains a key objective.

Net income for the year totaled $2.8 million, compared with $2.9 million in 2024. Interest income from loans declined year over year due to soft loan demand and lower interest rates. However, net interest income remained comparable to the prior year, decreasing by only 2%. Total non-interest expense remained well below budget for 2025 as a result of effective management controls. Sustained profitability enables the Credit Union to continue offering attractive products and services to our members at competitive prices.

The Board of Directors and management remain committed to a proactive, fiscally conservative approach to safeguarding the Credit Union's financial strength, supporting continued delivery of attractive, competitively priced products and services to our members.

Woodfin Straughan
Treasurer

REPORT
Bruce Six, CEO

As we reflect on 2025, I am proud to share that Topside Federal Credit Union delivered another year of strong financial performance, steady growth, and meaningful progress toward our long term strategic goals. Our commitment to financial strength remained unwavering, and we closed the year with healthy capital levels, solid loan production, and increased member participation across our full range of products and services. These results reinforce the trust you place in us and affirm the value of our cooperative structure, where every decision is made with our members' best interests in mind.

Throughout the year, we focused on expanding the ways we serve you—both in person and through innovative digital channels. We broadened our term certificate portfolio to offer more competitive options designed to help members save with confidence in a changing rate environment. These additions were met with enthusiastic response and contributed to our overall deposit growth.

We also advanced our digital transformation efforts. Our new face to face virtual banking service brought personalized support directly to members wherever they are, making expert guidance more accessible than ever. In addition, we refined our AI powered chat and text tools to provide faster, more intuitive assistance for everyday banking needs. These enhancements reflect our ongoing commitment to convenience, security, and exceptional service.

Looking ahead, 2026 will be another year of investment and improvement. We will continue expanding our digital capabilities, strengthening our product offerings, and enhancing the member experience across every channel. Our mission remains clear: to empower your financial well being with the tools, support, and service you deserve.

Thank you for your continued trust and for being a valued member of Topside Federal Credit Union. Together, we look forward to another successful year.

Bruce Six
CEO

FINANCIAL CONDITION

	2024	2025
ASSETS		
Cash & Equivalents	$45,423,463	$65,765,112
Securities - Available-for-Sale	$117,705,478	$128,433,567
Other Investments	$2,282,822	$2,090,300
Loans, Net	$277,957,869	$260,338,810
Accrued Interest Receivable	$2,058,644	$1,994,449
Foreclosed & Reposessed Assets	$21,575	$34,225
Premises & Equipment, Net	$7,589,308	$7,267,324
NCUSIF Deposit	$4,086,212	$4,217,760
Life Insurance Policies	$8,557,378	$10,124,307
All Other Assets	$7,646,277	$8,177,418
TOTAL ASSETS	**$473,329,026**	**$488,443,273**
LIABILITIES & EQUITY		
Members' Share & Savings Accounts	$446,008,920	$453,500,987
Borrowings	---	---
Accrued Expenses & Other Liabilities	$3,370,848	$2,910,519
TOTAL LIABILITIES	**$449,379,768**	**$456,411,506**
Regular Reserve	$3,959,173	$3,959,173
Undivided Earnings	$34,215,625	$36,981,125
Accumulated Other Income	$(14,225,540)	$(8,908,600)
TOTAL MEMBERS' EQUITY	**$23,949,258**	**$32,031,767**
TOTAL LIABILITIES & MEMBERS' EQUITY	**$473,329,026**	**$488,443,273**



INCOME STATEMENT

	2024	2025
INCOME		
Interest on Loans	$18,188,132	$16,327,741
Securities, deposits, etc...	$3,941,852	$5,037,156
TOTAL INTEREST INCOME	**$22,129,984**	**$21,364,897**
INTEREST EXPENSE		
Member Share & Savings Accounts	$4,290,980	$3,886,536
NET INTEREST INCOME	**$17,839,004**	**$17,478,360**
PROVISION FOR LOAN LOSSES	$2,590,567	$1,887,540
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	**$15,248,437**	**$15,590,820**
NON-INTEREST INCOME		
Service Charges & Fees	$2,121,903	$2,075,429
Other Non-Interest Income	$2,840,283	$2,882,716
Net Gain on Investment Sales	$881,661	---
TOTAL NON-INTEREST INCOME	**$5,843,847**	**$4,958,145**
NON-INTEREST EXPENSE		
Compensation & Benefits	$9,423,733	$10,053,418
Operations	$7,412,848	$5,717,080
Other Operating Expenses	$1,331,761	$2,012,898
TOTAL NON-INTEREST EXPENSE	**$18,168,342**	**$17,783,397**
NET INCOME (LOSS)	**$2,923,943**	**$2,765,569**
STATISTICAL DATA		
Number of Members	41,921	39,173
Average Shares per Member	$10,639	$10,860
Number of Loans	18,643	16,078
Avg. Loan Balance	$15,113	$16,420
Loan/Share Ratio	63.17%	58.21%
Delinquency Ratio	0.83%	0.87%
Net Worth	8.07%	8.38%

REPORT
Chairperson's

To our valued members, thank you for your continued confidence in Topside Federal Credit Union as your trusted financial partner. Your support and engagement remain the foundation of our success, and it is a privilege to serve a membership so deeply committed to the cooperative principles that guide our mission.

In 2025, the Credit Union made meaningful progress on its strategic journey to deliver both the personal, local service our members appreciate and the modern convenience they increasingly expect. We continue to support our in branch experience while expanding remote service delivery options that allow members to interact with us on their own schedule. From enhanced digital tools to more flexible communication channels, these advancements reflect our commitment to meeting members where they are—whether that's in a branch, at home, or on the go.

Equally important, the Board of Directors continued its work as a volunteer governance body dedicated to representing the best interests of the membership. Throughout the year, we invested in improved Board education, strengthened governance policies, and refined oversight practices to ensure we remain aligned with industry best standards and we are well-positioned to guide the Credit Union's future.

Thank you for your trust and for being part of the Topside FCU community.

David Martin
Chairperson

MEASURING UP

Community impact & contribution

NEW CARS

300+

We put over 300 members on the road in a fresh set of wheels.



RELIEF EFFORTS

$25,000+

Our staff and members donated over $25,000 in monetary and physical donations.



EQUITY

70+

We helped members put over $6M of their home's equity into use.



YOUTH SAVES

200+

We helped over 200 children kick off their financial journey.



5 STAR REVIEWS

1,000+

Our members gave us over 1,000 five star reviews.



PERSONAL LOANS

350+

Over 350 members chose us to finance their personal milestones.



EVENTS

50+

We attended over 50 community events.



EDUCATION

5,000+

We taught over 5,000 people through financial education classes and seminars.



Topside
Federal Credit Union

AUGUSTINE BRANCH

2004 Augustine Avenue,
Fredericksburg, VA 22401

Lobby:
Mon - Thurs: 9 AM - 5 PM
Fri: 9 AM - 6 PM
Sat: 9 AM - 12 PM

Drive-Thru:
Mon - Fri: 9 AM - 6 PM
Sat: 9 AM - 12 PM

PLAZA BRANCH

5472 James Madison Pkwy,
King George, VA 22485

Lobby:
Mon - Thurs: 9 AM - 5 PM
Fri: 9 AM - 6 PM
Sat: 9 AM - 12 PM

Drive-Thru:
Mon - Fri: 9 AM - 6 PM
Sat: 9 AM - 12 PM

MASSAPONAX BRANCH

9622 Patriot Hwy,
Fredericksburg, VA 22407

Lobby:
Mon - Thurs: 9 AM - 5 PM
Fri: 9 AM - 6PM
Sat: 9 AM - 12 PM

Drive-Thru:
Mon - Fri: 9 AM - 6 PM
Sat: 9 AM - 12 PM

DAHLGREN BRANCH

17442 Dahlgren Road,
Dahlgren, VA 22448

Lobby:
Mon - Fri: 8:30 AM - 3 PM

EQUAL HOUSING
LENDER

topsidefcu.org | 540.663.2181

Federally insured by NCUA.