



ANNUAL REPORT 2024

Board of Directors

The Piedmont Advantage Board of Directors represents the history and tradition of the credit union as well as a commitment to the members and communities we serve.

Directors are volunteers and serve without compensation; so their time, talent and knowledge are shared with the credit union as a labor of love.

Tom Mekis
Chairman

Mark Saunders
Vice Chairman

Diana Santos Johnson
Secretary

Mark Linville
Treasurer

Darren Cranfill
A.J. Eaker
Howard Henry
Justine Lerch
George Price

Jeff Reynolds
Associate Director

Ramon Hoots
Director Emeritus

John Reece
Director Emeritus

Gene Sharp
Director Emeritus

Jim Taylor
Chairman Emeritus

Supervisory Committee

The Supervisory Committee ensures the Board safeguards assets and management complies with the organization's established policies. Committee members also are volunteers. Their gift of time demonstrates a commitment to the credit union's success.

A.J. Eaker
Chairman

Toni Douglas
Secretary

Mary Vitale

State of the Credit Union

A Report from President & CEO Dion Williams

In 2024, we celebrated a milestone together: 75 years of Piedmont Advantage Credit Union. That anniversary wasn't just a number on a timeline. It was a reminder that for three-quarters of a century, members like you have trusted us to be part of your lives, your families and your futures. That trust fuels everything we do.

It was also the year we made one of our boldest investments yet: a full upgrade of our core banking system. Yes, it brought immediate efficiencies on day one. But more importantly, it gives us the flexibility to grow with you for many years to come. It's our foundation for making your financial journey simpler, safer and more personalized.

Serving You Better

One of the first places you've seen the difference is in our Member Relationship Team. For years, we outsourced after-hours calls. That meant you could always talk to someone, but it wasn't always someone from PACU, and issues sometimes carried over unresolved. We listened to your feedback and brought this service back in-house with appropriate hours. Now, when you call, you reach a PACU employee who knows our systems and knows you. That change has not only improved service, it's also saved money that we can reinvest in you.

We also upgraded our phone system, with one more exciting feature on the way: voice recognition. Soon, your voice will serve as part of your identity verification, making your calls faster, safer and easier. No more long security checklists, just your voice confirming it's really you.

Your Digital Journey

Behind the scenes, we've been preparing for the next step in your digital experience. By the end of the year, we'll select a new partner for online and mobile banking. What does that mean for you? Opening an account in under five minutes. More powerful fraud protection. Customizable dashboards to fit the way you like to bank. Even the ability to use debit "buy now, pay later" options when it makes sense for you.

And earlier this year, we launched our new website, a "virtual branch" designed to help you act quickly, whether you want to open an account, apply for a loan or book time with a team member. It's simple, intuitive and built with you in mind.

Our Branches, Reimagined

Even as digital tools expand, we know many of you still value face-to-face conversations. That's why branches aren't going away. What's changing is how they look and feel. Smaller branches let us serve you more efficiently while keeping costs manageable.

Take our University branch. After decades in a 6,000-square-foot location, we're moving just down the road to a right-sized 3,000-square-foot space. It's easier to operate, fits the way members use branches today and still gives us plenty of room to connect with you in person.

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Chairman's Report

Tom Mekis, Chairman of the Board of Directors

As Chairman of the Board, it's my privilege to share this report with you. At Piedmont Advantage Credit Union, everything begins and ends with people: the people who serve and the people we serve.

Our Volunteers

One of the things that makes credit unions special is volunteer leadership. Your Board of Directors and Supervisory Committee give their time and expertise without compensation. It's truly a labor of love. They represent you and the more than 28,000 members who call PACU their credit union.

Your Board of Directors includes:

- Mark Saunders, Vice Chairman
- Mark Linville, Treasurer
- Diana Santos Johnson, Secretary
- Darren Cranfill
- A.J. Eaker
- Howard Henry
- Justine Lerch
- George Price

Supporting the Board is Associate Director Jeff Reynolds, along with Directors Emeritus Ramon Hoots, John Reece, Gene Sharp and Jim Taylor (Chairman Emeritus). The Supervisory Committee is represented by A.J. Eaker, Chairman; Toni Douglas and Mary Vitale.

Years ago, our volunteers came from Piedmont Aviation and Piedmont Airlines. Today, they come from aviation, law, real estate, education, industry and communities across our footprint. That diversity is intentional. It ensures that your voice, neighborhood and work experiences are reflected at the board table.

This year, three of our Board members reached important service milestones. Mark Saunders marked his fifth year of leadership, while Darren Cranfill and Justine Lerch each celebrated a decade of service. These milestones reflect not only their personal dedication but also the spirit of continuity and care that defines Piedmont Advantage's governance.

Our Resilience

As you'll read in the Treasurer's Report, Piedmont Advantage remains financially strong. Our net worth or our "rainy day fund" is above 7.00%, well above the standard for a well-capitalized credit union.

Still, the last several years have tested us all. The pandemic, inflation and global uncertainty have challenged every household and every financial institution. Yet here's what matters most: your credit union has stood strong. We celebrated our 75th anniversary, and an organization doesn't thrive for three-quarters of a century without resilience and determination.

Our Investments

We know credit unions are about people, but we also know that technology matters. That's why we upgraded our core banking system in 2024, launched a new website this year and will soon roll out enhancements to online and mobile banking. Our goal is simple: to meet your expectations today while still serving the long-time members who've built Piedmont Advantage.

We're also making smart decisions about expenses. The pandemic taught us that oversized facilities no longer serve us well. Our University branch relocation is one example of right-sizing, so we only pay for the space we use. In some cases, we're exploring tenant opportunities to offset costs. These changes allow us to open more, smaller branches in more communities where you live and work.

Our Future, with You

Our future depends on strategies that reduce expenses, increase revenue and grow membership, always with our cooperative roots at the center. You are part of this future. As a member, you're also an owner. When you share Piedmont Advantage with your family, friends, neighbors and co-workers, you're helping build a stronger cooperative for everyone.

Thank You

To our members: thank you for your trust. To our staff: thank you for serving with heart every day. To my fellow volunteers: thank you for your leadership and commitment. Together, we've proven that we are stronger than any challenge we face, and stronger still when we face it together.

FINANCIAL STATEMENTS

Statements of Financial Condition

	2024	2023
ASSETS		
Cash and cash equivalents	\$ 29,318,545	\$ 11,519,143
Investment securities, available-for-sale	68,143,464	81,347,813
Investment securities, other	3,026,233	3,005,973
Federal Home Loan Bank (FHLB) stock	1,219,500	288,400
Loans receivable, net of allowance for credit losses	259,927,611	264,600,206
Accrued interest receivable	1,031,191	997,106
Property and equipment, net	10,703,423	11,261,946
NCUSIF deposit	3,449,793	3,627,080
Right-of-use lease assets	1,183,259	1,353,271
Goodwill	-	13,761
Other assets	9,140,154	11,491,234
TOTAL ASSETS	\$ 387,143,173	\$ 389,505,933
LIABILITIES AND MEMBERS' EQUITY		
Liabilities		
Members' share and savings accounts	\$ 345,381,456	\$ 366,077,107
Accrued expenses and other liabilities	1,021,035	479,070
Borrowed funds	20,000,000	-
Operating lease liabilities	1,230,063	1,390,172
Total Liabilities	367,632,554	367,946,349
Members' Equity		
Undivided earnings	32,284,282	34,518,612
Accumulated other comprehensive income (loss)	(12,773,663)	(12,959,028)
Total Members' Equity	19,510,619	21,559,584
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$ 387,143,173	\$ 389,505,933

Statements of Income

	2024	2023
Interest Income		
Outstanding loans	\$ 12,300,593	\$ 12,156,983
Investment securities	3,140,066	2,667,886
Total Interest Income	15,440,659	14,824,869
Interest Expense		
Members' share and savings accounts	3,514,215	2,920,357
Borrowed funds	776,737	492,232
Total Interest Expense	4,290,952	3,412,589
NET INTEREST INCOME	11,149,707	11,412,280
Provision for (recoveries from) Credit Losses	190,000	(100,590)
NET INTEREST INCOME AFTER PROVISION FOR CREDIT LOSSES	10,959,707	11,512,870
Non-Interest Income		
Fees and services charges	3,504,769	4,071,700
Other noninterest income	1,567,824	2,214,669
Gains on disposal of property and equipment, net	400	209,643
Realized losses on sale of investment securities	(103,400)	-
Total Non-Interest Income	4,969,593	6,496,012
Non-Interest Expense		
Compensation and employee benefits	7,861,412	8,241,676
Operations	6,886,510	6,825,887
Professional and outside services	1,193,491	1,181,001
Loan servicing	783,187	906,149
Occupancy	1,073,775	1,121,498
Education and promotion	351,494	308,850
Goodwill amortization	13,761	82,453
Total Non-Interest Expense	18,163,630	18,667,514
NET LOSS	\$ (2,234,330)	\$ (658,632)



Treasurer's Report Mark Linville

Piedmont Advantage Credit Union closed 2024 with total assets of \$387,464,706. While the year reflected a net loss of \$2,234,329, this outcome was largely shaped by the high-rate environment that continues to place pressure on the credit union's cost of funds.

Building toward Profitability

Despite these challenges, the Board of Directors and management team actively collaborate on strategies to strengthen revenue and reduce operating expenses. These efforts are designed to restore profitability while continuing to meet members' financial needs.

Strong Capital Position

At year-end, members' equity totaled \$32,284,282, resulting in a net worth ratio of 8.33%. Because credit unions are considered well capitalized when their net worth exceeds 7.00%, Piedmont Advantage remains securely positioned. This level of capital serves as the credit union's "rainy day fund," providing the financial strength needed to navigate both economic stability and uncertainty.

Asset Quality and Liquidity

Asset quality continues to be a key strength. The combined ratio of loan losses and delinquent loans remained under 1.00%, underscoring sound lending practices and responsible member repayment.

Following an industry-wide period of elevated interest rates and liquidity pressures in 2023, Piedmont Advantage experienced greater stability throughout 2024, a trend that has continued into 2025. Should inflationary forces lead to higher rates, the credit union maintains more than adequate liquidity sources to serve its member-owners confidently.

Transparency and Member Access

In keeping with credit unions' cooperative principles, Piedmont Advantage provides members access to the full Financial Statement upon request. Members interested in reviewing the detailed report may contact our corporate headquarters at 3530 Advantage Way in Winston-Salem.



Branch Locations

Advantage Way Branch
3530 Advantage Way
Winston-Salem, NC 27103

Charlotte Branch
2830 Boyer Street
Charlotte, NC 28208

Eden Branch
212 E. Kings Highway
Eden, NC 27288

University Branch
4997 Home Road
Winston-Salem, NC 27106

Mooresville Branch
139 S. Cardigan Way
 Mooresville, NC 28177

Greensboro Branch
3717 Battleground Avenue
Greensboro, NC 27410



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People Helping People

At PACU, it always comes back to people. Our certified financial counselors are here to help you create budgets, overcome challenges and build off opportunities. Our investment advisors are ready to walk with you as you plan for retirement or manage your wealth. Wherever you are in your financial journey, we have someone ready to meet you there.

Rooted in Community

Our community commitments are another way we live out our promise to you. This year, the PACU Foundation celebrated its fifth anniversary. In just four years, together we've raised and distributed \$100,000 to support area charities help residents overcome financial hardship through financial literacy, education and training and emergency service. For its fifth year, the foundation set a bold goal: raise and distribute \$50,000 in 2025 alone. **Based on what has already been achieved this year, I'm confident the foundation will get there, with your continued support.**

And in October, we marked our third annual Simply Service Day. Instead of taking the federal holiday, Columbus Day, off, our entire staff spent the day volunteering in our communities. We cooked, cleaned, did yard work, made luminaries and rolled up our sleeves wherever we were needed. It's one of my favorite days of the year because it reflects the very heart of what "people helping people" means.

Meeting Challenges Head-On

Of course, like all financials, we have been experiencing more than our fair share of macro-economic challenges. A higher interest rate environment has put pressure on our margins and impacted our bottom line. We also faced rising operating costs and the ongoing need to balance technology investments with financial discipline.

These challenges are real, but so is our resolve. We address them by carefully managing expenses, finding innovative ways to operate our branches and investing in systems that create long-term efficiencies. Most importantly, we are keeping our focus on you by ensuring that no matter the environment, you continue to receive the value, service and security you deserve as a member-owner.

Moving Forward, Together

As we continue through our 76th year, one thing remains constant: our commitment to you. Whether you prefer the convenience of digital banking, the reassurance of a phone call or the warmth of an in-branch visit, we are here to deliver the experience you deserve. **Because at Piedmont Advantage, we believe banking is more than transactions. It's about community, connections and the sense of belonging you can always count on.**

Thank you for letting us be part of your journey.



Supervisory Committee Report A.J. Eaker, Chairman

The Supervisory Committee, appointed annually by the Board of Directors, is responsible for safeguarding members' interests by reviewing Piedmont Advantage Credit Union's records and activities to ensure safety and soundness.

The committee engaged Butler and Burke to conduct the annual audit of financial statements for the year ending December 31, 2024. The audit was performed in accordance with generally accepted accounting principles, and a clean opinion was issued. The scope of work also included the verification of members' accounts, a review of policies and procedures and an audit of the 401(k) plan.

The North Carolina Department of Commerce's Credit Union Division and the National Credit Union Administration also completed regulatory examinations to confirm compliance with all applicable laws and regulations.

Additional independent reviews were conducted to strengthen oversight across key operational areas. FIRM Consulting performed audits of the Bank Secrecy Act, wire transfers, loan operations, and vendor management. Feather CU Services conducted the ACH audit. SilverSky provided IT penetration testing, risk assessments, IT audits and a cybersecurity review.

Through this work, the Supervisory Committee reaffirms Piedmont Advantage's commitment to accountability, transparency and sound financial management on behalf of its members.

This report is given on behalf of the committee, including Toni Douglas and Mary Vitale.