



ANNUAL REPORT 2026

August 1, 2026

www.skyfcu.org

*Serving Montana &
Beyond For 91 Years*

Federally Insured by NCUA
SKY FCU NMLS# 506352



90th Annual Meeting Agenda



1 Call To Order

2 Approval of 89th Annual Meeting Minutes

3 Message From CEO & Board Chair

4 Financial Summary

5 Nominations Committee Report

6 Supervisory Committee Report

7 Guest Speakers/Community
Investments & Highlights

8 Board of Directors Elections

9 Adjournment

Minutes From Our 89th Annual Meeting Of The Members

The annual meeting was called to order by Chair Mary Ann Duffey at 7:52 pm. The following directors were present in person in the Livingston Board Room: Chair Mary Ann Duffey, Vice Chair Gary Tague, Secretary Dale Siegle, Jewel Redmon, and Dan Durgan. Director Pam Schoenen joined via Zoom.

Director Catherine Lane was excused.

Fifty-two members were present in the Livingston Board Room and on the Zoom meeting, enough to constitute a quorum. Member Niki Basco made a motion to dispense with the reading of the minutes of the previous meeting held July 24, 2024, and to approve them as printed. Motion seconded by Member Angel Willie and motion carried.

Chair Duffy referred members to the printed CEO/Board of Directors Report and Nominating Committee Report.

Next, CEO DeYoung highlighted accomplishments achieved in the history of Sky from its charter in 1935 to the celebration of 89+ year of service in 2024. Our charter went from the humble handful of railroad employees pooling their money together in the back shops of Northern Pacific Railroad in Livingston, Montana, to opening 6 branch locations serving 28 counties in Montana, Idaho and Wyoming. As of December 31, 2024, we have 12,649 members, located all around the world.

Sky FCU ended December 2024 with assets of \$195,327,874 compared to year-end-December 2023 with assets of \$195,622,696, which is a decrease in assets of -\$294,822. Member deposits ended in 2024 at \$176,929,483 compared to year-end 2023 at \$167,583,086.

Our net loan portfolio balance as of December 31, 2024 was \$120,209,443 compared to \$115,188,949 for year-end December 2023.

Even in this economy, loan growth continues throughout the country. Sky FCU maintains a healthy loan-to-share ratio of 68% as of December 31, 2024, compared to year-end 2023 at 69%. We maintained our Loan-to-Share ratio year-over-year. The national average of our peer group in the country was 71% as of year-end 2024 compared to year-end 2023 of 74%. The average among Montana Credit Unions was at 78% as of December 31, 2024, compared to year-end 2023 at 78%.

We ended 2024 with delinquency at .42% compared to year-end 2023 at .82%. With the increase in rates and substantial increase in inflation, consumers were still struggling to make ends meet during 2024 and into 2025. We also increased our Allowance for Loan Loss Account again during 2024 as our loan portfolios continue to grow.

Sky FCU ended 2024 with a net worth or capital/asset ratio of 7.64% compared to 7.30% at year-end 2023. This is an increase, which is great, as we did continue to have an increase in assets at year-end 2024. This was great growth and a very positive ratio according to our Federal Regulators, the NCUA.

CEO DeYoung recognized SKY FCU's 10-year partnership with Montana DECA. She also recognized John Stiles for his role in working with DECA.

Member Kris Stiles made a motion to accept the CEO/Board of Directors Report as presented. Motion seconded by Leo Block and motion carried.

Director Dale Siegle made a motion to accept the Supervisory Committee Report as presented by Supervisory Chair Audrey Dodge. Motion seconded by Niki Basco and motion carried.

Chair Duffey asked for any unfinished business to come before membership. There was no unfinished business to discuss, and the meeting turned into new business.

Chair Duffey called for new business which included the announcement of the 2025 Scholarship winners. President/CEO DeYoung announced the recipients of the 2025 Achievement Awards which included winners present

- John Hasbrook graduated from Sweet Grass County High School and will be attending Dakota Western, studying Accounting and Soccer.
- Landess O'Dea graduated from Park High School and will be attending University of Utah, studying Nursing.
- Camille Poncin graduated from Park High School and will be attending Dickenson State in North Dakota, studying Pre-Med and Golf

Scholarships were also awarded to

- Ryley Gault of Manhattan High School
- Madilyn Simon of Belgrade High School
- Sierra Mauland of Sweet Grass County High School
- Aiden Kramer of Ennis High School
- Cole Kramer of Ennis High School

Chair Duffy presented the Nominations Committee Report, stating that Daniel Durgan, Jewel Redmon, and Dale Siegle were nominated for election to three-year terms on Sky Federal Credit Union's Board of Directors. Biographical data on these individuals was prominently displayed in the Credit Union lobby locations. The secretary received no nominating petitions. Since there was only one nominee per opening, the election will not be conducted by ballot and there will be no nominations from the floor. Chair Duffy called for a motion from the floor to elect these three candidates by acclamation. Member Sandy Thomas made a motion to elect these three candidates by acclamation. The motion was seconded by Dan Emter and the motion carried. Chair Duffy congratulated the newly elected Directors.

CEO DeYoung and Chair Duffy asked the membership if there were any questions. There were no questions from the membership.

There being no further business to come before this meeting, A motion to adjourn the meeting was made, seconded, and carried.

Meeting adjourned at 8:34 pm.

Wendy D Wood, Recording Secretary Daniel Durgan, Secretary



ABOUT SKY FEDERAL CREDIT UNION

Sky Federal Credit Union is a not-for-profit financial cooperative, providing the best service to our most important assets — our members. We have been serving our members' financial needs since 1935!

- Sky Federal Credit Union is a democratically owned and controlled institution based on "people helping people" principles.
- Our board of directors is elected by our members; each member has an equal vote regardless of how much he or she has on deposit.
- Only members may serve as directors and they serve without compensation.
- Sky Federal Credit Union, like other credit unions, has no outside stockholders, so after reserves are set aside, earnings are returned to members in the form of higher dividends on savings, lower loan rates, and lower-cost services.

VISION

We promise to provide local financial products, services and advice.

In doing so we will:

- Work in your best interest
- Help you achieve financial success
- Make it easy to do business with us

MISSION

01

To deliver valued **solutions** for all your financial needs.

02

Member-focused philosophy

03

Investing in the communities we serve

04

Local connection & resource



Message From The CEO & Board Chair

Celebrating 91 Years of Service

For 91 years, Sky Federal Credit Union has stood as a trusted partner in the financial well-being of our members and the communities we serve. What began as a simple mission has grown into a strong, resilient cooperative built on service, trust, and long-term relationships.

This past year required focus, discipline, and adaptability. In a changing economic environment, we remained committed to serving our members, supporting our communities, and maintaining the financial strength and stability that allow us to be here for our members today and well into the future.

Sky Federal Credit Union ended 2025 in a strong and stable financial position, with total assets increasing to \$199.7 million, up from \$195.3 million in 2024. This growth reflects our continued focus on maintaining a sound balance sheet while thoughtfully managing liquidity, investments, and lending activity.

Our investment portfolio increased by \$5.1 million during the year, helping support overall asset growth and providing additional flexibility for the future. Loans to members remained steady at approximately \$120.0 million, demonstrating our continued commitment to meeting the borrowing needs of members, families, and local businesses. Net loans were consistent year over year after allowance for loan loss, reflecting prudent credit risk management and a balanced approach to growth.

Member shares totaled \$172.1 million at year-end. While shares declined from the prior year, Sky Federal Credit Union maintained solid capital of \$15.0 million. Capital remains an important foundation for our long-term strength, safety, and ability to serve members through changing market conditions.

From an earnings perspective, 2025 reflected meaningful improvement in core interest income. Interest income from loans and investments increased by \$945,095, and net interest income improved by \$1.1 million compared to 2024. These results reflect the benefit of disciplined balance sheet management and continued focus on earning assets.

At the same time, net income was impacted by higher provision for loan loss, increased operating expenses, and non-operating losses. These pressures reflect many of the challenges financial institutions continue to navigate. Even with these headwinds, we remained focused on protecting the financial strength of the credit union while continuing to invest in service, technology, employees, and the member experience.

2025 Financial Highlights:

- Total Assets: \$199.7 million
- Total Loans: \$120.0 million
- Net Loans: \$118.7 million after reserves

Total Deposits (Shares): \$172.1 million

- Net Interest Income: \$8.0 million
- Year-to-Date Net Income: \$15,241
- Total Capital: \$15.0 million

We also maintained strong lending activity throughout the year, originating \$33.8 million in new loans and continuing to serve a diverse portfolio of consumer, real estate, and business lending needs. Our membership remains strong and engaged, with 12,666 members, more than 27,000 share accounts, and nearly 6,000 loans outstanding.

As we celebrate 91 years of service, we are also focused on the future. Sky Federal Credit Union remains committed to responsible growth, strong capital, sound lending practices, and delivering value to our members and communities. We will continue investing in digital tools, strengthening member relationships, supporting our employees, and driving sustainable growth.

Our cooperative strength comes from the trust and participation of our members. Our success is also made possible by the dedication of our employees and the leadership of our Board of Directors. Thank you for being part of our story and our future.

Sincerely,
Daisy Romo, Ph.D.
Chief Executive Officer



Mary Ann Duffey
Chair, Board of Directors



Financial Performance Overview

Assets
2024 vs. 2025
\$195.3M
to
\$199.7M

Growth
+\$4.4M

Cash &
Investments
+
\$4.9M
@ \$68.9M

Profitability
Net Interest
Income
+\$1.1M
Total Liabilities,
Shares & Capital
+\$4.4M
Building Business
\$35M-Loans

Membership
13K
Strong &
Growing
Loans
137K*

*since 1935

EXECUTIVE TEAM



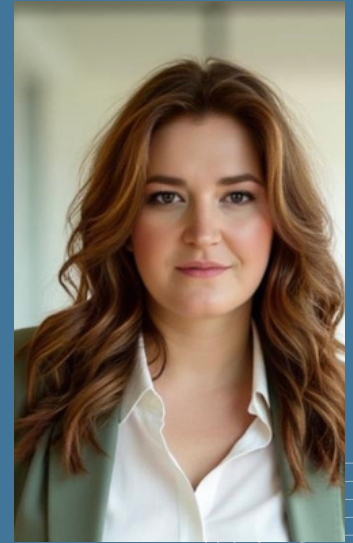
**Roger
Yarborough**
*VP of Retail &
Lending*



**Melanie
Emter**
*Chief Financial
Officer*



**Travis
Ober**
*Chief Information
Officer*



**Sena
Estes**
*VP of Digital
Services*

EMPLOYEE SPOTLIGHT

Rita Hahn, HR Administrative Assistant

Dedicated since October 1, 1982



I joined Sky Federal Credit Union in October 1982 as a high school student after my business teacher encouraged me to apply. What started as an after-school position grew into a lifelong career spanning more than four decades.

Throughout my time at Sky FCU, I've had the opportunity to serve in many roles, including Teller, Member Services Representative, Back Office Operations, Card Services, Member/Support Services Manager, Consumer Loan Processor, and now Human Resources. Each position has allowed me to learn, grow, and contribute in new ways.

The most rewarding part of my career has been building relationships with our members and coworkers while seeing firsthand how every employee plays an important role in our success. I'm grateful for the opportunities Sky FCU has provided and proud to be part of an organization that values its people.

Outside of work, I enjoy cooking, biking, camping, and cheering on my granddaughters at their volleyball games and dance competitions.

FINANCIAL COMPARISON REPORT

At-A-Glance Highlights

Measure	2024	2025	Year-Over-Year Change
Total Assets	\$195.3M	\$199.7M	\$4.4M Increase
Loans To Members	\$120.2M	\$120.0M	Stable
Member Shares	\$176.9M	\$172.1M	\$4.8M Decrease
Total Capital	\$15.0M	\$8.0M	Stable
Net Interest Income	\$6.9M	\$8.0M	\$1.1M Increase
Net Income	\$628K	\$15K	\$613K Decrease

Balance Sheet	2024	2025	Change
Cash & Investments	\$64.0M	\$68.9M	+\$4.9M
Net Loans	\$118.7M	\$118.7M	Stable
Other Assets	\$12.6M	\$12.1M	-\$0.5M
Total Assets	\$195.3M	\$199.7M	+\$4.4M
Member Shares	\$176.9M	\$172.1M	-\$4.8M
Other Liabilities	\$3.4M	\$12.6M	+\$9.2M
Capital	\$15.0M	\$15.0M	Stable
Total Liabilities, Shares & Capital	\$195.3M	\$199.7M	+\$4.4M

FINANCIAL COMPARISON REPORT

At-A-Glance Highlights

Income Statement	2024 YTD	2025 YTD	Change
Interest Income	\$9.4M	\$10.3 M	+\$0.9M
Interest Expense	(\$2.5M)	(\$2.3M)	+\$0.2M
Net Interest Income	\$6.9M	\$8.0M	+\$1.1M
Provision For Loan Loss	(\$0.4M)	(\$0.9M)	-\$0.5M
Other Income	\$2.8M	\$2.8M	Stable
Operating Expense	(\$9.0M)	(\$9.4M)	-\$0.4M
Non-Operating Income/Expense	\$0.3M	(\$0.5M)	-\$0.9M
Net Income	\$628K	\$15K	-\$613K

BOARD MEMBERS



Mary Ann Duffey
Chairperson

Mary Ann Duffey graduated from the University of Montana in 1982 with a B.S. in Business Management. She has been a full time real estate broker with Sonny Todd Real Estate in Big Timber, MT since 1993. Mary Ann and her husband, Tom York, are the fourth generation to live on her family ranch, east of Big Timber.



Gary Tague
Vice Chairperson

Gary grew up on a ranch near Intake, Montana, and earned a Bachelor of Science in Business Administration from Grand Canyon College. He enjoyed a successful career as a partner at Strong & Bradley in Livingston before retiring in 1996. Gary and his wife, Pennie, now live in Bozeman, where they enjoy spending time with their two daughters and grandchildren.



Catherine Lane
Director

A Livingston native, Catherine earned a degree in Interior Design from Montana State University before building her career in Texas. In 1990, she returned to Livingston to found Catherine Lane Interiors, a full-service interior design studio and showroom. She enjoys the outdoors, travel, cooking, reading, and spending time with family.



Pam Schoenen
Director

Pam Schoenen is a longtime Livingston resident and Park High School graduate. She holds bachelor's and master's degrees in business and health program management, as well as a Doctor of Pharmacy degree from the University of Montana. Throughout her career, Pam served as a fitness center owner, pharmacist, and Pharmacy Director at Community Health Partners before retiring in 2020. She and her husband, Jeff, enjoy spending their retirement between Clinton, Montana, and Goodyear, Arizona, while cherishing time with their growing family.



Daniel Durgan
Director

Dan Durgan is a lifelong Livingston resident and graduate of Park High School. He earned a bachelor's degree in Theology in 1999 and, after teaching on the island of Molokai for three years, returned to Livingston with his wife, Julia. In 2016, they opened Riverside Hardware, a locally owned business on Main Street, where they work alongside their three children. Dan values faith, family, and community and is proud to serve on the Sky Federal Credit Union Board of Directors.



Kirk Keysor
Director

Kirk Keysor is a Montana native with extensive experience in economic development, financial services, and rural community development. He retired from the U.S. Department of Commerce's Economic Development Administration after serving Montana and Wyoming and previously held leadership roles with the National Credit Union Administration, USDA Rural Development, Stockman Bank, and First Interstate Bank. Now semi-retired, Kirk continues to support rural Montana through consulting and local public service. He holds a Bachelor of Science in Business Administration from Montana State University Billings.



Sam Worthington
Director

Samuel Worthington serves as Regional President of Adams MultiMedia Montana, leading 15 newspapers and more than 90 employees across the state. With more than 22 years of executive leadership experience in media, marketing, and business operations, he brings expertise in strategic planning, financial management, digital innovation, and organizational growth. An active community leader, Samuel is committed to strong governance and supporting organizations that create lasting value for the communities they serve.

NOMINATING COMMITTEE

- Mary Ann Duffey
- Catherine Lane

SUPERVISORY COMMITTEE

- Audrey Dodge, Chairperson
- Kirk Keysor
- Jacki McGuire

Nominations Committee Report

The Nominating Committee has nominated Kirk Keysor and Sam Worthington to three years terms on Sky Federal Credit Union's Board of Directors to step in for Directors Dale Siegle and Jewel Redmond. In addition, the nominating committee has appointed Daniel Durgan as the Credit Union's Secretary.

The Nominating Committee has nominated Gary Tague and Pam Schoenen to three year terms on Sky Federal Credit Union's Board of Directors.

Biographical data on these individuals was prominently displayed in the Credit Union lobby locations.

The Credit Union received no other nominations or petitions. Since there was only one nominee per opening, the election will not be conducted by ballot and there will be no nominations from the floor at the annual meeting, as prescribed by the Credit Union Bylaws.

BOARD HONORS

Jewel Redmon-Board Member 2010-2026

Born in South Carolina. She and her husband, Jack moved to Montana in 1963. Jewel and Jack operated Jewel's Flour Shop, Inc for over 20 years. Jewel's passion for cooking led to manufacturing Jewel's Granola, Bear Paw Cookies and a catering career in Park County, Yellowstone Park and surrounding areas. Jewel and Jack have 5 children and 8 grandchildren.

Dale Siegle-Board Member 2011-2026

Born in Glendive. Dale and his late wife, Nancy, moved to Livingston in 1979, where they had two wonderful daughters. Dale worked for Montana State Job Service for 30 years before retiring and moving on to be a Real Estate Broker and Fishing Outfitter/Guide

"During my time I've been serving on the Board, it has been rewarding to see the expanding levels of service to our membership with the increased membership to the Gallatin County branches and other neighboring communities. The level of personalized service and efficiency of the Staff and Management is to be commended as they embrace an attitude of continuous improvement for all our members' benefit."



Supervisory Committee Report

Introduction

The Supervisory Committee is responsible for ensuring that the credit union operates with sound internal controls, accurate financial reporting, and compliance with applicable regulations. We are pleased to report on the committee's oversight activities for the year ended December 31, 2025.

Audit Activities & Status

The Committee is finalizing the 2025 Bank Secrecy Act (BSA) and ACH audits conducted by Bases Covered. Additionally, the Committee is reviewing the 2025 year-end financial statement audit completed by Singer Lewak LLP, the new independent audit firm engaged by the Supervisory Committee.

Transition to Singer Lewak

Beginning in 2026, Singer Lewak will provide expanded audit services including the annual financial statement audit, testing of internal controls such as ACH and BSA, and execution of an internal audit monitoring plan to strengthen oversight and governance.

Agreed-Upon Procedures Engagement

Singer Lewak conducted an agreed-upon procedures engagement at the direction of the Supervisory Committee. These procedures focused on target areas of risk and included employee account activity, delinquency and charge-off practices, loan and collateral management, and internal controls, including segregation of duties.

Findings & Management Response

The engagement identified opportunities to strengthen controls, documentation, and segregation of duties. Management has begun implementing corrective actions, including enhanced monitoring, improved documentation, and strengthened internal controls.

The Supervisory Committee believes the credit union remains financially sound and that management is taking appropriate actions to address identified risks. The Committee remains committed to strong oversight, regulatory compliance, and transparency.



INVESTING IN OUR COMMUNITIES

Federal Home Loan Bank (FHLB) of Des Moines, Member Impact Fund Grants

- DECA-\$8,574
- Prospera-\$8,574
- Gallatin Ice Foundation-\$8,574
- Madison Valley Community Center-\$8,574
- Gateway Wellness Center-\$42,872



Legacy Scholarships

- Walter H Martin Achievement Award
 - Wade Stohlmann, Gallatin High School – Accepted into US Airforce Academy – Molecular & Cellular Biology and Russian
- Martha V. Hampson Achievement Award
 - Shayne Taylor, Shields Valley High School – University of Montana Western – Education

Sky FCU Achievement Scholarship

- Kaylie Marie Enloe, Sweet Grass County High School, Attending Montana State University – Nursing
- Laney Marie Ketcham, Sweet Grass County High School, Attending Montana Technical University – Occupational Safety and Health
- Greysen T. Zigweid, Sweet Grass County High School – Pediatric Care
- Elliann Schmidt, Gallatin High School, Attending Northern Arizona University – Criminology & Criminal Psychology
- Madison A Oostema, Belgrade High School, Attending Montana State University – Education
- Noah Turnquist-Linn, Belgrade High School, Attending Gallatin College – Hospitality & Management

**2026 FHLB
Funds
Awarded**

\$77K

**5 Area
Community
Organizations**

**Walter H. Martin
Scholarship**

1984-2026

44 Recipients

**Martha V. Hampson
Scholarship**

1997-2026

31 Recipients

**Sky Achievement
Scholarship**

2006-2026

89 Recipients

**Total
Scholarships:**

\$164K

**42 years of
educational
investments**

**4 Counties &
13 School
Districts**

LEGACY MEMBER

Sky FCU's Longest Member—Donalene O'Neill

Shortly after marrying the love of her life, Donalene O'Neill was introduced to the Livingston **Northern Pacific Railroad Employees' Federal Credit Union** by her husband, Sonny. As a skilled tinsmith for the railroad, Sonny believed there was no better place to meet their family's financial needs, and together they began a lifelong relationship with the Credit Union.

As their family grew, Sonny and Donalene instilled the value of financial responsibility in their four children, enrolling each of them as youth members long before they fully understood the importance of saving and managing money. That tradition has continued through future generations, with children and grandchildren becoming members and opening both personal and business accounts.

Today, Donalene and her family celebrate an incredible **78 years of membership with Sky Federal Credit Union**—a testament to generations of trust, loyalty, and shared values.

When invited to be our special guest at Sky Federal Credit Union's 90th Annual Meeting in recognition of her many years of membership, Donalene graciously replied, "I'd be honored. Sonny would be so proud."

What 1948 was like in Livingston...

Daily life in Livingston, Montana in 1948 was defined by a booming railroad industry, a rugged ranching culture, and a distinct geographic divide shaped by economic lines. Home to a stable population of roughly 7,800 residents, the town operated as a critical Northern Pacific Railroad division point. The community was tightly knit, but it stood at a major crossroads as modern post-war changes began to reshape its identity.



INSIDE SKY FCU





MEET OUR NEW CEO

We're excited to introduce our new CEO, Daisy Romo!

She brings 25 years of experience, a heart for the communities we serve, and a bold vision for our future.

Connect With Us

www.skyfcu.org

Sky FEDERAL CREDIT UNION

Daisy Romo
CEO, Sky FCU





YOUR LOCAL FINANCIAL PARTNER

Since 1935

We look forward to growing to meet our members' needs and demands of life as well as being a resource for our growing communities to strengthen and enrich lifestyles and financial well-being.

Personal Business Deposits Loans



406-222-1750



www.skyfcu.org



Belgrade Big Timber Bozeman Ennis Livingston