

ANNUAL REPORT

2024

UNIVERSAL FINANCIAL SERVICES, INC.

HOLDING COMPANY OF FIRST STATE BANK AND TRUST & VALLEY AGENCIES, INC.

FIRST STATE
BANK AND TRUST

VALLEY
AGENCIES
INSURANCE

Achieve More. Together.™

AS YOU MAY KNOW, THIS PAST MAY MARKED A SIGNIFICANT MILESTONE — THE 110TH ANNIVERSARY OF VALLEY AGENCIES AND FIRST STATE BANK AND TRUST SERVING THE ST. CROIX VALLEY.

This achievement is a tribute to the vision and dedication of our founders, who sought to create an institution that could meet the growing financial needs of our community.

As we look ahead to 2025, we remain firmly anchored in the same guiding principles and values established in 1914. Our continued success is no accident; it's the result of staying focused on the future while honoring our deep-rooted history and traditions. Over the past 110 years, we've expanded our service beyond traditional banking to meet the diverse financial needs of our community — from supporting businesses with banking services to providing mortgages for homebuyers, offering insurance to protect assets, and helping families build and safeguard wealth through our Trust Department.

The results you'll see in this report reflect a year of remarkable financial growth in 2024. However, the numbers alone don't tell the full story. They are a direct reflection of the dedication and commitment of our employees, who treat each client interaction as their highest priority. One of the greatest strengths of being a community bank is that relationships drive our success. We don't measure success by quarterly earnings or key performance indicators alone. Our focus is doing what's best for our clients, treating every client as our most important, and continually supporting a thriving, vibrant community. This philosophy has resulted in strong financial performance, which has fortified our capital structure and ensures we remain an independent community bank dedicated to serving the financial needs of the St. Croix Valley well into the future.

We recently completed our 2030 Strategic Plan, a process in which our Board and staff were engaged. Throughout the planning process, one theme emerged consistently: our unwavering commitment to maintaining our independence and serving as a trusted financial partner for our community. By focusing on these priorities, we are confident our organization will continue to thrive for many years to come. While the broader geopolitical and economic landscape may bring uncertainty, I am confident that by remaining true to the core values that have guided us for over a century, Valley Agencies and First State Bank and Trust will not only endure but continue to grow — always prioritizing our clients, employees, community, and shareholders.

On behalf of our team, I would like to express our heartfelt appreciation for your ongoing support.

Sincerely,



Jason A. Howard
PRESIDENT / CEO



BOARD OF DIRECTORS



Left to right: **Mel Sullivan, Ryan Cari, Tom Wagner, Andy Rollwagen, Michael Swisher, Jason Howard, Monica Weekes, Chad Fett, Keith Olson, Chris Galvin, Peter Clements (Board Chair)** Not pictured: **Dwight Cummins**

2024 MILESTONE ANNIVERSARIES

JON WEAVER – 5 yrs
AMY ALWIN – 5 yrs
JILL LINK – 5 yrs
LIZA BECHTOLD – 5 yrs
JANELLE RABOIN – 5 yrs
CARYN SANDE – 5 yrs
MEGAN MILLER – 5 yrs
DICK EDSTROM – 5 yrs
SIERRA HOULE – 5 yrs
PETER MATZEK – 5 yrs
KEVIN NEUMAN – 5 yrs
MAX VINE – 5 yrs

SHAWN GLASER – 20 yrs
JAMIE HINDAHL – 20 yrs

KELLY THAUWALD – 35 yrs

CONGRATULATIONS AND THANK YOU
TO OUR EMPLOYEES WHO CELEBRATED
MILESTONE SERVICE ANNIVERSARIES
IN 2024



**\$424 MILLION
TOTAL ASSETS**



**\$287 MILLION
OUTSTANDING LOANS**



**\$386 MILLION
DEPOSITS**



**\$7.95 BILLION
TRUST ASSETS
UNDER
MANAGEMENT**



**4,301
INSURANCE
POLICIES
MANAGED**



**20.21%
TOTAL RETURN
ON EQUITY**



**92
EMPLOYEES**

UNIVERSAL FINANCIAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED BALANCE SHEETS (UNAUDITED)

AS OF DECEMBER 31,	2024 (IN THOUSANDS)	2023 (IN THOUSANDS)
ASSETS:		
Cash and due from banks	\$41,215	\$38,284
Securities available for sale	83,006	85,030
Loans, net of allowance	283,271	266,947
Premises and equipment, net	10,330	9,788
Other assets	6,245	6,371
TOTAL ASSETS	\$424,067	\$406,420
LIABILITIES:		
Deposits	\$385,670	\$370,983
Borrowings	5,000	5,000
Other liabilities	3,524	4,147
TOTAL LIABILITIES	394,194	380,130
STOCKHOLDERS' EQUITY:		
Common stock	4,342	4,342
Additional paid-in capital	5,578	5,578
Retained earnings	23,690	21,107
Accumulated other comprehensive income (loss)	(3,737)	(4,737)
TOTAL STOCKHOLDERS' EQUITY	29,873	26,290
TOTAL LIABILITIES AND STOCKHOLDERS' EQUITY	\$424,067	\$406,420
CORE CAPITAL RATIO	9.19%	8.81%
BOOK VALUE PER SHARE	\$275.22	\$242.22

UNIVERSAL FINANCIAL SERVICES, INC. AND SUBSIDIARIES

CONSOLIDATED STATEMENTS OF INCOME (UNAUDITED)

YEARS ENDED DECEMBER 31,	2024 (IN THOUSANDS)	2023 (IN THOUSANDS)
INTEREST AND DIVIDEND INCOME:		
Loans, including fees	\$16,166	\$13,112
Securities	2,177	2,089
Other interest and dividends	1,286	1,650
Total interest and dividend income	19,629	16,851
INTEREST EXPENSE:		
Deposits	6,470	4,091
Borrowings	398	390
Total interest expense	6,868	4,481
Net interest income	12,761	12,370
Provision for loan losses	330	555
Net interest income after provision for loan losses	12,431	11,815
NON INTEREST INCOME:		
Bank service and other fees	1,042	974
Trust services	6,347	4,683
Commissions	1,774	1,529
Gain (loss) on sale of securities	(237)	(103)
Loss on sale of assets	(109)	(505)
Total non interest income	8,817	6,578
NON INTEREST EXPENSE:		
Salaries and benefits	10,107	9,325
Premises and equipment	1,333	1,401
Data processing and technology	1,125	1,074
Other non interest expense	3,112	2,634
Total non interest expense	15,677	14,434
NET INCOME	\$5,571	\$3,959
EARNINGS PER SHARE	\$51.33	\$36.47
NET INTEREST MARGIN	3.47%	3.54%



**3,700
SOCIAL MEDIA
FOLLOWERS**



**1,047,086
DEBIT CARD
TRANSACTIONS**



**1.41%
RETURN ON
AVERAGE ASSETS**



**.07%
LOANS PAST DUE
OVER 30 DAYS**



**3,677
MOBILE
BANKING USERS**



**\$71 MILLION
TOTAL LOAN
ORIGINATION
VOLUME**



**\$24 MILLION
IN MORTGAGE
PRODUCTION**

COMMUNITY FOCUSED

As an organization, FSBT and Valley Agencies are proud to support over 100 nonprofit organizations in the St. Croix Valley through financial support, board support, in-kind support, civic engagements, and employee volunteering.



local business feature

TWO RIVERS COMMUNITY LAND TRUST

TWO RIVERS COMMUNITY LAND TRUST (TRCLT) PROVIDES PERMANENTLY AFFORDABLE HOMES, IN WASHINGTON COUNTY, FOR LOW AND MODERATE INCOME HOUSEHOLDS WHOSE GROSS INCOME IS 80% OF THE AREA MEDIAN OR LESS.

The organization, which has been incorporated since 2000, has strong grassroots beginnings. In fact, it was in 1999 that a group of concerned community members met in the basement of a church in Bayport to strategize how to address the growing affordability of homes in the County. A promising model, the community land trust, is what came out of this meeting.

Now, TRCLT has 76 homes scattered across the County that are permanently affordable ownership homes. Much of the time, TRCLT acquires existing homes to rehab and resell, though there have been some new construction projects. With any of the homes acquired, the development or rehab priorities include safety updates, energy efficiencies, maintenance and repairs, and some modernization. With updates complete, TRCLT sells the home to a qualified buyer, bridging the gap between the mortgage approval of the buyer and the price of the home by retaining ownership of the land.



The land is never sold and, as a result, each subsequent qualified buyer is able to purchase land trust homes at an affordable price. This makes the home permanently affordable, and buyers are able to build equity through ownership of a home.



Additionally, the affordability of these homes fits with the workforce needs of the County, as the home prices align with the wages paid for many of the jobs and industries in the County. This means families can live in the community where they work and enjoy the benefits of the solid schools, parks, services, and other amenities that make Washington County a great place to live.

TRCLT is a community-based organization and has partnered with FSBT for nearly 25 years.

In addition to supporting TRCLT financially, FSBT is also a preferred lending partner and provides initial financing for the acquisition of homes entering the program.

For more information about their program, or a listing of the homes currently for sale, please visit their website tworiversclt.org and follow them on Facebook.



TWO RIVERS
Community Land Trust



WORLD SNOW CELEBRATION 2025

TEAM MELA FROM MALTA

Once again, we were excited to partner with the Greater Stillwater Chamber of Commerce who gave us the opportunity to host Team Mela from Malta during the World Snow Celebration this past January.

