



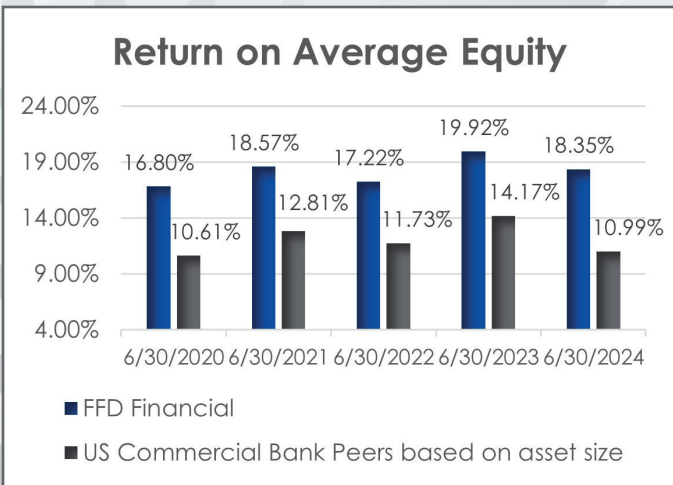
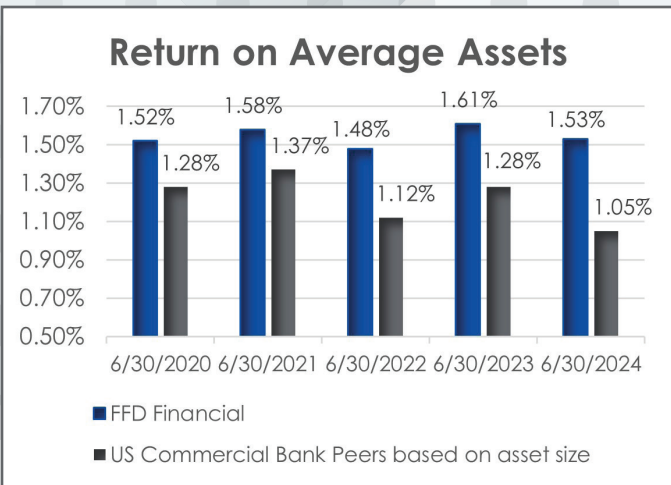
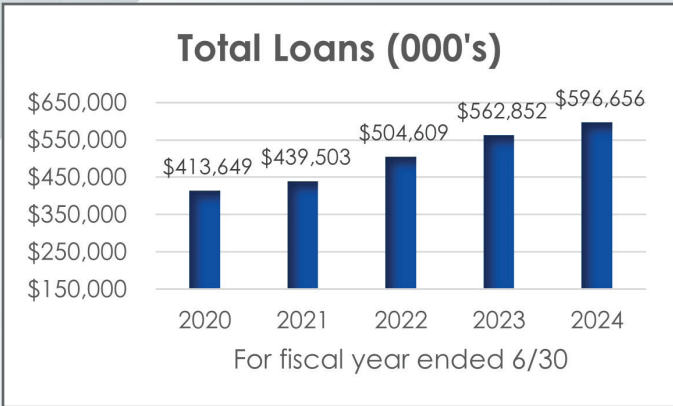
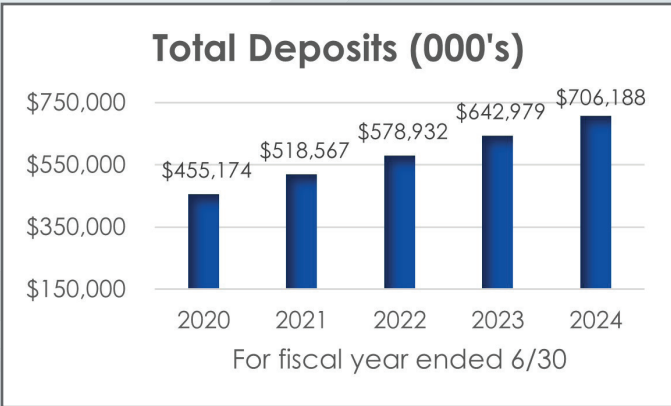
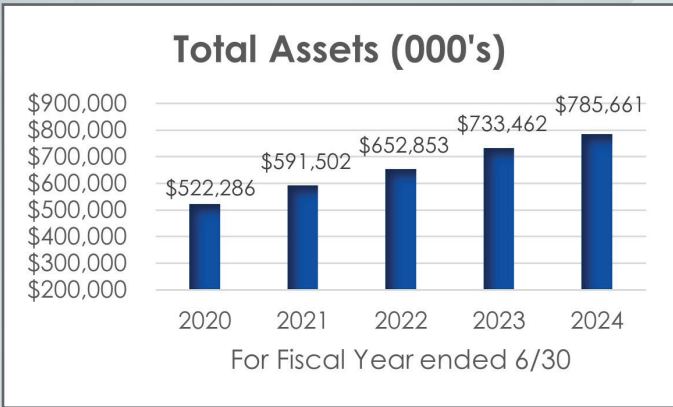
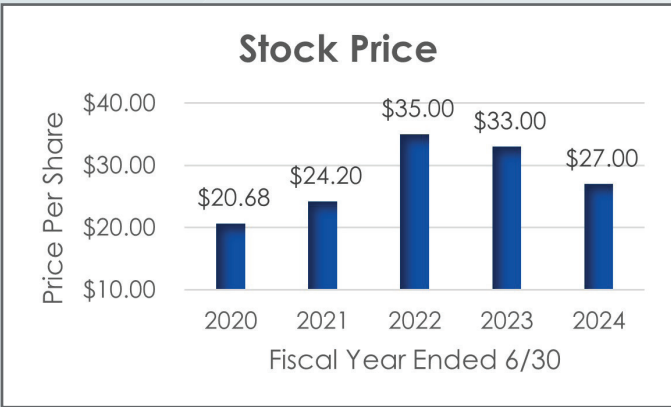
Mt. Hope Financial Center, Opened Fall 2024

# EXPANDING FOR OUR COMMUNITY

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## ANNUAL REPORT 2024

# Performance





## A Message to Shareholders

Dear Fellow Shareholders:

We are pleased to report another successful year of financial performance and growth. Earnings per share improved 4.7% and performance ratios for Return on Average Assets and Return on Average Equity were excellent at 1.53% and 18.35%. FFD was once again named by American Banker Magazine<sup>1</sup> to their Top Community Banks. We ranked 1<sup>st</sup> in Ohio and 19<sup>th</sup> in the nation.

This year we have announced several strategic banking center projects that we believe will position the bank for future growth and profitability:

- We entered into a long-term lease agreement for a stand-alone Mt. Hope Banking Center across the street from our current leased duplexed building. This new facility opened in August 2024 and provides us with significantly larger space, parking, and customer service capabilities.
- We have plans to enter a new market in Stark County Ohio. We purchased property near Lake Cable in Jackson Township, Canton, OH. We are excited about the growth potential of this market. We are already familiar with the area and have many loyal customers there. Construction will begin soon, and we expect it to be open by the summer of 2025.
- We have reached an agreement to sell our Downtown Dover office to the City of Dover for use as their city hall. The consolidation of this office and its staff into our other two Dover offices will provide significant efficiencies and an improvement in the overall customer experience. The closing of any office is a difficult decision. However, with our other two offices in Dover capable of serving the office's customers we felt that accommodating the City of Dover's need for additional facilities will benefit the city for years to come.

We dissolved FFD Risk Management, Inc. during the fiscal year due to an intended Internal Revenue Service ruling that adversely affected small captive insurance companies like ours. We were disappointed with the IRS ruling as FFD Risk provided a significant risk management tool as well as contributing to our profitability.

The significant increase in interest rates provided a unique opportunity for us to consider restructuring our Bank Owned Life Insurance policies. We did a significant analysis and were able to surrender some policies, restructure some policies, and purchase new policies. This restructuring has had an immediate positive benefit to our non-interest income.

Our primary focus remains on providing attractive returns to our shareholders, continuing our strong financial performance, and providing exceptional customer service. A few highlights for this past year include:

- Our strong earnings allowed us to raise the quarterly dividend to \$0.285 in October, a 3.6% increase.
- We announced a \$2 Million Stock Repurchase program and repurchased 34,282 shares for \$989,767.
- The bank's credit quality remains excellent as delinquency as a percentage of total loans was 0.05% and non-performing assets as a percentage of total assets was only 0.07% as of June 30, 2024.
- Total assets grew to \$785.6 million on June 30, 2024, an increase of 7.1% for the year.
- Net loans increased by \$33.8 million, or 6.0% and total deposits increased by \$63.2 million, or 9.8% during the fiscal year.
- Shareholder equity was \$67 million on June 30, 2024, an increase of 11.6% for the year.

<sup>1</sup> – American Banker June 9, 2024 “The 20 Top-performing Publicly Traded Banks with Under \$2 Billion in Assets”

The Company's return ratios noted previously are at the top tier of our peers<sup>2</sup>. On June 30, 2024, the current book value was \$22.86, per share. The closing share price on June 30, 2024, was \$27.00. This price represents a 7 times Price to Earnings Multiple and 115% of Book Value; These ratios are well below our historical trading multiples.

We received our Great Place to Work re-certification for 2024. This is our fifth year of this prestigious honor. Great Place to Work® is the global authority on workplace culture and helps organizations quantify their culture and produce better business results by creating high-trust work experiences for all employees. We also received our first "Best Banks to Work For" honor from American Banker magazine. We believe these recognitions show just how much we value our employees and help us recruit and retain top talent in tight labor markets. To help assure our continued strength in this area, we have initiated a program with a leading consultant to enhance our customer service strategies to provide a consistently great brand experience across all sectors of the bank.

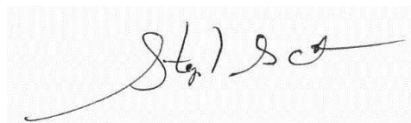
The Company's ability to perform as a top community bank is a function of our strategic plan which focuses on growth, credit quality and expense control. This year presented challenges with continued high interest rates and a tight labor market. We were able to keep our net interest margin reasonably stable through diligent management of funding costs and new loan originations. We were also able to maintain our staffing levels in addition to adding a number of new positions to accommodate our growth. We want to acknowledge that a critical key to our success is our management team and staff and their dedication and commitment to our company.

We sincerely appreciate your continued support. Our Annual Shareholders Meeting will be held on Thursday, October 17, 2024, at 1:00 pm at the First Federal Financial Education & Operations Center, 141 W. Ohio Avenue, Dover OH 44622. We encourage you to attend the meeting. We also encourage you to take advantage of our informative investor relations section at our website [firstfed.com](http://firstfed.com), as we intend to post our shareholder presentation materials at the conclusion of the meeting. Additionally, if you have questions, please feel free to contact us directly.

Sincerely,



Trent B. Troyer  
President & CEO



Stephen G. Clinton  
Chairman of the Board



<sup>2</sup> – D.A. Davidson Financial Institutions Group: Mid-Atlantic Digest July 1, 2024

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**

**Selected Consolidated  
Financial Information and Other Data**

The following table sets forth certain information concerning our consolidated financial condition, earnings and other data at the dates and for the periods indicated.

<b>Selected consolidated financial condition data</b>	<b>At June 30,</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Total amount of:					
Assets	\$ 785,661	\$ 733,462	\$ 652,853	\$ 591,502	\$ 522,286
Interest-bearing deposits	83,781	74,055	61,172	66,297	57,642
Investment securities available for sale	50,083	40,409	38,307	43,810	18,961
Loans receivable -net	596,656	562,852	504,609	439,503	413,649
Deposits	706,188	642,979	578,932	518,567	455,174
Advances from the FHLB and other borrowings	5,017	22,041	15,069	15,637	16,207
Shareholders' equity, restricted	66,970	59,983	52,553	51,184	43,812
<b>Summary of earnings:</b>	<b>For the year ended June 30,</b>				
	<b>2024</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2020</b>
Interest Income	39,035	29,637	21,363	19,739	19,435
Interest Expense	<u>14,018</u>	<u>6,009</u>	<u>1,429</u>	<u>2,373</u>	<u>3,772</u>
Net Interest Income	25,017	23,628	19,934	17,366	15,663
Provision for credit losses	<u>167</u>	<u>120</u>	<u>405</u>	<u>620</u>	<u>355</u>
Net interest income after provision for credit losses	24,850	23,508	19,529	16,746	15,308
Other income	3,200	2,800	2,923	4,125	2,421
General, administrative and other expense	<u>13,925</u>	<u>12,889</u>	<u>11,486</u>	<u>10,198</u>	<u>9,254</u>
Earnings before income taxes	14,125	13,419	10,966	10,673	8,475
Federal income taxes	<u>2,511</u>	<u>2,303</u>	<u>1,839</u>	<u>1,854</u>	<u>1,508</u>
Net Earnings	<u>\$ 11,614</u>	<u>\$ 11,116</u>	<u>\$ 9,127</u>	<u>\$ 8,819</u>	<u>\$ 6,967</u>
Earnings per share					
Basic	<u>\$ 3.94</u>	<u>\$ 3.76</u>	<u>\$ 3.09</u>	<u>\$ 2.99</u>	<u>\$ 2.34</u>
Diluted	<u>\$ 3.93</u>	<u>\$ 3.75</u>	<u>\$ 3.08</u>	<u>\$ 2.99</u>	<u>\$ 2.33</u>

(1) Includes loans held for sale.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**

**Selected Consolidated  
Financial Information and Other Data**

**Selected Financial Ratios  
and Other Data**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>
Return on average assets	1.53 %	1.61 %	1.48 %	1.58 %	1.52 %
Return on average equity	18.35	19.92	17.22	18.57	16.80
Interest rate spread	3.45	3.64	3.47	3.30	3.62
Net interest margin	3.51	3.67	3.47	3.32	3.65
Other expense to average assets	1.83	1.87	1.86	1.83	2.02
Average equity to average assets	8.34	8.08	8.60	8.53	9.05
Nonperforming assets to total assets	0.07	0.06	0.05	0.07	0.12
Nonperforming & impaired assets to total assets	0.19	0.27	0.12	0.16	0.23
Nonperforming & impaired assets to total loans	0.25	0.35	0.15	0.21	0.29
Net charge-offs (recoveries) to total loans	0.00	0.00	0.00	-0.01	0.02
Delinquent loans to total loans <sup>(1)</sup>	0.05	0.02	0.02	0.00	0.04
Allowance for credit losses to total loans	0.98	0.87	0.95	1.00	0.92
Allowance for loan losses to nonperforming loans & impaired	385.72	252.95	620.26	478.05	313.53
Average interest-earning assets to average interest-bearing liabilities	103.33	102.74	102.95	104.10	104.09
Dividend payout ratio	28.74	27.27	25.01	22.66	26.09
Number of full service offices	8	8	8	7	7

(1) Delinquent loans are loans as to which a scheduled payment has not been made within 30 days after the due date.

## **INDEPENDENT AUDITORS' REPORT**

Board of Directors  
FFD Financial Corporation  
Dover, Ohio

### **Opinion**

We have audited the accompanying consolidated financial statements of FFD Financial Corporation, which comprise the consolidated statements of financial condition as of June 30, 2024 and 2023, and the related consolidated statements of income, comprehensive income, changes in shareholders' equity and cash flows for the fiscal years then ended, and the related notes to the consolidated financial statements.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of FFD Financial Corporation as of June 30, 2024 and 2023, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Our responsibilities under those standards are further described in the Auditors' Responsibilities for the Audit of the Consolidated Financial Statements section of our report. We are required to be independent of FFD Financial Corporation and to meet our other ethical responsibilities in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Consolidated Financial Statements**

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with accounting principles generally accepted in the United States of America; and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about FFD Financial Corporation's ability to continue as a going concern within one year after the date that the consolidated financial statements are available to be issued.

### **Auditors' Responsibilities for the Audit of the Consolidated Financial Statements**

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditors' report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with generally accepted auditing standards will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgement made by a reasonable user based on the consolidated financial statements.

In performing an audit in accordance with generally accepted auditing standards, we:

- Exercise professional judgement and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of FFD Financial Corporation's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about FFD Financial Corporation's ability to continue as a going concern for a reasonable period of time.

#### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises A Message to Shareholders and Selected Consolidated Financial Information and Other Data but does not include the consolidated financial statements and our auditors' report thereon. Our opinion on the consolidated financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the consolidated financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

*Clark, Schaefer, Hackett & Co.*

Cincinnati, Ohio  
September 6, 2024



**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**

**Consolidated Statements of Financial Condition**  
**(In thousands, except share data)**

<b>ASSETS</b>	<u><b>2024</b></u>	<u><b>2023</b></u>
Cash and cash due from financial institutions	\$ 13,710	17,511
Interest-bearing deposits in other financial institutions, including overnight deposits	<u>83,781</u>	<u>74,055</u>
Cash and cash equivalents	97,491	91,566
Investment securities, available for sale, at fair value	50,083	40,409
Loans receivable, net of allowance for credit losses of \$5,894 and allowance for loan losses of \$4,958 at June 30, 2024 and 2023, respectively	596,656	562,852
Loans held for sale	731	909
Premises and equipment	14,298	14,342
Goodwill	539	539
Bank owned life insurance	15,520	13,475
Federal Reserve Bank stock, at cost	218	214
Federal Home Loan Bank stock, at cost	846	1,493
Loan servicing rights	878	994
Deferred income tax asset	1,453	1,249
Accrued interest receivable	2,056	1,620
Prepaid expenses and other assets	<u>4,892</u>	<u>3,800</u>
Total assets	<u><u>\$ 785,661</u></u>	<u><u>733,462</u></u>
<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
Deposits		
Interest bearing	\$ 561,840	494,189
Non-interest bearing	<u>144,348</u>	<u>148,790</u>
Total deposits	706,188	642,979
Federal Home Loan Bank advances	5,017	15,041
Federal funds purchased	-	7,000
Accrued interest payable	357	260
Accrued expenses and other liabilities	<u>7,129</u>	<u>8,199</u>
	<u>718,691</u>	<u>673,479</u>
Stockholders' equity:		
Preferred stock, authorized 1,000,000 shares, no par value; no shares issued or outstanding	-	-
Common stock, authorized 12,000,000 shares, no par or stated value; 3,420,722 shares issued; 2,929,110 shares outstanding at June 30, 2024 and 2,959,147 shares outstanding at June 30, 2023	-	-
Treasury stock, at cost	(8,603)	(7,658)
Additional paid-in capital	8,913	8,846
Retained earnings	71,548	63,876
Accumulated other comprehensive loss	<u>(4,888)</u>	<u>(5,081)</u>
Total shareholders' equity	<u>66,970</u>	<u>59,983</u>
Total liabilities and shareholders' equity	<u><u>\$ 785,661</u></u>	<u><u>733,462</u></u>

See accompanying notes to the consolidated financial statements.

**FFD FINANCIAL CORPORATION**  
**For the Years Ended June 30, 2024 and 2023**

**Consolidated Statements of Income**  
**(In thousands, except share data)**

	<b>2024</b>	<b>2023</b>
Interest and dividend income		
Loans, including fees	\$ 32,858	25,905
Taxable securities	350	363
Tax exempt securities	1,057	875
Interest-bearing deposits and other	4,770	2,494
	39,035	29,637
Interest expense		
Deposits	13,748	5,682
Federal Home Loan Bank advances and federal funds purchased	270	327
	14,018	6,009
Net interest income	25,017	23,628
Provision for credit losses	167	120
Net interest income after provision for credit losses	24,850	23,508
Noninterest income		
Gain on sale of loans	200	207
Mortgage servicing revenue, net	281	302
Net realized loss on sale of available-for-sale securities	(16)	-
Service charges on deposit accounts	1,756	1,669
Bank owned life insurance, net	481	322
Other	498	300
	3,200	2,800
Noninterest expense		
Employee and director compensation and benefits	8,539	7,651
Occupancy and equipment	1,719	1,696
Franchise tax	480	439
FDIC insurance premiums	336	308
Data processing	506	480
ATM processing	125	168
Professional and consulting fees	306	482
Postage and supplies	117	107
Advertising	244	242
Deposit account maintenance	43	36
Other	1,510	1,280
	13,925	12,889
Income before income taxes	14,125	13,419
Income tax expense	2,511	2,303
Net income	\$ 11,614	11,116
Earnings per share		
Basic	\$ 3.94	\$ 3.76
Diluted	\$ 3.93	\$ 3.75

See accompanying notes to the consolidated financial statements.

**FFD FINANCIAL CORPORATION**  
**For the Years Ended June 30, 2024 and 2023**

**Consolidated Statements of Comprehensive Income**  
**(In thousands, except share data)**

	<b>2024</b>	<b>2023</b>
Net income	\$ 11,614	11,116
Other comprehensive income (loss), net of related tax effects:		
Reclassification adjustment for realized loss included in net income, during fiscal year 2024, net of tax benefit of \$(3)	13	-
Unrealized holding gains (losses) on securities available for sale net of tax expense (benefits) of \$51 and \$(207) during fiscal years, 2024 and 2023, respectively	193	(779)
Comprehensive income	\$ 11,820	10,337

See accompanying notes to the consolidated financial statements.

**FFD FINANCIAL CORPORATION**  
For the Years Ended June 30, 2024 and 2023

**Consolidated Statements of Changes in Shareholders' Equity**  
(In thousands, except share data)

	Common Stock		Treasury Stock		Additional Paid-In Capital		Retained Earnings	Accumulated Other Comprehensive Income(Loss)	Total
	Shares	Amount	Shares	Amount	Paid-In Capital	Earnings			
Balance, June 30, 2022	3,420,722	\$ -	466,516	\$ (7,704)	8,768	55,791	(4,302)	52,553	
Net income	-	-	-	-	-	11,116	-	11,116	
Reissuance of treasury stock for restricted stock grants	-	-	(4,941)	46	(46)	-	-	-	
Stock-based compensation expense	-	-	-	-	124	-	-	124	
Other comprehensive loss, net of related tax effects	-	-	-	-	-	-	(779)	(779)	
Dividends on common stock, \$1.03 per share	-	-	-	-	-	(3,031)	-	(3,031)	
Balance, June 30, 2023	3,420,722	-	461,575	(7,658)	8,846	63,876	(5,081)	59,983	
Cumulative effect of adoption of ASU 2016-13, net of tax	-	-	-	-	-	(604)	-	(604)	
Balance, July 1, 2023, as adjusted for adoption of ASU 2016-13	3,420,722	-	461,575	(7,658)	8,846	63,272	(5,081)	59,379	
Net income	-	-	-	-	-	11,614	-	11,614	
Reissuance of treasury stock for restricted stock grants	-	-	(4,245)	45	(45)	-	-	-	
Purchase of treasury stock	-	-	34,282	(990)	-	-	-	(990)	
Stock-based compensation expense	-	-	-	-	112	-	-	112	
Other comprehensive income, net of related tax effects	-	-	-	-	-	-	193	193	
Dividends on common stock, \$1.13 per share	-	-	-	-	-	(3,338)	-	(3,338)	
Balance, June 30, 2024	3,420,722	\$ -	491,612	\$ (8,603)	8,913	71,548	(4,888)	66,970	

**FFD Financial Corporation**  
**For the Years Ended June 30, 2024 and 2023**

**Consolidated Statements of Cash Flows**  
**(In thousands, except share data)**

	<b>2024</b>	<b>2023</b>
<b>Cash flows from operating activities:</b>		
Net income	\$ 11,614	11,116
Adjustments to reconcile net earnings to net cash from operating activities:		
Provision for credit losses	167	120
Net gain on sale of loans	(200)	(207)
Origination of loans held for sale	(8,416)	(11,481)
Proceeds from the sales of loans held for sale	8,794	11,132
Amortization of securities available for sale, net	1,484	211
Depreciation and amortization	730	759
Earnings on bank owned life insurance, net	(481)	(322)
Net gain on sales of securities available for sale	(16)	-
Stock-based compensation expense	112	124
Deferred federal income tax benefit	(95)	(235)
Increase (decrease) in cash due to changes in:		
Net deferred loan origination costs	(78)	(97)
Accrued interest receivable	(436)	(388)
Prepaid expenses and other assets	(92)	253
Accrued interest payable	97	219
Other liabilities	(2,070)	941
Net cash provided by operating activities	11,114	12,145
<b>Cash flows from investing activities:</b>		
Purchases of securities designated as available for sale	(15,350)	(4,325)
Proceeds from sales or calls of securities designated as available for sale	2,620	800
Principal repayments on securities designated as available for sale	1,832	226
Sale (purchase) of restricted stock	643	875
Loan originations and payments, net	(34,735)	(58,363)
Additions to premises and equipment	(492)	(46)
Purchase of bank owned life insurance	(1,564)	-
Net cash used in investing activities	(47,046)	(60,833)
<b>Cash flows from financing activities:</b>		
Net change in deposits	63,209	64,047
Net change in federal funds purchased	(7,000)	7,000
Net change in FHLB cash management line of credit advances	(10,000)	-
Repayments of FHLB long-term advances	(24)	(28)
Purchase of treasury stock	(990)	-
Cash dividends paid	(3,338)	(3,031)
Net cash provided by financing activities	41,857	67,988
Net change in cash and cash equivalents:	5,925	19,300
Beginning cash and cash equivalents	91,566	72,266
Ending cash and cash equivalents	\$ 97,491	91,566
<b>Supplemental cash flow information:</b>		
Income taxes paid	\$ 1,808	1,496
Interest paid	\$ 13,651	5,463
<b>Supplemental noncash disclosures:</b>		
Grant of restricted shares of treasury stock	\$ 45	46
Purchase of LIHTC and corresponding payable	\$ 1,000	1,000

See accompanying notes to the consolidated financial statements.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 1 - Summary of Significant Accounting Policies**

Nature of Operations and Principles of Consolidation: FFD Financial Corporation (the “Corporation”) is a bank holding company whose activities are primarily limited to holding the stock of its wholly-owned subsidiary, First Federal Community Bank, National Association (the “Bank”). The Corporation established, during fiscal year 2016, a limited purpose property and casualty insurance company subsidiary, FFD Risk Management, Inc., which was subsequently closed and liquidated during fiscal year 2024. The Bank conducts general banking business in its market area of Tuscarawas, Holmes and contiguous counties in Ohio which consists primarily of attracting deposits from the general public and applying those funds to the origination of loans for residential, consumer and nonresidential purposes. The Bank’s profitability is significantly dependent on net interest income, which is the difference between interest income generated from interest-earning assets (e.g. loans and investments) and the interest expense paid on interest-bearing liabilities (e.g. customer deposits and borrowed funds). Net interest income is affected by the relative amount of interest-earning assets and interest-bearing liabilities and the interest received or paid on those balances. The level of interest rates paid or received by the Bank can be significantly influenced by a number of environmental factors, such as governmental monetary policy, that are outside of management’s control.

Principles of Consolidation: The consolidated financial statements include the accounts of the Corporation, the Bank and FFD Risk Management, Inc. All significant intercompany balances and transactions have been eliminated.

Basis of Presentation: The accounting and reporting policies of the Corporation conform with accounting principles generally accepted in the United States of America (GAAP) as contained in the Accounting Standards Codification (ASC) issued by the Financial Accounting Standards Board (FASB) and with general practices within the financial services industry.

Subsequent Events: The Corporation has evaluated subsequent events for recognition and disclosure through September 6, 2024, which is the date the financial statements were available to be issued.

Use of Estimates: To prepare financial statements in conformity with GAAP, management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts reported in the financial statements and the disclosures provided, and actual results could differ.

Concentration of Credit Risk: Most of the Corporation’s business activity is with customers located within Tuscarawas and Holmes Counties. Therefore, the Corporation’s exposure to credit risk is significantly affected by changes in the economy in that area.

The Corporation’s financial instruments that are exposed to concentrations of credit risk consist primarily of cash and cash equivalents. The Corporation places its cash and temporary interest-bearing deposits with high credit quality financial institutions. At times, such investments may be in excess of the FDIC insurance limit. The Corporation has not experienced any losses in such accounts and believes it is not exposed to any significant credit risk on cash and cash equivalents.

Cash Flows: Cash and cash equivalents include cash, deposits with other financial institutions with maturities less than 90 days, overnight deposits from the Federal Home Loan Bank of Cincinnati, and federal funds sold. Net cash flows are reported for customer loan and deposit transactions, interest bearing deposits in other financial institutions, federal funds purchased and repurchase agreements, and borrowings with original maturities of 90 days or less.

Interest-Bearing Deposits in Other Financial Institutions: Interest-bearing deposits in financial institutions are carried at cost and have original maturity terms of 90 days or greater.

Certificates of Deposits in Financial Institutions: Interest-bearing deposits in other financial institutions are carried at cost and mature within one year.

Securities: Debt securities are classified as held to maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Debt securities are classified as available for sale when they might be sold before maturity for any reason, including liquidity needs, changes in market interest rates, or asset/liability management strategies. Securities available for sale are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income or loss, net of tax. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or similar investment.

Investment securities are recorded on a trade date basis. Interest income includes amortization of purchase premiums or discounts. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage-backed securities where prepayments are anticipated. Gains and losses on sales are recorded on the trade date and determined using the specific identification method.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Allowance for Credit Losses – Available for Sale Debt Securities: The Corporation follows ASC 326-30, “Financial Instruments - Credit Loss - Available-for-Sale Debt Securities”, which provides guidance related to the recognition of and expanded disclosure requirements for expected credit losses on available for sale debt securities. For available for sale debt securities in an unrealized loss position, the Corporation first evaluates whether it intends to sell, or if it is more likely than not that it will be required to sell the security before recovery of its amortized cost basis. If either criterion is met, the security's amortized cost basis is reduced to fair value and recognized as a reduction to Noninterest income in the consolidated statements of income. For debt securities available for sale in which the Corporation does not intend to sell, or it is not likely the security would be required to be sold before recovery, it evaluates whether a decline in fair value has resulted from credit losses or other adverse factors, such as a change in the security's credit rating. In assessing whether a credit loss exists, the Corporation compares the present value of cash flows expected to be collected from the security with the amortized cost basis of the security. If the present value of cash flows expected to be collected is less than the amortized cost basis, a credit loss exists and an allowance for credit losses (ACL) is recorded, equal to the excess of amortized cost basis over fair value. Any impairment not recorded through an ACL is included in other comprehensive income (loss), net of the tax effect.

The ACL on available for sale debt securities is included within the investment securities available for sale in the consolidated statements of financial condition. Changes in the allowance are recorded in the provision for credit losses in the consolidated statements of income. Losses are charged against the allowance when the Corporation believes the collectability of an available for sale debt security is in jeopardy or when either of the criteria regarding intent or requirement to sell is met.

Accrued interest receivable on available for sale debt securities totaled \$420,000 at June 30, 2024 and is excluded from the estimate of credit losses. The Corporation recorded no ACL on available for sale debt securities as of June 30, 2024.

Loans Held for Sale: Mortgage loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or market, as determined by outstanding commitments from investors. Net unrealized losses, if any, are recorded as a valuation allowance and charged to earnings.

Mortgage loans held for sale are generally sold with servicing rights retained. The carrying value of mortgage loans sold is reduced by the amount allocated to the servicing right. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold.

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of purchase premiums and discounts, deferred loan fees and costs, and the ACL. Interest income is accrued on the unpaid principal balance. Loan origination fees, net of certain direct origination costs, are deferred and recognized in interest income using the level-yield method without anticipating prepayments.

Interest income on mortgage and commercial loans is discontinued at the time the loan is 90 days delinquent unless the loan is well-secured and in process of collection. Consumer loans are typically charged-off no later than four payments past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual status or charged-off at an earlier date if collection of principal or interest is considered doubtful.

All interest accrued but not received for loans placed on nonaccrual status is reversed against interest income. Interest received on such loans is accounted for on the cash-basis or cost-recovery method, until qualifying for return to accrual status. Under the cost-recovery method, interest income is not recognized until the loan balance is reduced to zero. Under the cash-basis method, interest income is recorded when the payment is received in cash. Loans are returned to accrual status when all the principal and interest amounts contractually due are brought current and future payments are reasonably assured.

Allowance for Credit Losses – Loans: The ACL is a valuation allowance that is deducted from the loans' amortized cost basis to present the net amount expected to be collected on the loans. Loans charged against the allowance when management believes the uncollectibility of a loan balance is confirmed. Subsequent recoveries, if any, are credited to the allowance.

The ACL is an estimate of expected credit losses, measured over the contractual life of a loan, that considers historical credit loss experience, current conditions and forecasts of future economic conditions. The methodology for determining the ACL has two main components: evaluation of expected credit losses for certain groups of homogeneous loans that share similar risk characteristics and evaluation of loans that do not share risk characteristics with other loans. The ACL is measured on a collective (pool) basis when similar risk characteristics exist. The Corporation uses call report classifications to determine its loan segments and measures the ACL using the discounted cash flow method for the majority of its loan segments.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Historical loss rates are applied to the loan segments with qualitative adjustments for changes in such items as economic conditions, loan composition and volume, experience of lending staff, past due loans, quality of the loan review system, values of collateral for collateral dependent loans, concentrations of credit and other external factors.

The Corporation has elected to exclude accrued interest receivable from its measurement of the ACL. When a loan is placed on nonaccrual status, any outstanding accrued interest is reversed against interest income.

The ACL for individual loans begins with the use of normal credit review procedures to identify whether a loan no longer shares similar risk characteristics with other pooled loans and, therefore, should be individually assessed. Specific reserves are established based on the fair value of the collateral when the loan is collateral dependent. Management utilizes updated independent appraisals to determine fair value for collateral-dependent loans, adjusted for estimated selling costs, in determining our specific reserve.

The following portfolio segments have been identified:

**Residential Real Estate Loans:** Residential mortgage loans represent loans to individuals and business entities for the purchase, refinance or improvement of a residence. These loans include one-to four family first and second mortgages, multi-family mortgages and home equity lines of credit. Appraised values at the time of origination directly affect the amount of credit extended and, in the event of default, subsequent changes in property values may impact the severity of losses. Additional allowance factors considered by management include unemployment conditions and residential real estate values in the Corporation's market area.

**Nonresidential Real Estate and Land Loans:** Nonresidential real estate loans are subject to commercial loan underwriting standards and processes. These loans are viewed primarily as cash flow loans and the repayment of these loans is largely dependent on the successful operation of the property or related business. Loan performance may be adversely affected by factors impacting the general economy or conditions specific to the real estate market such as geographic location and property types. Management specifically considers cash flow coverage ratios and vacancy rates for office and industrial properties in its market area, as well as real estate values and, to a lesser extent, unemployment. The Corporation also originates loans secured by land. The Corporation's land loans are generally adjustable-rate loans for terms of up to 15 years and require an LTV of 65% or less.

**Commercial Loans Secured:** Commercial credit is extended to business customers for use in normal business operations to finance working capital needs, equipment purchases, or other projects. The majority of these borrowers are customers doing business within the Corporation's geographic regions. These loans are generally individually underwritten and secured with the assets of the company and the personal guarantee of the business owner(s). Commercial business loans are made based primarily on the historical and projected cash flow of the borrower and the underlying collateral provided by the borrower. Management specifically considers cash flow coverage ratios, unemployment, and to a lesser extent, real estate values and vacancies in the Corporation's market area.

**Commercial Loans Unsecured:** A limited number of unsecured commercial loans are extended to business customers. These loans are generally individually underwritten and the business owner(s) sign(s) as guarantor(s) and/or co-borrower(s). Commercial unsecured loans are made based primarily on the net worth of the borrower and any guarantor(s), historical and projected cash flow of the borrower(s), cash flow coverage ratios and credit history.

**Consumer and Other Loans:** Consumer loans are primarily comprised of loans made directly to consumers for automobiles, boats, and other personal uses. These loans are underwritten based on several factors, including debt to income, type of collateral and loan to collateral value, credit history and relationship with the borrower. Unemployment rates are specifically considered by management.

As of June 30, 2024 the Bank has \$152.6 million in unfunded commitments. Management has evaluated expected credit losses for these exposures and currently has a reserve of \$95,500 that is separate from the ACL on loans.



**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Servicing Rights: Servicing rights are recognized separately when they are acquired through sales of loans. When mortgage loans are sold, servicing rights are initially recorded at fair value with the income statement effect recorded in gains on sales of loans. Fair value is based on market prices for comparable mortgage servicing contracts when available or, alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. All classes of servicing assets are subsequently measured using the amortization method which requires servicing rights to be amortized into non-interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

Servicing assets are evaluated for impairment based upon the fair value of the rights as compared to the carrying amount. Impairment is determined by grouping rights based on predominant risk characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance for an individual grouping, to the extent that fair value is less than the carrying amount. If the Corporation later determines that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance may be recorded as an increase to income. Changes in valuation allowances are reported with mortgage servicing revenue net of amortization and impairment on the income statement. The fair values of servicing rights are subject to significant fluctuations as a result of changes in estimated and actual prepayment speeds and default rates and losses.

Servicing fee income, which is reported on the income statement as mortgage servicing revenue net of amortization and impairment, is recorded for fees earned for servicing loans. The fees are based on either a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is netted against loan servicing fee income. Servicing fees totaled \$399,000 and \$418,000 for the fiscal years ended June 30, 2024 and 2023, respectively. Late fees and ancillary fees related to loan servicing are not material.

Transfer of Financial Assets: Transfers of financial assets are accounted for as sales, when control over the assets has been relinquished. Control over transferred assets is deemed to be surrendered when the assets have been legally isolated from the Corporation, the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and the Corporation does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Foreclosed Assets: Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. Physical possession of residential real estate properly collateralizing a consumer mortgage loan occurs when legal title is obtained upon completion of foreclosure or when the borrower conveys all interest in the property to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines subsequent to foreclosure, a valuation allowance is recorded through expense. Operating costs after acquisition are expensed as incurred.

Premises and Equipment: Land is carried at cost. Premises and equipment are stated at cost less accumulated depreciation. Buildings and related components are depreciated using the straight-line method with useful lives ranging from 5 to 39 years. Furniture, fixtures and equipment are depreciated using the straight-line method with useful lives ranging from 3 to 7 years. Impairment is recognized if the carrying value of the property and equipment is not recoverable in the ordinary course of business. Gains and losses on dispositions are included in current operations. Maintenance and repairs are expensed as incurred while major additions and improvements are capitalized.

Bank Owned Life Insurance: The Corporation has purchased life insurance policies on certain current and former employees. Bank owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other charges or other amounts due that are probable at settlement.

Federal Home Loan Bank (FHLB) Stock: The Bank is a member of its regional Federal Reserve Bank. FRB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Federal Reserve Bank (FRB) Stock: The Bank is a member of the Federal Home Loan Bank (“FHLB”) of Cincinnati. Additionally, the Bank is a member of the Federal Reserve Bank (“FRB”) system. Members are required to own a certain amount of stock based on their level of borrowings and other factors and may invest in additional amounts. FHLB and FRB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Long-Term Assets: These assets are reviewed for impairment when events indicate their carrying amount may not be recoverable from future undiscounted cash flows. If impaired, the carrying balance of the asset is reduced to its fair value.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Loan Commitments and Related Financial Instruments: Financial instruments include off-balance sheet credit instruments, such as commitments to make loans and commercial letters of credit, issued to meet customer financing needs. The face amount for these items represents the exposure to loss, before considering customer collateral or ability to repay. Such financial instruments are recorded when they are funded.

Stock-Based Compensation: Compensation cost is recognized for restricted stock and restricted stock unit awards issued to employees based on the fair value of these awards at the date of grant. The market price of the Corporation's common stock at the date of grant is used for restricted stock awards. Compensation cost is recognized over the required service period, generally defined as the vesting period for the award.

Revenue from Contracts with Customers: The Corporation records revenue from contracts with customers in accordance with ASC 606, *Revenue from Contracts with Customers* (ASC 606). Under ASC 606, the Corporation must identify the contract with a customer, identify the performance obligation(s) within the contract, determine the transaction price, allocate the transaction price to the performance obligation(s) within the contract, and recognize revenue when (or as) the performance obligation(s) is/are satisfied. The core principle under ASC 606 requires the Corporation to recognize revenue to depict the transfer of services or products to customers in an amount that reflects the consideration that it expects to be entitled to receive in exchange for those services or products recognized as performance obligations are satisfied. The Corporation generally fully satisfies its performance obligations on its contracts with customers as services are rendered and the transaction prices are typically fixed; charged either on a periodic basis or based on activity. Since performance obligations are satisfied as services are rendered and the transaction prices are fixed, there is little judgement involved in applying ASC 606 that significantly affects the determination of the amount and timing of revenue from contracts with customers.

The majority of the Corporation's revenue is not subject to ASC 606, including net interest income, loan servicing income, fees related to loans and loan commitments, increase in cash surrender value of bank owned life insurance, and gain on sales of loans and securities.

A description of the Bank's revenue streams accounted for under ASC 606 follows:

**Service charges on deposit accounts.** Service charges consist of account analysis fees (i.e., net fees earned on analyzed business and public checking accounts), monthly service fees, and other deposit account related fees. The Corporation's performance obligation for account analysis fees and monthly service fees is generally satisfied, and the related revenue recognized, over the period in which the service is provided. Other deposit account related fees are largely transactional based, and therefore, the Corporation's performance obligation is satisfied, and related revenue recognized, at a point in time. Payment for service charges on deposit accounts is primarily received immediately or in the following month through a direct charge to customers' accounts.

**ATM/Interchange fees.** Fees, exchange, and other service charges are primarily comprised of debit card income, ATM fees and other service charges. Debit card income is primarily comprised of interchange fees earned whenever the Corporation's debit cards are processed through card payment networks such as Mastercard ATM fees are primarily generated when a Corporation cardholder uses a non-Corporation ATM, or a non-Corporation cardholder uses a Corporation ATM. The Corporation's performance obligation for fees, exchange, and other service charges are largely satisfied, and related revenue recognized, when the services are rendered or upon completion. Payment is typically received immediately or in the following month.

**Other.** Other noninterest income consists of other recurring revenue streams such as net insurance premiums written for FFD Risk Management, safety deposit box rental fees, check order fees, and other miscellaneous revenue streams. Net insurance premiums are those that are paid annually by the Corporation and its other subsidiaries to FFD Risk Management, after paying insurance claims and other changes. This revenue is recognized upon receipt of payment. Safe deposit box rental fees are charged to the customer on an annual basis and recognized upon receipt of payment. Check order income mainly represents fees charged to customers for checks. The Corporation determined that since rentals and renewals occur consistently over time, revenue is recognized on a basis consistent with the duration of the performance obligation.

Income Taxes: Income tax expense is the total of the current fiscal year income tax due or refundable and the change in deferred tax assets and liabilities. Deferred tax assets and liabilities are the expected future tax amounts for the temporary differences between carrying amounts and tax bases of assets and liabilities, computed using enacted tax rates. A valuation allowance, if needed, reduces deferred tax assets to the amount expected to be realized.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 1 - Summary of Significant Accounting Policies (continued)**

A tax position is recognized as a benefit only if it is more likely than not that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized is the largest amount of tax benefit that is greater than 50% likely of being realized on examination. For tax positions not meeting the “more likely than not” test, no tax benefit is recorded.

The Corporation recognizes interest related to income tax matters as interest expense and penalties related to income tax matters as other expense.

Benefit Plans: Employee 401(k) and profit-sharing plan expense is the amount of matching contributions.

Employee Stock Ownership Plan (ESOP): The cost of shares provided to the ESOP, but not yet allocated to participants, is shown as a reduction of shareholders’ equity. Compensation expense is based on the market price of shares as they are committed to be released to participant accounts. Dividends on allocated ESOP shares reduce retained earnings; dividends on unallocated ESOP shares reduce debt and accrued interest. As of June 30, 2024 and 2023, all shares held in the ESOP were allocated to participant accounts.

Earnings Per Common Share: Basic earnings per common share is net income divided by the weighted average number of common shares outstanding during the period. ESOP shares are considered outstanding for this calculation unless unearned. There were no unallocated shares held by the ESOP for either of the fiscal years ended June 30, 2024 or 2023. The weighted average number of shares used in the computation of basic earnings per share was 2,949,449 and 2,956,413 for the fiscal years ended June 30, 2024 and 2023, respectively. Diluted earnings per common share includes the dilutive effect of additional potential common shares issuable under restricted stock awards. The weighted average number of shares used in the computation of diluted earnings per share was 2,955,294 and 2,963,463 for the fiscal years ended June 30, 2024 and 2023, respectively. Diluted earnings per common share include the dilutive effect of restricted stock awards. Earnings and dividends per common share are restated for all stock splits and stock dividends through the date of the issuance of the consolidated financial statements.

Comprehensive Income: Comprehensive income consists of net income and other comprehensive income or loss. Other comprehensive income or loss includes unrealized gains and losses on securities available for sale, which is also recognized as a separate component of equity, net of tax.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable, and an amount or range of loss can be reasonably estimated. Management does not believe there are currently any such matters that will have a material effect on the financial statements.

Restrictions on Cash: Cash on hand or on deposit with the FHLB and other banks was required to meet compensating balance requirements. The required compensating balances as of June 30, 2024 and 2023 were approximately \$550,000 and \$600,000, respectively. Interest earned on these balances is not considered material.

Equity: Treasury stock is carried at cost.

Dividend Restriction: Banking regulations require maintaining certain capital levels and may limit the dividends paid by the Bank to the Corporation or by the Corporation to shareholders. Dividends paid by the Bank to the Corporation are the primary source of funds for dividends by the Corporation to its shareholders.

Goodwill: Goodwill arises from business combinations and is generally determined as the excess of the fair value of the consideration transferred, over the fair value of the net assets acquired and liabilities assumed as of the acquisition date. Goodwill recorded by the Bank in connection with its branch acquisitions relates to the inherent value in the business acquired and this value is dependent upon the Bank’s ability to provide quality, cost-effective services in a competitive marketplace. As such, goodwill value is supported ultimately by revenue that is driven by the volume of business transacted. A decline in earnings as a result of a lack of growth or the inability to deliver cost-effective services over sustained periods can lead to impairment of goodwill that could adversely impact earnings in future periods. Goodwill acquired in a purchase business combination and determined to have an indefinite useful life is not amortized but tested for impairment at least annually or more frequently if events and circumstances exist that indicate that a goodwill impairment test should be performed. Goodwill is the only intangible asset with an indefinite life on the balance sheet. The balance of goodwill at June 30, 2024 and 2023 was \$539,000.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 1 - Summary of Significant Accounting Policies (continued)**

Adoption of New Accounting Standards: On July 1, 2023, the Corporation adopted ASU 2016-13, Financial Instruments-Credit Losses (Topic 326): Measurement of Credit Losses on Financial Instruments (“ASU 2016-13”), as amended, which replaces the incurred loss methodology with an expected loss methodology that is referred to as the current expected credit loss (CECL) methodology. The measurement of expected credit losses under the CECL methodology is applicable to financial assets measured at amortized cost, including loan receivables and held-to-maturity debt securities. It also applies to off-balance sheet credit exposures not accounted for as insurance (loan commitments, standby letters of credit, financial guarantees, and other similar instruments). In addition, ASC 326 made changes to the accounting for available-for-sale debt securities. One such change is to require credit losses to be presented as an allowance rather than as a write-down on available-for-sale debt securities management does not intend to sell or believes that it is more likely than not they will be required to sell. The income statement will be affected for the measurement of credit losses for newly recognized financial assets, as well as the expected increases or decreases of expected credit losses that have taken place during the period.

The Corporation adopted ASC 326 using the modified retrospective method for all financial assets measured at amortized cost, and off-balance-sheet (OBS) credit exposures. Results for reporting periods beginning after July 1, 2023, are presented under ASC 326 while prior period amounts continue to be reported in accordance with previously applicable GAAP.

The adoption of ASC 326 on July 1, 2023 resulted a one-time cumulative effect adjustment to decrease retained earnings by \$603,867, increase the ACL by \$764,389, and increase the related deferred tax asset by \$160,522. See Note 3 for the pre-tax impact of the increased ACL applicable to each segment of the loan portfolio.

**Note 2 – Securities**

The amortized cost and fair value of available for sale securities and the related gross unrealized gains and losses recognized in accumulated other comprehensive income (loss) were as follows:

<b>June 30, 2024</b>	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
		(In thousands)		
Municipal securities	\$ 44,797	\$ 238	\$ (5,452)	\$ 39,583
Collateralized mortgage obligations-residential	3,857	-	(696)	3,161
Government treasuries	-	-	-	-
Mortgage-backed securities-residential	6,743	37	(204)	6,576
Agency securities	<u>873</u>	<u>-</u>	<u>(110)</u>	<u>763</u>
Total securities available for sale	<u>\$ 56,270</u>	<u>\$ 275</u>	<u>\$ (6,462)</u>	<u>\$ 50,083</u>
<b>June 30, 2023</b>	<b>Amortized Cost</b>	<b>Gross Unrealized Gains</b>	<b>Gross Unrealized Losses</b>	<b>Fair Value</b>
		(In thousands)		
Municipal securities	\$ 39,342	\$ 48	\$ (5,544)	\$ 33,846
Collateralized mortgage obligations-residential	4,006	-	(545)	3,461
Government treasuries	1,271	-	(17)	1,254
Mortgage-backed securities-residential	1,289	-	(250)	1,039
Agency securities	<u>932</u>	<u>-</u>	<u>(123)</u>	<u>809</u>
Total securities available for sale	<u>\$ 46,840</u>	<u>\$ 48</u>	<u>\$ (6,479)</u>	<u>\$ 40,409</u>

There were sales and calls of available for sale securities during the fiscal years ended June 30, 2024 and 2023 with proceeds of \$2,620,000 and \$800,000. There were gains or (losses) associated with the sales and calls of available for sale securities during fiscal years ended June 30, 2024 and 2023 of \$(16,000) and \$0.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 2 – Securities (continued)**

Securities with unrealized losses as of June 30, 2024 and 2023 not recognized in income aggregated by major security type and length of time in a continuous unrealized loss position were as follows:

	<u>Less than 12 Months</u>		<u>Greater than 12 Months</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
<b>June 30, 2024</b>						
			(In thousands)			
Municipal securities	\$ 4,371	\$ (102)	\$ 26,849	\$ (5,350)	\$ 31,220	\$ (5,452)
Collateralized mortgage obligations-residential	-	-	3,161	(696)	3,161	(696)
U.S. Government treasuries	-	-	-	-	-	-
Mortgage-backed securities-residential	-	-	789	(204)	789	(204)
Agency securities	-	-	761	(110)	761	(110)
	<u>-\$ 4,371</u>	<u>-\$ (102)</u>	<u>\$ 31,560</u>	<u>\$ (6,360)</u>	<u>\$ 35,931</u>	<u>\$ (6,462)</u>
Total temporarily impaired						

Number of investments	8	53	61
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	<u>Less than 12 Months</u>		<u>Greater than 12 Months</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>	<u>Fair Value</u>	<u>Unrealized Loss</u>
<b>June 30, 2023</b>						
			(In thousands)			
Municipal securities	\$ 3,820	\$ (26)	\$ 25,047	\$ (5,518)	\$ 28,867	\$ (5,544)
Collateralized mortgage obligations-residential	-	-	3,460	(545)	3,460	(545)
U.S. Government treasuries	572	(2)	682	(15)	1,254	(17)
Mortgage-backed securities-residential	-	-	1,040	(250)	1,040	(250)
Agency securities	-	-	809	(123)	809	(123)
	<u>\$ 4,392</u>	<u>-\$ (28)</u>	<u>\$ 31,038</u>	<u>\$ (6,451)</u>	<u>\$ 35,430</u>	<u>\$ (6,479)</u>
Total temporarily impaired						

Number of investments	6	52	58
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Unrealized losses on securities have not been recognized into income because the issuers are of high credit quality, management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The fair value is expected to recover as the securities approach their maturity date.

The amortized cost and fair value of debt securities at June 30, 2024 by contractual maturity were as follows. Securities not due at a single maturity date, primarily mortgage-backed securities, are shown separately. Equity securities were excluded.

	<u>Available for Sale</u>	
	<u>Amortized Cost</u>	<u>Fair Value</u>
	(In thousands)	
Due in one year or less	\$ -	\$ -
Due from one to five years	-	-
Due from five to ten years	4,111	3,990
Due after ten years	40,686	35,593
Collateralized mortgage obligations-residential	3,857	3,161
Mortgage-backed securities-residential	6,743	6,576
Agency securities	<u>873</u>	<u>763</u>
Total	<u>\$ 56,270</u>	<u>\$ 50,083</u>

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 2 – Securities (continued)**

Securities pledged to secure public deposits at June 30, 2024 had carrying amounts of \$21.58 million. The securities pledged to secure public deposits at June 30, 2023 had carrying amounts of \$32.89 million.

At June 30, 2024 and 2023, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of total shareholders' equity.

**Note 3 - Loans**

Loans as of June 30, 2024 and 2023 were as follows:

	<u>2024</u>	<u>2023</u>
	(in thousands)	
Residential real estate		
One-to-four family	\$ 245,675	\$ 227,104
Multi-family	18,439	20,363
Nonresidential real estate and land	276,986	261,378
Commercial loans – secured	53,695	51,134
Commercial loans – unsecured	2,359	2,488
Consumer and other loans	<u>5,250</u>	<u>5,234</u>
	602,404	567,701
Net deferred loan origination costs	146	109
Allowance for credit losses	<u>(5,894)</u>	<u>(4,958)</u>
Loans, net	<u>\$ 596,656</u>	<u>\$ 562,852</u>

Activity in the allowance for credit losses by portfolio segment for the fiscal years ended June 30, 2024 and 2023 were as follows:

	<u>Residential Real Estate</u>	<u>Nonresidential Real Estate and Land</u>	<u>Commercial Secured and Unsecured</u>	<u>Consumer and Other</u>	<u>Total</u>
	(in thousands)				
<b>June 30, 2024</b>					
Allowance for credit losses:					
Beginning balance	\$ 2,102	\$ 2,332	\$ 450	\$ 74	\$ 4,958
Adoption of ASU 2016-13	201	155	358	50	764
Provision for credit losses	178	-	-	(11)	167
Loans charged-off	-	-	-	-	-
Recoveries	<u>2</u>	<u>-</u>	<u>2</u>	<u>1</u>	<u>5</u>
Ending balance	<u>\$ 2,483</u>	<u>\$ 2,487</u>	<u>\$ 810</u>	<u>\$ 114</u>	<u>\$ 5,894</u>

	<u>Residential Real Estate</u>	<u>Nonresidential Real Estate and Land</u>	<u>Commercial Secured and Unsecured</u>	<u>Consumer and Other</u>	<u>Total</u>
	(in thousands)				
<b>June 30, 2023</b>					
Allowance for loan losses:					
Beginning balance	\$ 2,073	\$ 2,224	\$ 454	\$ 87	\$ 4,838
Provision for loan losses	28	108	(5)	(11)	120
Loans charged-off	-	-	-	(6)	(6)
Recoveries	<u>1</u>	<u>-</u>	<u>1</u>	<u>4</u>	<u>6</u>
Ending balance	<u>\$ 2,102</u>	<u>\$ 2,332</u>	<u>\$ 450</u>	<u>\$ 74</u>	<u>\$ 4,958</u>

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**Notes to the Consolidated Financial Statements**

**Note 3 - Loans (continued)**

The following table presents the amortized cost basis of collateral-dependent loans by type of collateral and by class of loans as of June 30, 2024:

	<b>Residential Real <u>Estate</u></b>	<b>Nonresidential Real Estate <u>and Land</u></b>	<b>Commercial Secured and <u>Unsecured</u></b> (in thousands)	<b>Consumer <u>and Other</u></b>	<b><u>Total</u></b>
<b>June 30, 2024</b>					
ACL on collateral-dependent loans	\$ -	\$ -	\$ -	\$ 6	\$ 6
Amortized cost of collateral-dependent loans	\$ 947	\$ 203	\$ 218	\$ 133	\$ 1,501

The following tables present, based on the impairment method, the balance in the allowance for loan losses and recorded investment of loan balances by portfolio segment as of June 30, 2023:

	<b>Residential Real <u>Estate</u></b>	<b>Nonresidential Real Estate <u>and Land</u></b>	<b>Commercial Secured and <u>Unsecured</u></b> (in thousands)	<b>Consumer <u>and Other</u></b>	<b><u>Total</u></b>
<b>June 30, 2023</b>					
Allowance for loan losses					
Ending allowance balance attributable to loans:					
Individually evaluated for impairment	\$ -	\$ -	\$ 3	\$ -	\$ 3
Collectively evaluated for impairment	<u>2,102</u>	<u>2,332</u>	<u>447</u>	<u>74</u>	<u>4,955</u>
Total ending allowance balance	<u>\$ 2,102</u>	<u>\$ 2,332</u>	<u>\$ 450</u>	<u>\$ 74</u>	<u>\$ 4,958</u>
Loans					
Loans individually evaluated for impairment	\$ 949	\$ 519	\$ 483	\$ 9	\$ 1,960
Loans collectively evaluated for impairment	<u>246,518</u>	<u>260,859</u>	<u>53,139</u>	<u>5,225</u>	<u>565,741</u>
Total ending loan balance	<u>\$ 247,467</u>	<u>\$ 261,378</u>	<u>\$ 53,622</u>	<u>\$ 5,234</u>	<u>\$ 567,701</u>

**FFD FINANCIAL CORPORATION**  
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**Note 3 - Loans (continued)**

The following table presents the amortized cost basis of nonperforming loans as of June 30, 2024:

<b>June 30, 2024</b>	<b>Nonaccrual with no ACL</b>	<b>Nonaccrual With ACL</b>	<b>Total Nonaccrual</b>	<b>90 or More Days Still Accruing</b>	<b>Total Nonperforming</b>
	(in thousands)				
Residential					
One-to-four family	\$ 270	\$ -	\$ 270	\$ -	\$ 270
Multi-family	-	-	-	-	-
Nonresidential real estate and land	73	-	73	-	73
Commercial loans - secured	57	-	57	-	57
Commercial loans - unsecured	-	-	-	-	-
Consumer and other loans	<u>101</u>	<u>32</u>	<u>133</u>	<u>-</u>	<u>133</u>
Total with no related allowance recorded	<u>\$ 501</u>	<u>\$ 32</u>	<u>\$ 533</u>	<u>\$ -</u>	<u>\$ 533</u>

Loans individually evaluated for impairment, by class, as of and for the fiscal year ended June 30, 2023

<b>June 30, 2023</b>	<b>Unpaid Principal Balance</b>	<b>Recorded Investment</b>	<b>Allowance for Loan Losses Allocated</b>	<b>Average Recorded Investment</b>	<b>Interest Income Recognized</b>
	(in thousands)				
With no related allowance recorded:					
Residential					
One-to-four family	\$ 1,091	\$ 949	\$ -	\$ 739	\$ 67
Multi-family	-	-	-	-	-
Nonresidential real estate and land	544	519	-	314	37
Commercial loans - secured	438	438	-	243	123
Commercial loans - unsecured	-	-	-	-	-
Consumer and other loans	<u>9</u>	<u>9</u>	<u>-</u>	<u>34</u>	<u>1</u>
Total with no related allowance recorded	<u>2,082</u>	<u>1,915</u>	<u>-</u>		<u>228</u>
With an allowance recorded:					
Residential					
One-to-four family	-	-	-	-	-
Multi-family	-	-	-	-	-
Nonresidential real estate and land	-	-	-	-	-
Commercial loans - secured	46	45	3	38	1
Commercial loans - unsecured	-	-	-	-	-
Consumer and other loans	<u>-</u>	<u>-</u>	<u>-</u>	<u>3</u>	<u>-</u>
Total with an allowance recorded	<u>46</u>	<u>45</u>	<u>3</u>		<u>1</u>
Total	<u>\$ 2,128</u>	<u>\$ 1,960</u>	<u>\$ 3</u>		<u>\$ 229</u>



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**Note 3 - Loans (continued)**

At June 30, 2023, there were no loans past due 90 days and still on accrual status.

Nonaccrual loans as of June 30, 2023 were as follows (in thousands):

Residential real estate	
One-to-four family	\$ 371
Multi-family	-
Nonresidential real estate and land	51
Commercial loans – secured	32
Commercial loans – unsecured	-
Consumer and other loans	<u>9</u>
	<u>\$ 463</u>

Nonaccrual loans include both smaller balance homogeneous loans that are collectively evaluated for impairment and individually classified impaired loans.

The following tables presents the aging of the recorded investment in past due loans as of June 30, 2024 and 2023:

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>90 or More Days Past Due</u>	<u>Total Past Due</u>	<u>Loans Not Past Due</u>	<u>Total</u>
<b>June 30, 2024</b>						(in thousands)
Residential real estate						
One-to-four family	\$ 74	\$ 83	\$ -	\$ 157	\$ 245,518	\$ 245,675
Multi-family	-	-	-	-	18,439	18,439
Nonresidential real estate and land	31	-	-	31	276,955	276,986
Commercial loans – secured	-	5	30	35	53,660	53,695
Commercial loans – unsecured	-	-	-	-	2,359	2,359
Consumer and other loans	<u>21</u>	<u>53</u>	<u>32</u>	<u>106</u>	<u>5,144</u>	<u>5,250</u>
Total	<u>\$ 126</u>	<u>\$ 141</u>	<u>\$ 62</u>	<u>\$ 329</u>	<u>\$ 602,075</u>	<u>\$ 602,404</u>

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>90 or More Days Past Due</u>	<u>Total Past Due</u>	<u>Loans Not Past Due</u>	<u>Total</u>
<b>June 30, 2023</b>						(in thousands)
Residential real estate						
One-to-four family	\$ -	\$ -	\$ 115	\$ 115	\$ 226,989	\$ 227,104
Multi-family	-	-	-	-	20,363	20,363
Nonresidential real estate and land	-	-	-	-	261,378	261,378
Commercial loans – secured	4	-	3	7	51,127	51,134
Commercial loans – unsecured	-	-	-	-	2,488	2,488
Consumer and other loans	<u>15</u>	<u>-</u>	<u>-</u>	<u>15</u>	<u>5,219</u>	<u>5,234</u>
Total	<u>\$ 19</u>	<u>\$ -</u>	<u>\$ 118</u>	<u>\$ 137</u>	<u>\$ 567,564</u>	<u>\$ 567,701</u>

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 3 - Loans (continued)**

**Loan Modifications**

Effective July 1, 2023, the Corporation implemented ASU 2022-02, which eliminated the recognition and measure of troubled debt restructurings and enhanced disclosures for loan modifications to borrowers experiencing financial difficulty. Occasionally, the Bank modifies loans to borrowers in financial distress by providing concessions such as a reduction in the interest rate on the loan, payment extensions, forgiveness of principal, forbearance or other actions intended to maximize collection. When principal forgiveness is provided, the amount of forgiveness is charged off against the ACL. In some cases, the Bank may provide multiple types of concessions on one loan. During the year ended June 30, 2024, no loans were modified for borrowers experiencing financial difficulty. As of June 30, 2024, the Corporation did not have any loans that were modified for borrowers experiencing financial difficulty and subsequently defaulted. Payment default is defined as movement to nonperforming status, foreclosure or charge-off, whichever occurs first.

Prior to the adoption of ASU 2022-02, a troubled debt restructuring (TDR) describes loans for which the Bank has granted concessions for reasons related to the customer's financial difficulties. Such concessions may include one or more of the following: reduction in the interest rate to below-market rates, extension of repayment requirements beyond normal terms, reduction of the principal amount owed, reduction of accrued interest due, or acceptance of other assets in full or partial repayment of a debt. In each case, the concession is made due to deterioration in the borrower's financial condition, and the new terms are less stringent than those required on a new loan with similar risk. During fiscal year 2023, there were no loans modified as troubled debt restructurings. The Corporation had loans with recorded investment of \$98,000 whose terms had been modified in troubled debt restructurings as of June 30, 2023. There was \$2,000 in specific reserves that had been allocated for these loans as of June 30, 2023. The Corporation had not committed to lend any additional amounts as of June 30, 2023 to customers with outstanding loans that were classified as troubled debt restructurings.

**Credit Quality Indicators:**

The Corporation categorizes loans into risk categories based on relevant information about the ability of borrowers to service their debt, such as current financial information, historical payment experience, credit documentation, public information and current economic trends, among other factors. The Corporation analyzes loans individually by classifying the loans as to credit risk. The Corporation uses the following definitions for risk ratings:

Not rated: Homogeneous one-to-four family real estate loans that have maintained their contractual payments and are not analyzed.

Pass: Loans that are analyzed but that do not meet the criteria to be considered special mention, substandard or doubtful as defined below.

Special mention: Loans that have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the Corporation's credit position at some future date.

Substandard: Loans that are inadequately protected by the current net worth and paying capacity of the obligor or the collateral pledged, if any. These loans have a well-defined weakness or weaknesses that jeopardize the collection or liquidation of the debt. They are characterized by the distinct possibility that the Corporation will sustain some loss if the deficiencies are not corrected.

Doubtful: Loans that have all the weaknesses inherent of those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions and values, highly questionable and improbable.

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**Notes to the Consolidated Financial Statements**

**Note 3 - Loans (continued)**

As of June 30, 2024, and based on the most recent analysis performed, the risk categories of loans by class were as follows:

<b>June 30, 2024</b>	<u>Not rated</u>	<u>Pass</u>	<u>Special Mention</u> (in thousands)	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
Residential real estate						
One-to-four family	\$ 239,296	\$ -	\$ 5,432	\$ 947	\$ -	\$ 245,675
Multi-family	-	18,439	-	-	-	18,439
Nonresidential real estate and land	-	276,606	177	203	-	276,986
Commercial loans – secured	-	53,450	-	245	-	53,695
Commercial loans – unsecured	-	2,359	-	-	-	2,359
Consumer and other loans	<u>5,117</u>	<u>-</u>	<u>-</u>	<u>133</u>	<u>-</u>	<u>5,250</u>
Total	<u>\$ 244,413</u>	<u>\$ 350,854</u>	<u>\$ 5,609</u>	<u>\$ 1,528</u>	<u>\$ -</u>	<u>\$ 602,404</u>

As of June 30, 2023, and based on the most recent analysis performed, the risk categories of loans by class were as follows:

<b>June 30, 2023</b>	<u>Not rated</u>	<u>Pass</u>	<u>Special Mention</u> (in thousands)	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
Residential real estate						
One-to-four family	\$ 225,284	\$ -	\$ 871	\$ 949	\$ -	\$ 227,104
Multi-family	-	20,363	-	-	-	20,363
Nonresidential real estate and land	-	260,502	357	519	-	261,378
Commercial loans – secured	-	50,651	-	483	-	51,134
Commercial loans – unsecured	-	2,488	-	-	-	2,488
Consumer and other loans	<u>5,225</u>	<u>-</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>5,234</u>
Total	<u>\$ 230,509</u>	<u>\$ 334,004</u>	<u>\$ 1,228</u>	<u>\$ 1,960</u>	<u>\$ -</u>	<u>\$ 567,701</u>

**Note 4 – Loan Servicing**

Activity for mortgage servicing rights and the related valuation allowance were as follows:

	<u>2024</u>	<u>2023</u>
	(in thousands)	
Servicing rights, net of valuation allowance:		
Beginning of year	\$ 994	\$ 1,110
Additions	78	97
Amortized to expense	<u>(194)</u>	<u>(213)</u>
End of year	<u>\$ 878</u>	<u>\$ 994</u>

The fair value of servicing rights was \$1,968,000 and \$2,144,000 as of June 30, 2024 and 2023, respectively. Fair value as of June 30, 2024 and 2023 was determined using a discount rate of 13.50% and 12.50%, respectively; and a prepayment speed ranging from 90% to 191% for fiscal year 2024 and 71% to 276% for fiscal year 2023.

The weighted average amortization period was 12.12 years and 12.70 years at June 30, 2024 and 2023, respectively.

Total loans serviced was \$157 million and \$163 million at June 30, 2024 and 2023, respectively.

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**Note 5 – Premises and Equipment**

At fiscal year-end, premises and equipment were as follows:

	<u>2024</u>	<u>2023</u>
	(in thousands)	
Land	\$ 2,864	\$ 2,864
Buildings	13,382	13,243
Furniture, fixtures and equipment	<u>2,850</u>	<u>2,537</u>
	19,096	18,644
Less: Accumulated depreciation	<u>4,798</u>	<u>4,302</u>
Premises and equipment, net	<u>\$ 14,298</u>	<u>\$ 14,342</u>

Depreciation expense was \$536,000 and \$546,000 for 2024 and 2023, respectively.

**Note 6 – Deposits**

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Demand deposits (non-interest bearing)	\$ 144,348	\$ 148,790
Interest bearing checking	107,686	106,964
Money market	177,878	140,710
Savings deposits	77,559	84,644
Time deposits up to and including \$250,000	124,564	108,180
Time deposits greater than \$250,000	62,681	37,097
Broker deposits	<u>11,472</u>	<u>16,594</u>
Total	<u>\$ 706,188</u>	<u>\$ 642,979</u>

Scheduled maturities of time deposits for the next five fiscal years and thereafter were as follows (in thousands):

June 30, 2025	\$ 159,689
2026	22,990
2027	3,329
2028	982
2029	86
Thereafter	<u>169</u>
Total	<u>\$ 187,245</u>

**FFD FINANCIAL CORPORATION**  
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**Note 7 – Federal Home Loan Bank Advances**

As of June 30, 2024, the Bank has FHLB advances with interest rates ranging from 2.72% to 4.62%. Each advance is payable at its maturity date, with a prepayment penalty for fixed rate advances. The advances were collateralized by \$11.9 million of home equity line of credit mortgages, \$15.9 million of multi-family (5+ unit) mortgage loans, and \$167.6 million of first mortgage loans under a blanket lien arrangement as of June 30, 2024. Based on this collateral and the Corporation’s holdings of FHLB stock, the Corporation was eligible to borrow an additional \$104.8 million as of June 30, 2024. In addition, the Bank has standby letters of credit with the FHLB that total \$18.0 million as of June 30, 2024, pledged against public funds.

Required payments over the next five fiscal years and thereafter are (in thousands):

June 30, 2025		\$	17
2026			-
2027			5,000
			5,017
		\$	5,017

**Note 8 – Other Borrowings**

The Corporation has \$12.0 million in lines of credit with other financial institutions. The Corporation had no outstanding balances on these lines of credit as of June 30, 2024 or 2023. These lines of credit are collateralized by 74 of the 100 shares of the Bank’s common stock held by the Corporation. These lines of credit are revolving and due upon demand of the lenders.

The Bank has \$27.5 million in additional unused lines of credit with other financial institutions.

**Note 9 – Benefit Plans**

401(k) Plan: A 401(k) benefit plan allows employee contributions from employees who are age 21 with at least six months of service. Employee contributions are limited to the permissible amounts as defined by the Internal Revenue Service. The Corporation matched 100% of the first 3.00% of the participant’s elective contribution for the fiscal years ending June 30, 2024 and 2023. The expense of the 401(k) plan was \$385,000 and \$366,000 for the fiscal years ended June 30, 2024 and 2023, respectively.

Employee Stock Ownership Plan: Employees participate in the ESOP. The ESOP loan has been paid in full and all shares have been allocated. When it was established, the ESOP borrowed from the Corporation to purchase shares of stock. The Corporation made discretionary contributions to the ESOP, as well as paid dividends on unallocated shares held in the ESOP, and the ESOP used funds it received to repay the loan. When loan payments were made, ESOP shares were allocated to participants based on relative compensation and expense was recorded. Participants may elect to receive dividends on allocated shares as cash or toward the purchase of additional shares. Dividends on allocated shares were used to purchase shares on the open market which were allocated to participant accounts. Increased shares are the result of the ESOP trust purchasing FFD Financial Corporation shares on the open market with dividends on allocated shares. Participants receive the shares allocated to their accounts at the end of employment.

During fiscal 2012, the Corporation delisted from the NASDAQ Stock Market, an established market for its stock. The Corporation currently trades on the over-the-counter market. As such, a participant may require shares received from the ESOP, upon separation or retirement from the Corporation, to be repurchased by the Corporation because the shares are not traded on an established market.

There was no compensation expense related to the ESOP plan for fiscal years 2024 or 2023. During the fiscal years ended June 30, 2024, and June 30, 2023, the Corporation did not repurchase shares from the ESOP.

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**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 9 – Benefit Plans (continued)**

Shares held by the ESOP were as follows at June 30:

	<u>2024</u>	<u>2023</u>
Allocated to participants	284,398	300,056
Unreleased	-	-
Shares committed to be released	<u>-</u>	<u>-</u>
Total ESOP shares	<u>284,398</u>	<u>300,056</u>
Fair value of unreleased shares	<u>\$ -</u>	<u>\$ -</u>
Fair value of allocated shares subject to potential repurchase obligation	<u>\$ 7,678,746</u>	<u>\$ 9,901,848</u>

Equity Incentive Plan: The Corporation's 2015 Equity Incentive Plan permits grants of stock options, restricted stock, restricted stock units, unrestricted shares and performance awards for key employees and directors. There were 150,000 shares available for issuance under the original Plan.

The Corporation granted 1,000 and 1,120 unrestricted shares from treasury to employees during fiscal years 2024 and 2023, respectively. The grant of the unrestricted shares was immediately vested and recognized as compensation expense of \$29,420 and \$38,000 during fiscal years 2024 and 2023, respectively, based on the fair value of the Corporation's stock on dates of grants. The restricted stock units vest evenly over four years beginning one year from the date of grant. At vesting, the restricted stock units will be settled in Corporation stock on a one for one basis.

A summary of changes of nonvested restricted stock units at June 30, 2024 and June 30, 2023 are as follows:

	<u>Units</u>	<u>Per Unit Weighted Average Grant Date Fair Value</u>
Nonvested at June 30, 2022	8,651	\$ 24.46
Granted	2,220	33.70
Vested	<u>(3,821)</u>	22.63
Nonvested at June 30, 2023	7,050	\$ 37.93
Granted	2,040	29.42
Vested	<u>(3,245)</u>	26.57
Nonvested at June 30, 2024	<u>5,845</u>	\$ 29.72

There was \$142,000 and \$164,000 of total unrecognized compensation cost related to nonvested restricted stock units as of June 30, 2024 and 2023, respectively. Compensation expense was \$82,000 during fiscal years 2024 and 2023, for the restricted stock units.

The number of authorized equity incentive awards still available for grant were 103,384 and 106,424 as of June 30, 2024 and 2023, respectively.

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**Note 10 – Income Taxes**

Income tax expense was as follows:

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Current tax expense	\$ 2,606	\$ 2,538
Deferred tax expense (benefit)	<u>(95)</u>	<u>(235)</u>
Total	<u>\$ 2,511</u>	<u>\$ 2,303</u>
	<u>2024</u>	<u>2023</u>
	(In thousands)	
Federal statutory rate times financial statement income	\$ 2,966	\$ 2,818
Effect of:		
Tax exempt interest, net of interest expense disallowance	(242)	(199)
Bank owned life insurance	(118)	(82)
Captive insurance premiums	(89)	(175)
ESOP dividends	(77)	(50)
Other, net	<u>71</u>	<u>(9)</u>
Total	<u>\$ 2,511</u>	<u>\$ 2,303</u>
Effective tax rate	<u>17.8%</u>	<u>17.2%</u>

Fiscal year-end deferred tax assets and liabilities were due to the following:

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Deferred tax assets:		
Accrued compensation	\$ 49	\$ 48
Retirement expense	7	8
Allowance for credit losses	1,238	1,041
Nonaccrual loan interest	35	37
Reserve for unfunded commitments	30	29
Net unrealized loss on available for sale securities	<u>1,299</u>	<u>1,351</u>
Deferred tax assets	<u>2,658</u>	<u>2,514</u>
Deferred tax liabilities:		
Prepaid expenses	\$ (100)	\$ (61)
Federal Home Loan Bank dividends	(61)	(111)
Depreciation	(779)	(822)
Goodwill amortization	(54)	(46)
Net deferred loan origination fees	(26)	(16)
Loan servicing rights	<u>(185)</u>	<u>(209)</u>
Deferred tax liability	<u>(1,205)</u>	<u>(1,265)</u>
Net deferred tax asset	<u>\$ 1,453</u>	<u>\$ 1,249</u>

**FFD FINANCIAL CORPORATION**  
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**Notes to the Consolidated Financial Statements**

**Note 10 – Income Taxes (Continued)**

Prior to fiscal year 1987, the Bank was allowed a special bad debt deduction generally limited to 8% of otherwise taxable income and subject to certain limitations based on aggregate loans and deposit account balances at the end of the fiscal year. If the amounts that qualified as deductions for federal income taxes are later used for purposes other than bad debt losses, including distributions in liquidation, such distributions will be subject to federal income taxes at the then current corporate income tax rate. Retained earnings at June 30, 2024, include approximately \$1.65 million for which federal income taxes have not been provided. The amount of unrecognized deferred tax liability relating to the cumulative bad debt deduction was approximately \$347,000 at both June 30, 2024 and 2023.

At June 30, 2024 and June 30, 2023, the Corporation had no unrecognized tax benefits recorded. The Corporation does not expect the amount of unrecognized tax benefits to significantly change within the next twelve months. There were no penalties or interest related to income taxes recorded in the income statement for the fiscal years ended June 30, 2024 and 2023 and no amounts accrued for penalties and interest as of June 30, 2024 and 2023.

The Corporation is subject to U.S. federal income tax. The Corporation is no longer subject to examination by the federal taxing authority for years prior to 2019. The tax years 2020-2023 remain open to examination by the U.S. taxing authority.

**Note 11 – Fair Value of Financial Instruments**

Standards for “Disclosures about Fair Value of Financial Instruments” require disclosures of fair value of financial instruments, both assets and liabilities, whether or not recognized in the consolidated statement of financial condition, for which it is practicable to estimate that value. For financial instruments where quoted market prices are not available, fair values are based on estimates using present value and other valuation methods.

The methods used are greatly affected by the assumptions applied, including the discount rate and estimates of future cash flows. Therefore, the fair values presented may not represent amounts that could be realized in an exchange for certain financial instruments.

The following methods and assumptions were used by the Corporation in estimating its fair value disclosures for financial instruments at June 30, 2024 and 2023:

Cash and cash equivalents: The carrying amounts presented in the consolidated statements of financial condition for cash and cash equivalents are deemed to approximate fair value.

Investment securities available for sale: For investment securities available for sale, fair value is deemed to equal the quoted market price.

Loans receivable, net/loans held for sale: The loan portfolio has been segregated into categories with similar characteristics, such as one-to-four family residential, multi-family residential, nonresidential real estate and consumer. These loan categories were further delineated into fixed-rate and adjustable-rate loans. The fair values for the resultant loan categories were computed via discounted cash flow analysis, using current interest rates offered for loans with similar terms to borrowers of similar credit quality.

Restricted stock: The carrying amounts presented in the consolidated statements of financial condition are deemed to approximate fair value.

Interest receivable/payable: The fair values of interest receivable/payable approximate carrying values.

Loan servicing rights: The Bank accounts for loan servicing rights in accordance with the provisions of “Accounting for Transfers and Servicing of Financial Assets and Extinguishments of Liabilities,” which requires that the Bank recognize as separate assets, rights to service mortgage loans for others, regardless of how those servicing rights are acquired. An institution that acquires mortgage servicing rights through either the purchase or origination of mortgage loans and sells those loans with servicing rights retained must allocate some of the cost of the loans to mortgage servicing rights.



**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 11 – Fair Value of Financial Instruments (continued)**

Deposits: The fair value of non-interest-bearing and interest-bearing demand and savings accounts is deemed to approximate the amount payable on demand at June 30, 2024 and 2023. Fair values for fixed-rate certificates of deposit have been estimated using a discounted cash flow calculation using the interest rates currently offered for deposits of similar remaining maturities.

Federal Home Loan Bank advances/Federal Funds Purchased: The fair value of Federal Home Loan Bank advances and Federal Funds purchased have been estimated using discounted cash flow analysis, based on the interest rates currently offered for advances of similar remaining maturities.

Commitments to extend credit: For fixed-rate and adjustable-rate loan commitments, the fair value estimate considers the difference between current levels of interest rates and committed rates. At June 30, 2023 and 2022, the fair value of loan commitments was not material.

Based on the foregoing methods and assumptions, the carrying value and fair value of the Corporation's financial instruments are as follows at June 30:

	2024	2023		
	<u>Carrying</u> <u>Value</u>	<u>Fair</u> <u>Value</u>	<u>Carrying</u> <u>Value</u>	<u>Fair</u> <u>Value</u>
	(In thousands)			
Financial assets				
Cash and cash equivalents	\$ 97,491	\$ 97,491	\$ 91,566	\$ 91,566
Investment securities available for sale	50,083	50,083	40,409	40,409
Loans receivable, net	596,656	580,270	562,852	532,722
Loans held for sale	731	731	909	909
Restricted stock	1,064	N/A	1,707	N/A
Accrued interest receivable	2,056	2,056	1,620	1,620
Loan servicing rights	878	1,968	994	2,144
Financial liabilities				
Accrued interest payable	\$ 357	\$ 357	\$ 260	\$ 260
Deposits	706,188	613,131	642,979	539,024
Federal funds purchased	-	-	7,000	7,000
Federal Home Loan Bank advances	5,017	4,994	15,041	14,985

Fair value is the exchange price that would be received for an asset or paid to transfer a liability in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair value:

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect the entity's own assumptions about how market participants would price an asset or liability.

The Corporation used the following methods and significant assumptions to estimate fair value:

Investment Securities: The fair values for investment securities are determined by quoted market prices, if available (Level 1). For securities where quoted prices are not available, fair values are calculated based on market prices of similar securities (Level 2). For securities where quoted prices or market prices of similar securities are not available, fair values are calculated using discounted cash flows or other market indicators (Level 3). The Corporation has no Level 3 investment securities.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 11 – Fair Value of Financial Instruments (continued)**

Collateral-Dependent Impaired Loans: The fair value of impaired loans with specific allocations of the ACL is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches, including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are usually significant and typically result in a Level 3 classification of the inputs for determining fair value. Non-real estate collateral may be valued using an appraisal, net book value per the borrower's financial statements, or aging reports, adjusted or discounted based on management's historical knowledge, changes in market conditions from the time of the valuation, and management's expertise and knowledge of the customer and customer's business, resulting in a Level 2 fair value classification. Impaired loans are evaluated on a quarterly basis for additional impairment and adjusted accordingly.

Appraisals for collateral-dependent impaired loans are performed by certified general appraisers (for commercial properties) or certified residential appraisers (for residential properties) whose qualifications and licenses have been reviewed and verified by the Corporation. Once received, an independent member of senior management reviews the assumptions and approaches utilized in the appraisal as well as the overall resulting fair value in comparison with independent data sources such as recent market data or industry-wide statistics. On an annual basis, the Corporation compares the actual selling price of collateral that has been sold to the most recent appraised value to determine what additional adjustment should be made to the appraisal value to arrive at fair value.

Assets Measured on a Recurring Basis

Assets measured at fair value on a recurring basis are summarized below:

	Fair Value Measurements at June 30, 2024 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Assets:</u>		(in thousands)		
Assets measured on a Recurring Basis:				
Available for sale securities				
Municipal securities	\$ 39,583	\$ -	\$ 39,583	\$ -
Collateralized mortgage obligations-residential	3,161	-	3,161	-
Government treasuries	-	-	-	-
Mortgage-backed securities-residential	6,576	-	6,576	-
Agency securities	763	-	763	-
Total securities available for sale	\$ 50,083	\$ -	\$ 50,083	\$ -
Assets measured on a Non-Recurring Basis:				
Collateral dependent impaired loans	\$ 1,501	\$ -	\$ 1,501	\$ -

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 11 – Fair Value of Financial Instruments (continued)**

	Fair Value Measurements at June 30, 2023 Using			
	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
(in thousands)				
<u>Assets:</u>				
Assets measured on a Recurring Basis:				
Available for sale securities				
Municipal securities	\$ 33,846	\$ -	\$ 33,846	\$ -
Collateralized mortgage obligations-residential	3,461	-	3,461	-
Government treasuries	1,254	-	1,254	-
Mortgage-backed securities-residential	1,039	-	1,039	-
Agency securities	<u>809</u>	<u>-</u>	<u>809</u>	<u>-</u>
Total securities available for sale	\$ 40,409	\$ -	\$ 40,409	\$ -
Assets measured on a Non-Recurring Basis:				
Collateral dependent impaired loans	\$ 1,931	\$ -	\$ 1,931	\$ -

All mortgage backed securities and collateralized mortgage obligations held by the Corporation at June 30, 2024 and June 30, 2023, had underlying collateral of residential real estate.

**Note 12 – Related Party Transactions**

Outstanding loans to principal officers, directors, and their affiliates at beginning and end of Fiscal Year 2024 were as follows:

	(In thousands)
Beginning balance	\$ 6,400
Ending balance	\$ 19,933

Deposits account balances from principal officers, directors, and their affiliates totaled \$8.2 million and \$3.5 million as of June 30, 2024 and 2023, respectively.

**Note 13 – Regulatory Capital Matters**

Banks are subject to regulatory capital requirements administered by federal banking agencies. Capital adequacy guidelines and, additionally for banks, prompt corrective action regulations, involve quantitative measures of assets, liabilities, and certain off-balance-sheet items calculated under regulatory accounting practices. Capital amounts and classifications are also subject to qualitative judgments by regulators. The net unrealized gain or loss on available for sale securities is not included in computing regulatory capital. Management believes as of June 30, 2024, the Bank meets all capital adequacy requirements to which they are subject.

Prompt corrective action regulations provide five classifications: well capitalized, adequately capitalized, undercapitalized, significantly undercapitalized, and critically undercapitalized, although these terms are not used to represent overall financial condition. If adequately capitalized, regulatory approval is required to accept brokered deposits. If undercapitalized, capital distributions are limited, as in asset growth and expansion, and capital restoration plans are required. At June 30, 2024 and 2023, the most recent regulatory notifications categorized the Bank as well capitalized under the regulatory framework for prompt corrective action. There are no conditions or events since that notification that management believes have changed the institution's category.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 13 – Regulatory Capital Matters (continued)**

Actual and required capital amounts (in thousands) and ratios are presented below at June 30, 2024 and 2023.

	<u>Actual</u>		<u>Required For Capital Adequacy Purposes</u>		<u>To Be Well Capitalized Under Prompt Corrective Action Regulations</u>	
<u>As of June 30, 2024</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
Common equity Tier 1 capital	\$ 70,592	12.4%	\$ 25,582	4.5%	\$ 36,951	6.5%
Total capital to risk weighted assets	76,630	13.5	45,479	8.0	56,848	10.0
Tier 1 (core) capital to risk weighted assets	70,592	12.4	34,109	6.0	45,479	8.0
Tier 1 (core) capital to adjusted assets	70,592	8.9	31,664	4.0	39,580	5.0
<u>As of June 30, 2023</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
Common equity Tier 1 capital	\$ 62,547	11.7%	\$ 24,059	4.5%	\$ 34,752	6.5%
Total capital to risk weighted assets	67,645	12.7	42,772	8.0	53,465	10.0
Tier 1 (core) capital to risk weighted assets	62,547	11.7	32,079	6.0	42,772	8.0
Tier 1 (core) capital to adjusted assets	62,547	8.8	28,407	4.0	35,509	5.0

Banking regulations impose limitations on the payment of dividends and other capital distributions from the Bank to the Corporation, including the amount of dividends that may be paid without prior approval of regulatory agencies. Under these regulations, the amount of dividends that may be paid in any calendar year is limited to the current year's net profits combined with the retained net profits of the preceding two years, subject to the capital requirements described above. The Bank at June 30, 2024 had approximately \$19.2 million plus any retained profits for the period from July 1, 2024 through December 31, 2024 available to pay dividends to the Corporation before the end of calendar year 2024 without prior regulatory approval.

**Note 14 – Commitments and Contingencies**

In the normal course of business, there are various outstanding commitments and certain contingent liabilities which are not reflected in the accompanying consolidated financial statements. These commitments and contingent liabilities represent financial instruments with off-balance sheet risk. The contractual amounts of financial instruments with off-balance-sheet risk at June 30 were as follows:

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Commitments to make loans	\$ 22,962	\$ 23,600
Unused lines of credit	129,682	119,893
Standby letters of credit	278	303

The instruments involve, to varying degrees, elements of credit and interest rate risk in excess of the amount recognized in the consolidated balance sheets. The same credit policies are used in making commitments and conditional obligations as for on-balance sheet instruments. The terms are typically for a one-year period with an annual renewal option subject to prior approval by management. No material losses or liquidity demands are anticipated as a result of these commitments.

Commitments to extend credit are agreements to lend to a customer as long as there is no violation of any condition established in the loan agreement. These commitments comprise available commercial and personal lines of credit.

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 14 – Commitments and Contingencies (continued)**

Standby letters of credit are conditional commitments issued to guarantee the performance of a customer to a third party. Fees earned from issuance of these letters are recognized at origination.

The exposure to loss under these commitments is limited by subjecting them to credit approval and monitoring procedures. Substantially all commitments to extend credit are contingent upon customers maintaining specific credit standards at the time of the loan funding.

In the normal course of business, the Company is involved in various legal proceedings. In the opinion of management, any liability resulting from such proceedings would not have a material adverse effect on the Company's consolidated financial statements.

**Note 15 – Condensed Financial Information (Parent Company Only)**

The following condensed financial information comprising the financial condition, statements of income and cash flows of FFD Financial Corporation as of and for fiscal years ended, June 30, 2024 and 2023:

**Condensed Statements of Financial Condition**

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Assets:		
Cash and cash equivalents	\$ 661	133
Investment in First Federal Community Bank	66,243	58,019
Investment in FFD Risk Management, Inc.	-	1,745
Other assets	<u>66</u>	<u>86</u>
Total assets	<u>\$ 66,970</u>	<u>59,983</u>
Liabilities:		
Total liabilities	\$ <u>    -</u>	<u>    -</u>
Shareholders' Equity:		
Additional paid-in capital	\$ 8,913	8,846
Retained earnings	71,548	63,876
Accumulated other comprehensive loss, net of tax	(4,888)	(5,081)
Treasury stock, at cost	<u>(8,603)</u>	<u>(7,658)</u>
Total shareholders' equity	<u>66,970</u>	<u>59,983</u>
Total liabilities and shareholders' equity	<u>\$66,970</u>	<u>59,983</u>

**FFD FINANCIAL CORPORATION**  
**June 30, 2024 and 2023**  
**Notes to the Consolidated Financial Statements**

**Note 15 – Condensed Financial Information (Parent Company Only) (continued)**

**Condensed Statements of Income**

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Interest and dividend income	\$ 14	-
General and administrative expenses	(253)	(314)
Income tax benefit	<u>128</u>	<u>116</u>
	(111)	(198)
Equity in earnings of First Federal Community Bank	11,272	10,433
Equity in earnings of FFD Risk Management, Inc.	<u>453</u>	<u>881</u>
Net income	\$ <u>11,614</u>	<u>11,116</u>

**Condensed Statements of Cash Flows**

	<u>2024</u>	<u>2023</u>
	(In thousands)	
Operating activities:		
Net income	\$ 11,614	11,116
Adjustments to reconcile net income to net cash from operating activities:		
Equity in undistributed earnings of First Federal Community Bank	(11,272)	(10,433)
Equity in undistributed earnings of FFD Risk Management, Inc.	(453)	(881)
Changes in assets and liabilities:		
Other assets and accrued liabilities	<u>20</u>	<u>10</u>
	(91)	(188)
Financing activities:		
Cash received from subsidiaries, net	4,947	3,250
Purchase of treasury shares	(990)	-
Cash dividends paid to shareholders	<u>(3,338)</u>	<u>(3,031)</u>
	<u>619</u>	<u>219</u>
Net change in cash	<u>528</u>	<u>31</u>
Cash – beginning of year	<u>133</u>	<u>102</u>
Cash – end of year	\$ <u>661</u>	<u>133</u>

***Investing In Our Community!*** It's not just a slogan; it's the way we do business at First Federal Community Bank. Our people invest back into the community in the following ways:

**Leadership & Volunteer roles in the following...**

- Access Tuscarawas
- Armor Sports-NewPointe
- Berlin Main Street Merchants
- Branches Worldwide
- Buckeye Career Center Advisory Council
- Buckeye Career Center Friends of Adult Education Board
- Business Factory Board of Directors
- Camp Tuscazoar Foundation Board of Directors
- Caring Hearts Committee
- City of Dover Architectural Review Board
- Classic in the Country-Berlin Hiland Girls Basketball
- Cleveland Clinic Union Hospital Auxiliary
- Community Arts Council of Sugarcreek
- Dennison Railroad Depot Museum
- Dover City Schools Education Foundation
- Dover Community Parks Foundation
- Dover Rotary Club
- Dover-New Philadelphia Kiwanis Club
- East Holmes Little League Baseball
- First Federal Holiday Showcase-Hiland Boys Basketball
- Friends of The Homeless Tusc. County
- Garaway Youth Softball
- Greater Dover New Philadelphia Food Pantry
- Help Build Hope Crossroads Mission
- Hiland Athletic Booster Club
- Hiland Baseball-Treasurer
- Holmes County Chamber of Commerce
- Immaculate Conception Parish Ministry
- Indian Valley Foundation
- Leadership Holmes County
- Leadership Tuscarawas
- Mt. Hope Charities
- Mt. Hope Merchants
- MuskingumWatershed Conservancy District-DevelopAdvisoryCom
- New Phila Business & Community Association
- New Philadelphia City Council
- New Philadelphia Heritage Club
- New Philadelphia Rotary
- New Philadelphia Youth Basketball
- New Philadelphia Youth Soccer Association
- NPACT
- Quaker Foundation
- Rainbow Connection Board of Directors
- Salvation Army
- Society for Equal Access
- St. Mary's Parish Festival
- Stark Real Estate Investors Assoc.
- Stark Trumbull Area Realtors-Affiliate Committee
- Sugarcreek Business Association
- Tusc. County Special Olympics-TuscBDD
- Tusc. Real Estate Investors Assoc.
- Tuscarawas County 4-H Advisors
- Tuscarawas County Board of Realtors
- Tuscarawas County Cattlemen's Association
- Tuscarawas County Chamber of Commerce
- Tuscarawas County Community Foundation
- Tuscarawas County Farm Bureau
- Tuscarawas County Humane Society
- Tuscarawas County OSU Ext. Committee
- Tuscarawas County Senior Center
- Tuscarawas County University Foundation
- Tuscarawas County YMCA Board of Directors
- Tuscarawas United to Feed our Future (TUFF)
- Tuscora Chapter SHRM
- Twin City Chamber of Commerce Board of Directors
- Twin City Food Pantry
- Union Hospital Development & Community Relations
- United Way of Tuscarawas County
- United Way Wayne & Holmes Counties
- Villiage of Dennison Light Up Christmas
- Walnut Creek Youth Baseball

**Employees donated and raised \$25,885 which includes a bank match for...**

- Big Brothers Big Sisters
- Blessings in a Back Pack
- Challenger Baseball
- Cleveland Clinic-Union Hospital Breast Cancer Program
- Community Hospice Truman House
- Dress a Child
- Friends of the Homeless Tuscarawas County
- Greater Dover New Philadelphia Food Pantry
- Harbor House
- Habitat for Humanity East Central Ohio
- Love Center Food Pantry
- Noah's Hope Child Advocacy
- Safe Harbor Ohio
- Tusky Valley Strong
- Twin City Christian Service Center
- Rainbow Connection
- Rainbow of Hope Foundation
- Salvation Army
- Share-A-Christmas
- Society for Equal Access
- Tuscarawas County Humane Society
- Tuscarawas United to Feed our Future (TUFF)
- United Way of Tuscarawas County
- Tuscarawas County TNR Project
- Tuscarawas County Special Olympics-TuscBDD

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## Board of Directors of FFD Financial Corporation and First Federal Community Bank



Pictured (L to R): Mary Burns, Thurman Mullet, Stephen Clinton, Matthew Beachy, Douglas Bambeck, Trent Troyer, David Kaufman, and Richard Brinkman, Jr.

**Douglas G. Bambeck**

President, Investment Partners LTD

**Mary A. Burns**

President, Barbour Publishing

**Thurman L. Mullet**

President, Mt. Hope Auction Company

**Matthew L. Beachy**

President, Troyer Furniture, Inc.

**Stephen G. Clinton**

Chairman of the Board,  
President, Capital Market Securities, Inc.

**Trent B. Troyer**

President and CEO, FFD Financial and  
First Federal Community Bank

**Richard A. Brinkman, Jr.**

Retired Regional President,  
AAA East Central

**David W. Kaufman**

President, Dave Kaufman Realty, Inc.

**Director Emeritus**

**Leonard L. Gundy**

Retired, Benchmark Construction  
(not pictured)

## FFD Financial Corporation and First Federal Community Bank Officers

**Trent B. Troyer\***

President &  
Chief Executive Officer

**Kelly J. Fortney**

Vice President &  
Chief Information Officer

**Scott C. Heil**

Vice President

**Leslie A. Riker**

Banking Officer

**Scott C. Finnell\***

Executive Vice President,  
Secretary &  
Chief Credit Officer

**Stephenie M. Wilson**

Vice President

**Matthew D. Stein**

Vice President

**Kathleen M. Norman**

Banking Officer

**Greg W. Dorris\***

Senior Vice President,  
Treasurer &  
Chief Financial Officer

**Kristofer A. Kreinbihl**

Vice President

**Suzanne M. Moore**

Vice President

**Laurie D. Russell**

Banking Officer

**Michele L. Larkin\***

Senior Vice President

**Kerry L. Egler-Whysell**

Vice President

**Kenneth L. Miller**

Vice President

**Sharon J. Troyer**

Banking Officer

**Matthew A. Miller\***

Senior Vice President &  
Chief Lending Officer

**Tiffany A. Kail**

Vice President

**Carol L. Slemmer**

Banking Officer &  
Executive Administrator

**Cory J. Parker**

Banking Officer

**Angela L. Delong**

Vice President

**Alexandra M. Geers**

Banking Officer

\*FFD Financial



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321 North Wooster Avenue  
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330-364-7777  
Leslie Riker, Financial Center Manager



**BOULEVARD**

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Cathie McCulloch, Financial Center Manager



**DOVER FINANCIAL EDUCATION CENTER**

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330-364-7777  
Karleigh Mills, Financial Center Manager



**NEW PHILADELPHIA**

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Tracy Fawcett, Financial Center Manager



**BERLIN**

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James Marks, Financial Center Manager



**SUGARCREEK**

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330-852-8888  
Elizabeth Dorto, Financial Center Manager



**MT HOPE**

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330-674-4673  
Sharon Troyer, Financial Center Manager



**UHRICHSVILLE**

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Kathy Norman, Financial Center Manager