

# 2024 Annual Report

Federally insured by NCUA



**First Source**  
Federal Credit Union

## CHAIRMAN'S & CEO'S REPORT

Dear Valued Member,

Thank you for your continued support throughout 2024. As a member-owned financial cooperative, the Board of Directors, Management Team, and Employees of First Source Federal Credit Union is dedicated to our mission of *Improving the quality of life of our Employees, Members, and the Communities we serve.*

We achieve our mission by taking care of our employees, providing quality solutions to improve the lives of our members, and holding to a high standard of personal service. We maintain a deep commitment to being a good corporate citizen by giving back to the communities where we work, live, and volunteer. We accomplish this while being strong stewards of our financial resources.

Over the years, we have positioned your Credit Union for future growth by building upon its financial strength. Growth is critical to the future of our organization as it enables us to expand our product and service offerings, to provide you with effective solutions to meet your complex financial needs, while continuing to provide value and exceptional personal service.

We had a successful year in terms of Membership and Share Growth, maintaining over \$1 billion in assets. Net Income was also strong in 2024. Our overall financial results compare favorably with other credit unions across New York State as well as the entire country; and we continue to receive high marks for safety and soundness from our examiners and auditors.

Our financial success is achieved by focusing on key internal and external areas to better serve our members. In 2024, we implemented enhancements for electronic signatures, credit card controls, dispute processes, and debt protection. Renovations were completed in our South Utica branch, and South Utica and Rome drive-thrus; and plans have been finalized for both our new Herkimer branch building, and New Hartford main office redesign project, which will begin in the second half of 2025. We also began the foundational steps for exciting new products and services that will launch in the coming months. Our commitment to our communities remained strong through continued emphasis on financial education, staff volunteerism, as well as expanded community programs and outreach.

You can be confident your Board of Directors, Management, and Employees are committed to providing the best value in financial products and services. As we implement new digital and electronic services, we will strive to provide convenience and ease of use, while remaining focused on preserving our personal connection with our members. Financial education will continue to be a focus for our First Source team. Education on how to manage finances will be an ongoing benefit offered in support of Members making informed financial decisions.

The Board and Management Team continually focus on the future, and remaining a viable and vital resource for our members and the community.

Thank you for choosing First Source!

*Raymond Philo, MA, Board Chairman*  
*John Calabrese, President/CEO*

TREASURER’S REPORT

James Peterson, Board Treasurer

First Source Federal Credit Union experienced another year of solid growth during 2024 as total assets grew by \$33 million to end the year at \$1.06 billion.

First Source’s overall financial performance in 2024 was strong and added nearly \$8 million to our financial reserves during the year. Our reserves provide protection for the Credit Union from economic downturns and any challenges encountered. I am pleased to report that First Source remains financially sound with over \$101 million in reserves and a Net Worth Ratio of 9.54%, which is well capitalized as determined by our federal regulator, the National Credit Union Administration.

Highlights from 2024

- Total Assets = \$ 1,062,248,464
- Total Loans = \$ 999,314,736
- Total Reserves = \$ 101,288,969
- Net Worth = 9.54%
- Return on Assets = .73%

During the year, we helped Members continue to achieve their financial goals as total loans outstanding at the end of 2024 grew to over \$999.3 million.

I am pleased to report that your Credit Union is financially strong, and our strategies are designed to maintain that strength to continue to provide Member Value into the future.

James Peterson, Board Treasurer

SUPERVISORY COMMITTEE REPORT

First Source Federal Credit Union’s Supervisory Committee is responsible for ensuring that credit union policies, procedures, and internal controls are adequately designed to protect Member’s assets through oversight of internal audit activities. This Committee consists of volunteers who apply to serve and are appointed by the Board of Directors.

The Committee is also responsible for ensuring that the financial condition of the Credit Union is accurately presented in the financial statements by engaging an independent Certified Public Accounting Firm. The independent auditor’s report, issued by Firley, Moran, Freer & Eassa, CPA, P.C., for the year ended December 31, 2024, confirmed that the financial statements fairly present, in all material respects, the Credit Union’s financial position and conform with generally accepted accounting principles. The National Credit Union Administration (NCUA), the Credit Union’s primary regulator, also conducts periodic examinations of records and operations.

We are pleased to report that the 2024 financial audit resulted in a strong rating. The Supervisory Committee commends the Board of Directors, Management, and Employees for their high level of performance and service to our Members.

Byron W. Elias, Supervisory Committee Chairman

**BALANCE SHEET**

Years Ended 12/31/2024 and 12/31/2023

<u>\$ (Dollars)</u>	<u>2024</u>	<u>2023</u>
<b>ASSETS</b>		
Cash and Cash Equivalents	\$6,132,246	\$6,160,752
Cash on Deposit at Corporate Credit Union	39,836,963	33,803,392
Cash on Deposit at other Financial Institutions	10,915,628	10,743,982
Investments - Available for Sale	0	0
<b>Total Cash and Investments</b>	<b>56,884,837</b>	<b>50,708,126</b>
New Automobile	112,965,718	134,430,807
Used Automobile	206,286,491	216,005,850
Secured	41,247,010	41,651,412
Unsecured	78,841,950	75,420,108
Participation Loans	-	-
Member Business Loans	119,869,517	85,580,876
SBA PPP Loans	-	-
Credit Card	27,161,969	23,246,129
Real Estate	411,877,454	392,428,507
All Other	1,064,626	968,794
<b>Total Loans to Members</b>	<b>999,314,736</b>	<b>969,732,484</b>
Allowance for Loan Losses	(22,719,869)	(20,362,387)
<b>Total Loans, Net</b>	<b>976,594,867</b>	<b>949,370,097</b>
Mortgages Held For Sale	-	-
Accrued Interest Receivable	3,182,719	2,814,036
Property and Equipment, net of depreciation	7,930,939	8,666,004
NCUSIF deposit	8,865,103	8,390,251
Other Real Estate Owned	301,892	-
Prepaid expense and other assets	8,488,106	9,008,797
<b>Total Assets</b>	<b>\$1,062,248,464</b>	<b>\$1,028,957,311</b>
<b>LIABILITIES AND MEMBER EQUITY</b>		
<b>LIABILITIES</b>		
Notes Payable	35,000,000	75,000,000
Accounts payable and accrued liabilities	7,802,235	6,560,140
<b>Total Liabilities</b>	<b>42,802,235</b>	<b>81,560,140</b>
<b>MEMBER EQUITY</b>		
Members' share accounts	918,157,260	853,810,655
Total Reserves	101,288,969	93,586,516
<b>Total Liabilities and Member Equity</b>	<b>\$1,062,248,464</b>	<b>\$1,028,957,311</b>

**STATEMENT OF INCOME**

Years Ended 12/31/2024 and 12/31/2023

<u>\$ (Dollars)</u>	<u>2024</u>	<u>2023</u>
<b>INTEREST INCOME</b>		
Interest on Loans	\$60,319,964	\$49,184,633
Interest on Investments	2,142,213	1,981,294
<b>Total Interest Income</b>	<b>62,462,177</b>	<b>51,165,927</b>
<b>INTEREST EXPENSE</b>		
Dividends on member's share accounts	17,986,218	12,075,937
Interest on notes payable	2,145,858	2,928,261
<b>Total Dividend Expense</b>	<b>20,132,076</b>	<b>15,004,198</b>
<b>Net Interest Income</b>	<b>42,330,101</b>	<b>36,161,729</b>
Provision for Loan Losses	8,900,000	5,900,000
<b>Net Interest Income after Provision for Loan Losses</b>	<b>33,430,101</b>	<b>30,261,729</b>
<b>NON-INTEREST INCOME</b>		
Fees, service charges and other income	12,651,063	11,853,389
<b>Total Non-Interest Income</b>	<b>12,651,063</b>	<b>11,853,389</b>
<b>Gross Income</b>	<b>46,081,164</b>	<b>42,115,119</b>
<b>NON-INTEREST EXPENSE</b>		
Compensation and Employee Benefits	21,366,582	19,098,815
Office Occupancy and Operations	11,684,781	10,342,074
Member Services, Education, and Promotion	2,059,471	1,832,138
Loan Servicing	2,550,486	3,765,296
Professional Fees	416,780	336,832
Other	1,079,752	977,417
<b>Total Non-Interest Expense</b>	<b>39,157,852</b>	<b>36,352,571</b>
<b>Total Net Operating Income</b>	<b>6,923,312</b>	<b>5,762,548</b>
Non-operating income/(expense)	779,141	1,222,322
Non-Operating gain/loss	-	-
<b>Net Income</b>	<b>\$7,702,453</b>	<b>\$6,984,870</b>

**STATEMENT OF CHANGES IN MEMBER EQUITY**

Years Ended 12/31/2024 and 12/31/2023

<u>\$ (Dollars)</u>	<u>2024</u>	<u>2023</u>
<b>REGULAR RESERVES</b>		
Balance at January 1	\$0	\$0
Transfers to Undivided Earnings	-	-
<b>Balance at December 31</b>	<b>-</b>	<b>-</b>
<b>UNDIVIDED EARNINGS</b>		
Balance at January 1	93,586,516	86,601,646
Net Income	7,702,453	6,984,870
Transfers from Regular Reserves	-	-
<b>Balance at December 31</b>	<b>101,288,969</b>	<b>93,586,516</b>
<b>UNREALIZED GAIN/LOSS ON AFS INVESTMENTS</b>		
<b>Balance at December 31</b>	<b>-</b>	<b>-</b>
<b>Total Member Equity as of 12/31</b>	<b>\$101,288,969</b>	<b>\$93,586,516</b>

**STATEMENT OF CASH FLOW**

Years Ended 12/31/2024 and 12/31/2023

<u>\$ (Thousands)</u>	<u>2024</u>	<u>2023</u>
<b>OPERATING CASH FLOW</b>		
Net Interest Income	\$62,462	\$51,166
Fees/Other Income	13,430	13,076
Expenses	(68,190)	(57,257)
<b>Net Income</b>	<b>7,702</b>	<b>6,985</b>
<b>NON-CASH EXPENSE ADJUSTMENTS</b>		
Provision for Loan Loss	8,900	5,900
Depreciation	9,616	977
<b>Net Cash from Operations</b>	<b>26,218</b>	<b>13,862</b>
<b>MEMBER ACTIVITIES</b>		
New Loans	(282,446)	(368,323)
Loan Principal Repayment	246,321	229,914
<b>Net Loan Principal Flow</b>	<b>(36,125)</b>	<b>(138,409)</b>
Net Change in Checking	4,090	(1,906)
Certificates Issued	287,798	195,446
Certificates Matured or Redeemed	(236,858)	(22,614)
Net Change in Other Shares	9,317	(68,943)
<b>Net Share Balance Flow</b>	<b>64,347</b>	<b>101,983</b>
<b>INVESTING &amp; OTHER ACTIVITIES</b>		
Decrease/(Increase) in Deposits at Corp CU	(6,205)	(9,830)
Investment Sales/Maturities	-	-
Investment Purchases	-	-
<b>Net Investment Principal Flow</b>	<b>(6,205)</b>	<b>(9,830)</b>
Change in MHFS	-	-
Change in Other Assets	(625)	7,167
Change in Other Liabilities	1,651	(81)
Sale of Fixed Assets	-	-
Purchase of Fixed Assets	(8,881)	(1,645)
<b>Net Change in Other Assets/Liabilities</b>	<b>(7,855)</b>	<b>5,441</b>
<b>FINANCING ACTIVITIES</b>		
Net Change in Borrowing	(40,409)	25,285
<b>Net Cash Flow</b>	<b>(29)</b>	<b>(1,668)</b>
Add: Beginning Cash & Cash Equivalents	6,162	7,830
<b>Ending Cash &amp; Cash Equivalents</b>	<b>\$6,133</b>	<b>\$6,162</b>



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