

2025 Annual Report

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First Source
Federal Credit Union

CHAIRMAN'S & CEO'S REPORT

Honoring Our Legacy. Building Our Future.

Dear Valued Member,

As we reflect on another remarkable year at First Source Federal Credit Union, I am inspired by both our rich history and exciting future.

Our story began in March 1938, when eleven dedicated educators came together with a simple but powerful vision—to create a financial cooperative that would serve the needs of local teachers and their families. From that humble beginning as Utica Teachers Federal Credit Union, we have grown into a thriving financial institution serving thousands of members throughout our region.

Now, 88 years later, that founding spirit continues to guide us. While much has changed since 1938, our mission remains steadfast: to improve the financial well-being of our employees and members, strengthen our communities, and provide exceptional service rooted in trust, integrity, and compassion.

Throughout 2025, our teams put significant effort into the planning and preparation for a charter conversion to become a Multiple Common Bond Credit Union – a strategic change, that will expand our ability to serve more individuals, families, communities, and organizations while preserving the cooperative values that have defined us for generations. NCUA approval for this conversion became effective in March 2026, and will position First Source for long-term growth and ensure we can bring the benefits of membership to an even broader community.

We also continued investing in the member experience through important branch enhancements and facility upgrades. These improvements create more welcoming, modern environments, that better support both personal interactions and financial conversations. While technology continues to transform banking, we recognize that strong relationships remain at the heart of everything we do.

This past year there were significant advancements in our digital capabilities, enhancements to our technology infrastructure, as well as new tools designed to make banking more convenient, secure, and accessible. We remain committed to delivering innovative solutions that meet our members' evolving needs while maintaining personalized service.

We were equally excited to continue expansion of our portfolio of products and services. The addition of Insurance Services provides members with another valuable resource to help protect what matters most. By broadening our offerings, we continue our commitment to being a trusted financial partner throughout every stage of our members' lives.

Our commitment to community remains stronger than ever. Throughout the year, First Source employees, volunteers, and leadership dedicated over 3,000 volunteer hours to 70+ local organizations, charitable initiatives, educational programs, and community events. We also contributed \$370,000 to over 120 organizations throughout our region. Our Community Education team provided financial literacy education to over 5,000 students in 80 different schools and organizations. Giving back is not simply something we do - it is part of who we are. As a member-owned cooperative, we believe that when our communities thrive, we all thrive.

None of these accomplishments would be possible without the dedication of our leadership team, our employees, our Board of Directors and Volunteers, and the loyalty and trust of our members. Together, we have honored the legacy established by those eleven teachers in 1938 while positioning First Source Federal Credit Union for continued success in the years ahead.

As we look toward the future, we remain focused on innovation, growth, service excellence, and community impact. Most importantly, we remain committed to our mission of helping members achieve their financial goals and build brighter futures.

Thank you for being part of the First Source family. We are honored to serve you and excited for what lies ahead.

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

TREASURER’S REPORT

First Source Federal Credit Union experienced another year of solid growth during 2025 as total assets grew by \$42 million to end the year at \$1.10 billion.

First Source’s overall financial performance in 2025 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 \$109 million in reserves and a Net Worth Ratio of 9.88%, which is well capitalized as determined by our federal regulator, the National Credit Union Administration.

Highlights from 2025

- Total Assets = \$ 1,103,898,748
- Total Loans = \$ 1,031,700,164
- Total Reserves = \$ 109,086,957
- Net Worth = 9.88%
- Return on Assets = .71%

During the year, we helped Members continue to achieve their financial goals as total loans outstanding at the end of 2025 grew to over \$1.03 billion.

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, 2025, 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 2025 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