



Federal Credit Union | Friends you can bank on.



# 2023

annual report



Equal Housing Lender  
Federally Insured by NCUA

**“Professional and friendly,  
everything was done efficiently.  
I was treated like a friend.”**

**- Fred Parr**  
Member since 2003

## letter from the chairperson and president/ceo



Steven Endress, Chairperson of the Board  
Mike Thomas, President/Chief Executive Officer

Growth, transition, innovation and kindness are words used to best describe Service 1st's highlights for 2023. We continued to grow while helping members navigate the ups and downs of the economy. While maintaining our commitment to exceptional member service, we welcomed a new President/CEO. We continued to advance our product and service offerings to make it easy for you to conduct business with us. We exemplified our core value of supporting community by continuing volunteer efforts and financial support of non-profit organizations throughout our region.

**Growth:** Service 1st continued to grow and display strong financial performance. Our assets grew to \$646 million, a nearly 5.0% increase over 2022. Loan growth remained strong, with loans topping \$552 million, a 4.7% increase over the preceding year. Deposits grew by 3.8% to \$564 million for the same period. Our Return on Average Assets (ROA), the measure of the overall health of a financial institution, was 1.63% in 2023, up from 1.24% in 2022. Membership increased 4.3% to 40,401.

**Transition:** One of the most notable events in our credit union's history happened in 2023, with the retirement of our former President/CEO Bill Lavage. He retired after 42 years of service. In September, Mike Thomas transitioned from his role as Chief Financial Officer, to proudly lead our credit

union with a keen focus on continuing to improve your member experience and evolve our digital services.

**Innovation:** In 2023, we streamlined the options you have to process payments. We also provided members with Digital Issuance for our credit and debit cards. Now, whether you've applied for our Visa® Platinum Credit Card, requested a Visa® Debit Card, or you recently requested a replacement, you can upload your new card to the mobile wallet on your smart device. The digital card is available within a few hours of your request being processed, allowing purchases wherever digital wallet payments are accepted. Most importantly, it eliminates having to wait for your physical card to arrive in the mail. And as the year wrapped up, we welcomed Scout, our virtual financial assistant, to help answer your account specific questions when you call and guide you with financial education, credit union product and service information or additional services like our card solutions.

**Kindness:** Supporting the community is one of our seven core values, and in 2023, we donated to several wonderful organizations, making a positive impact locally. As a result of our Annual Charity Duck Derby and 29th Annual Service 1st Charity Golf Tournament, we raised \$60,000 to benefit Wreaths Across America – Montour County and the Montour Area Recreation Commission (MARC). In September, we joined forces with a number of local businesses raising over \$15,000 to benefit ThinkBIG® Pediatric Cancer Fund. We ended the year by surprising over 50 charitable organizations throughout the communities we serve with combined donations totaling \$220,000 as part of our Magic of the Season initiative!

We were honored to be recognized by The Press Enterprise with five Best of the Best Awards. The categories included: Best Credit Union, Best Bank, Best Employer, Best Financial Planning Services and Best Mortgage Company. We also won first place for Best Bank/Credit Union and Best Financial Planning Services for The Daily Item's 2023 Best of the Valley Readers' Choice Contest. Additionally, CrossState Credit Union Association honored Service 1st with the 2023 Desjardins Adult Financial Literacy Award. In November, Service 1st received Raddon Financial Group's Crystal Performance Award. This is the fifth time Service 1st has received this award since 2010. These awards are presented annually to the top performers in Raddon's Performance Analytics program.

The sky is the limit! Thanks to you, our members, our volunteers and our employees, we're looking ahead knowing that when we work together, anything is possible. We're focused on continued growth, providing educational opportunities, expanding our digital services and working with you to achieve your financial goals. We are also looking forward to welcoming members to our newest branch location in Fall 2024. Our Muncy Office will be located at 200 Muncy Creek Boulevard, Muncy, PA. Our promise to you remains the same, to provide a lifetime of financial services to meet your changing needs, fostering a relationship of trust, dignity and respect.



## management team

(L-R): Coleen Snover, Vice President Training & Development; Dave Shope, Assistant Vice President Business Development; Jay Reed, Chief Information Officer; Missy Peifer, Vice President Human Resources; Linda Brown, Chief Administrative Officer; Sarah Zinga, Assistant Vice President Digital Services; Barbara Zlotorzynski, Assistant Vice President Operations; Karen Wood, Chief Experience Officer; Jeffrey Balestrini, Chief Lending Officer; Mike Thomas, President/CEO; Jamie Bringer, Chief Financial Officer; Brett Johnson, Vice President Lending; Colleen Phillips, Vice President Marketing; Christopher Court, Chief Strategy & Innovation Officer; Elisabeth Taylor, Vice President Audit & Compliance; Jason Deater, Information Systems Manager; Jennifer Daddario, Regional Vice President; Tim Sones, Vice President Accounting and Scott Temple, Vice President Member Business Services.



## board of directors

(L-R): David Cutright, Treasurer; Barbara Criswell, Director; Tracy Shirk, Vice Chairperson; Mike Fleming, Supervisory Committee Chairperson; Eric Polczynski, Director; Lori Wilson, Director; Steven Endress, Board Chairperson; Mike Thomas, President/CEO; Greg Burke, MD, FACP, Director; Kathy Linn, Director and Deborah Petretich Templeton, R. Ph., MHA, Secretary.



**“You employ great people with friendly attitudes. It’s like speaking to a friend who wants to help you. That goes a long way!”**

**- Brian Barker**  
Member since 2012



## service 1st retirement & investment center

(L-R): **Josh Culver**, Financial Services Coordinator; **Matt Gardill**, LPL Registered Representative; **Jeffrey McKinnon**, Financial Advisor; **Matt Defalco**, Financial Advisor and **Ed Moyer**, LPL Registered Representative.

Service 1st Retirement & Investment Center is staffed by knowledgeable and experienced financial representatives devoted to serving your retirement, insurance and investment needs. In May 2023, Jeffrey H. McKinnon, CFP®, CRC®\*\*, joined the Service 1st Retirement & Investment Center\* team as a Financial Advisor. In June 2023, Gary Surak, Vice President of Wealth Management, retired following 22 years of guiding the Service 1st Retirement & Investment Center. Service 1st Retirement & Investment Center has over \$162,192,363 in brokerage assets under advisement and over 1,693 members served.

\*Securities and advisory services are offered through LPL Financial (LPL), a registered investment advisor and broker-dealer (member FINRA/SIPC). Insurance products are offered through LPL or its licensed affiliates. Service 1st Federal Credit Union and Service 1st Retirement and Investment Center **are not** registered as a broker-dealer or investment advisor. Registered representatives of LPL offer products and services using Service 1st Retirement and Investment Center, and may also be employees of Service 1st Federal Credit Union. These products and services are being offered through LPL or its affiliates, which are separate entities from, and not affiliates of, Service 1st Federal Credit Union or Service 1st Retirement and Investment Center. Securities and insurance offered through LPL or its affiliates are:

Not Insured by NCUA or Any Other Government Agency	Not Credit Union Guaranteed	Not Credit Union Deposits or Obligations	May Lose Value
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\*\*CRC conferred by InFRE®.

Your Credit Union (Service 1st Federal Credit Union) provides referrals to financial professionals of LPL Financial LLC (“LPL”) pursuant to an agreement that allows LPL to pay Service 1st Federal Credit Union for these referrals. This creates an incentive for Service 1st Federal Credit Union to make these referrals, resulting in a conflict of interest. Service 1st Federal Credit Union is not a current client of LPL for advisory services.

Please visit <https://www.lpl.com/disclosures/is-lpl-relationship-disclosure.html> for more detailed information.





Service 1st raised \$1,354 to benefit Hunter's Heart & Hustle Foundation!

Photo (L-R), Front row: Jennifer Watts, Transformation Coordinator and Sherry Soto, Member Service Representative, Lewisburg. Back row: Amanda Snyder, Assistant Market Manager, Lewisburg; William Reynolds, Hunter's Dad; Maryann Gonzalez, Member Service Representative II, Lewisburg and Jennifer Daddario, Regional Vice President.

Our 29th Annual Charity Golf Tournament was held Friday, August 25 at Frosty Valley Resort in Danville. During the tournament, Service 1st presented two local charities with donations totaling \$60,000!

Photo: (L-R) Denise Cressman, Co-Location Coordinator, Wreaths Across America/Montour Chapter; Betsy Morales-Evans, Volunteer, Wreaths Across America/Montour Chapter; Daniel Marion, Co-Location Coordinator, Wreaths Across America/Montour Chapter; Colleen Marion, Location Coordinator, Wreaths Across America/Montour Chapter; Jeff Balestrini, Chief Lending Officer, Golf Committee Chair; and Bill Lavage, Former President/CEO.



Member Service Representative Sarah Smith was named the 2023 CrossState Credit Union Ambassador. In May, she was announced as one of three finalists. Sarah represented the Northwest Susquehanna Chapter of Credit Unions at the CrossState Credit Union Association's 2023 Credit Union Ambassador Contest held on May 19, 2023, during the Association's Annual Connect Convention in Hershey, PA.

Service 1st Federal Credit Union's Board of Directors announced that the credit union's Chief Financial Officer Mike Thomas would be the next President/CEO for the \$640 million credit union. Thomas assumed his new position upon Bill Lavage's retirement in September 2023. Lavage served as President/CEO for 42 years.

Photo (L-R): Bill Lavage, Former President/CEO and Mike Thomas, President/CEO.



The Annual Charity Duck Derby Saturday, August 5, raised \$20,000 to benefit two local organizations!

Photo (L-R): Steve DiCasa, Marketing & Communications Specialist; Suzette Sands, Administrative Assistant to the CEO; Linda Brown, Chief Administrative Officer; Kim Wolfe, HR Generalist; Sarah Schiro, Graphic Design & Media Specialist; Dave Shope, Assistant Vice President Business Development; Crissie, Service 1st Mascot; Michael Howe, Facilities & Maintenance Specialist; Steve Endress, Chair, Service 1st Board of Directors; Mike Thomas, President/CEO; Brett Johnson, Vice President Lending; Mandi Stallman, Audit & Compliance Specialist; and Missy Shipton, Collections Supervisor.

Rachael Herb, Assistant Vice President Lewisburg Market, Service 1st, made several stops to sweeten up the day for a number of the local nurses at Evangelical Community Hospital during 2023 Nurses Week.







A number of local businesses and organizations joined together to raise awareness about pediatric cancer and \$15,000 to support the ThinkBIG® Pediatric Cancer Fund.

Photo (L-R): Mike Thomas, President/CEO; Damien Malfara, Owner, Old Forge Brewing Company; Colleen Phillips, Vice President Marketing; Maria Malfara, Owner, Old Forge Brewing Company; Jace Rovenolt, General Manager, Old Forge Brewing Company; and Brett Barrick, Director, ThinkBIG® Pediatric Cancer Fund Board of Directors.

Service 1st surprised the students at Priestley Elementary School in Northumberland with new sports balls and playground toys!

Photo: (L-R) Mike Thomas, President/CEO; Crissie, Service 1st Mascot and Jeff Balestrini, Chief Lending Officer.



One of Service 1st's longtime holiday traditions is volunteering with Toys for Tots to assist with packing toys for children across the Central Susquehanna Valley. Thank you so much to all the volunteers who've made the holiday season a little brighter for many children in our area!

Photo (L-R): Front: Melissa Spence, daughter Isabel, and Israel Spence, Data Analyst. Back: Tina Applegate, Assistant Market Manager Montandon, and husband, Tom; and Liz Taylor, Vice President of Audit & Compliance.

After kicking off the holiday season with the annual tree lighting, Service 1st Federal Credit Union presented 55 non-profits across the region with donations, as part of our Magic of the Season charity initiative. In all, \$220,000 was awarded to local organizations, ranging from children's causes and animal welfare organizations to libraries and fire departments.

Photo (L-R): Santa Claus, Crissie, Service 1st Mascot and Bucky the Bison, Bucknell University Mascot.



Service 1st sponsored Bucknell Health and Wellness Week at Bucknell University, where we were delighted to hold a social security seminar and provide refreshments during the wellness race!

Photo (L-R): Bucky the Bison, Bucknell University Mascot and Rachael Herb, Assistant Vice President Lewisburg Market.

Service 1st Federal Credit Union partnered with Warrior Run High School to host a Financial Reality Fair. Over 220 juniors and seniors took part in the mock budget experience.

Photo (L-R): Jenn Watts, Transformation Coordinator; Mike Thomas, President/CEO and Mackenzie Watts, Warrior Run Student.





# statement of income

As of December 31, 2023 and December 31, 2022 (Unaudited - Subject to revisions.)\*

	2023	2022	% Change
<b>OPERATING INCOME</b>			
Income from Loans	\$28,603,109	\$21,798,711	31.2%
Income from Investments	2,304,567	675,008	241.4%
Member Services Income	199,959	287,616	-30.5%
Mortgage Fee Income	70,470	129,216	-45.5%
Other Income	8,694,055	7,342,415	18.4%
<b>TOTAL OPERATING INCOME</b>	<b>39,872,160</b>	<b>30,232,966</b>	<b>31.9%</b>
<b>OPERATING EXPENSES</b>			
Employee Compensation	\$9,108,035	\$8,217,740	10.8%
Employee Benefits	2,389,795	2,001,713	19.4%
Travel and Training	193,722	147,761	31.1%
Association Dues	133,199	126,956	4.9%
Office Occupancy	994,649	938,538	6.0%
Office Operations	3,506,743	3,078,304	13.9%
Marketing	1,317,219	975,668	35.0%
Loan Servicing	1,463,423	1,460,499	0.2%
Professional & Outside Services	1,186,588	723,804	63.9%
PSCU Operating Expense	1,568,073	1,323,796	18.5%
Provision for Loan Losses	1,246,105	964,500	29.2%
Interest on Borrowed Funds	172,907	172,907	0.0%
NCUA Operating Fee	100,262	92,712	8.1%
Annual Meeting	20,676	12,354	67.4%
Other Expenses	203,732	201,189	1.3%
NCUSIF Stabilization Expense	-	(86,817)	-100.0%
<b>TOTAL OPERATING EXPENSES</b>	<b>23,605,127</b>	<b>20,351,622</b>	<b>16.0%</b>
<b>NET OPERATING INCOME</b>	<b>16,267,033</b>	<b>9,881,344</b>	<b>64.6%</b>
<b>NON-OPERATING INCOME (EXPENSE)</b>			
Gain (Loss) on Investments and CUSO	0	0	0
Gain (Loss) on Disposal of Assets	195	(105,450)	-100.2%
Other Non-Operating Income (Expense)	(25,000)	9,385	-366.4%
<b>TOTAL NON-OPERATING INCOME (EXPENSE)</b>	<b>(24,805)</b>	<b>(96,065)</b>	<b>-74.2%</b>
<b>ALLOCATION OF INCOME</b>			
Net Income Before Dividends	16,242,228	9,785,280	66.0%
Dividends	5,952,619	2,212,849	169.0%
<b>NET INCOME AFTER DIVIDENDS</b>	<b>\$10,289,608</b>	<b>\$7,572,431</b>	<b>35.9%</b>

# statement of financial condition

As of December 31, 2023 and December 31, 2022 (Unaudited - Subject to revisions.)\*

	2023	2022	% Change
<b>ASSETS</b>			
VISA® Loans	\$10,709,992	\$9,860,973	8.6%
Home Equity Loans	184,482,187	183,443,462	0.6%
Commercial/Business Loans	85,676,050	83,850,102	2.2%
Auto Loans	204,959,629	185,864,842	10.3%
Student Loans	269,693	314,149	-14.2%
All Other Loans	65,725,540	63,721,698	3.1%
Total Loans	551,823,091	527,055,226	4.7%
Allowance for Loan Losses	(3,864,842)	(2,228,928)	73.4%
<b>NET LOANS OUTSTANDING</b>	<b>547,958,250</b>	<b>524,826,299</b>	<b>4.4%</b>
Cash	6,768,767	6,492,886	4.2%
Investments	70,117,087	63,573,023	10.3%
Other Assets	21,311,721	20,990,304	1.5%
<b>TOTAL ASSETS</b>	<b>\$646,155,824</b>	<b>\$615,882,512</b>	<b>4.9%</b>
<b>LIABILITIES</b>			
Total Liabilities	\$13,629,891	\$13,781,124	-1.1%
<b>EQUITY</b>			
Certificates	133,448,948	56,533,545	136.1%
Checking	122,825,488	131,018,295	-6.3%
Money Market Accounts	82,363,023	112,911,194	-27.1%
IRAs	33,600,363	30,326,729	10.8%
All Other Savings	191,389,670	212,030,410	-9.7%
Total Shares	563,627,491	542,820,172	3.8%
Reserves	-	-	-
Undivided Earnings	69,974,633	61,304,243	14.1%
Reserve for Investment Gain/Loss	(1,076,191)	(2,023,027)	-46.8%
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$646,155,824</b>	<b>\$615,882,512</b>	<b>4.9%</b>

We have reviewed the financial statements and, based on our knowledge, the statements are true and fairly present in all material respects the credit union's financial condition, results of operations and cash flows.

**Michael P. Thomas**, President/CEO  
**Jamie Bringer**, Chief Financial Officer

\*Copies of audited financial statements are available upon request.



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800.562.6049 | [www.service1.org](http://www.service1.org)