



ANNUAL REPORT *2024*



## CEO'S MESSAGE

2024 was another great year for TEG. We overcame economic uncertainty, persistent inflation, rising interest rates, global unrest, and a depressed housing market. Our ability to adapt and overcome challenges like these has been instrumental in driving our successes. I'm proud of all we have achieved. We couldn't have done it without the trust of our members or our dedicated staff. We are a real community. It has truly been an honor to serve as your CEO.

We had significant accomplishments in 2024, including loan growth of nearly 8%. Our net income was strong, coming in at over \$2.7 million. TEG's net worth ratio grew to 8.77%, positioning us as a solid, well-capitalized financial institution. This would not have been possible without our hardworking team and their unwavering commitment to finding solutions for each member.

At TEG, our mission has always been simple and powerful: people helping people. It's what drives every decision we make. We're here to help you, whether through loans that fuel your dreams or by offering services that make it easier to manage your finances. We take great pride in being a financial partner who does things the right way and puts your best interests first. That's the TEG way. We believe that when we work together, everyone grows.

Serving about 35,300 members, we continue to evolve and are excited to open our newest branch on Route 32 in Modena. We look forward to gaining membership in Ulster County and helping our new neighbors reach their financial milestones.

At TEG, we work hard to give our members the products they want and need. This year we successfully transitioned to Visa and launched TEG Rewards, a robust program that combines debit and credit card points and offers something for everyone.

As we look to 2025, we recognize the evolving needs of our credit union and invite you to lean on us even more. Whether it's identifying ways to save money, providing trustworthy financial guidance, or fostering deeper community ties, we are here to support you every step of the way.

TEG is a place where you can truly belong. Our success reflects the personal connections we build with each of you. Thank you for sharing your positive experiences and telling your friends and family about the TEG difference. Your referrals help our TEG family grow. Together, we can overcome any obstacle and achieve greater success.

Best regards,  
*Ronald A. Flaherty*  
CEO

### TEG EXECUTIVE MANAGEMENT

*Ronald A. Flaherty*  
CEO



*Cory Shapiro*  
President



*Tom Gay*  
Chief Financial Officer



### TEG SENIOR MANAGEMENT TEAM

Chief Lending Officer  
VP of Branch Operations,  
Sales & Service  
VP of Business Intelligence  
VP of Commercial Lending  
VP of Finance and Compliance  
VP of Human Resources  
VP of Information Technology  
VP of Lending  
VP of Marketing  
Director of Digital Channels

Jackie Fellin  
Ashley Chan  
Victoria Arico  
Spencer Fern  
Alicia Lilly  
Fiona Miceli  
Juan Bernardo  
Sara Verona  
Elaine Lacy  
Lisa Ricci

### TEG BRANCH MANAGERS

Commerce Street Main Office  
Beekman  
College Center  
Crystal Run  
Hyde Park  
Modena  
Newburgh  
Route 9, Wappingers Falls  
Route 376, Wappingers Falls  
Solutions Center

Jamie Truncali  
Deo D. Liberatore  
Michael Robinson  
Stefany Hernandez  
Teresa Tessier  
Ajee Anderson  
Ottavia Davis  
Tyreik Brown  
Jessica Tullo  
Shelby Gregson

## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is a group of volunteer members appointed by the Board of Directors. We are responsible for safeguarding member assets through fair and accurate representation of the membership and ensuring that your Credit Union's operations conform to the Federal Credit Union Act and the rules and regulations of the National Credit Union Administration (NCUA). The Committee's responsibilities include retaining services for an annual report on the financial condition of the credit union, coordinating the verification of member accounts and monitoring the review of internal controls, compliance with laws and regulations, and code of conduct activities.

As part of fulfilling its duties, the committee engaged the independent accounting firm Wojeski & Co. to conduct an audit of the Credit Union's financial statements. This audit was completed for the year ending December 31, 2024. We are pleased to report that no anomalies were found and the Credit Union adhered to all rules and

regulations during 2024 and conducted its affairs in a most satisfactory manner. Records were maintained in accordance with prescribed standards and accounting practices and were found to be current, accurate, complete, and in balance at all times during the year.

The Supervisory Committee feels that the internal control policies and procedures in place will help keep your Credit Union safe and sound. We, the Supervisory Committee, are pleased to report that TEG Federal Credit Union is financially sound and is in compliance with all applicable rules and regulations.

We look forward to continued cooperative efforts in the future and thank our members for choosing to conduct their financial business with TEG.

Sincerely,

*Trevor Kaftan*

Supervisory Committee Chairman



*Trevor Kaftan*  
CHAIRMAN



*Marilyn Brammer*



*Carol Campbell*



*Abhi Kakumanu*



*Dr. Niraj Sharma*

## FINANCIAL REPORT CHARTS



**TEG FEDERAL CREDIT UNION** *Statements of Financial Condition*

	<u>Year Ended Dec. 31, 2024</u>	<u>Year Ended Dec. 31, 2023</u>
<b>ASSETS</b>		
Total Loans	\$ 353,789,880	\$ 327,737,795
Less: Allowance for Loan Losses	(2,580,728)	(2,498,567)
Cash and Cash Equivalents	26,254,429	21,404,232
Total Investments (Book Value)	43,762,529	56,215,514
Land and Buildings	7,105,214	5,990,914
Other Fixed Assets	1,564,208	1,440,436
NCUA Share Insurance Fund	3,652,761	3,590,228
Other Assets	17,693,606	14,951,910
<b>TOTAL ASSETS</b>	<b><u>\$ 451,241,899</u></b>	<b><u>\$ 431,913,233</u></b>
<b>LIABILITIES</b>		
Accounts Payable and Other Liabilities	<b>\$ 10,964,261</b>	<b>\$ 10,327,908</b>
Line of Credit Loan	<b>12,000,000</b>	<b>17,000,000</b>
<b>SHARE AND EQUITY</b>		
Total Shares and Deposits	391,333,207	372,238,167
Regular Reserves	2,075,649	2,075,649
Unrealized (Loss) on Investments	(2,842,247)	(3,987,790)
Undivided Earnings	37,711,029	34,259,299
<b>TOTAL LIABILITIES AND EQUITY</b>	<b><u>\$ 451,241,899</u></b>	<b><u>\$ 431,913,233</u></b>

**TEG FEDERAL CREDIT UNION** *Statements of Operations*

	<u>Year Ended Dec. 31, 2024</u>	<u>Year Ended Dec. 31, 2023</u>
Interest on Loans to Members	\$ 21,437,477	\$ 17,409,753
Income from Investments	1,868,353	1,658,953
Fee Income	6,356,138	6,194,546
Other Income	553,419	266,944
<b>TOTAL EARNINGS</b>	<b><u>\$ 30,215,387</u></b>	<b><u>\$ 25,530,196</u></b>
<b>EXPENSES &amp; OTHERS</b>		
Operating Expenses	\$ 21,519,616	\$ 19,823,291
Gain/Loss on Sale of Assets	-	-
Gain/Loss on Investments	-	-
Other Non-Operating Income/Expense	-	-
<b>TOTAL EXPENSE &amp; OTHER</b>	<b><u>\$ 21,519,616</u></b>	<b><u>\$ 19,823,291</u></b>
Income Before Cost Of Funds	\$ 8,695,771	\$ 5,706,905
Dividends Paid to Members	5,201,762	2,807,013
Interest On Borrowed Money	779,950	512,378
<b>TOTAL INTEREST PAID</b>	<b><u>\$ 5,981,712</u></b>	<b><u>\$ 3,319,391</u></b>
<b>NET INCOME</b>		
Distribution of Net Earnings	<b><u>\$ 2,714,059</u></b>	<b><u>\$ 2,387,514</u></b>
Regular Reserve Accounts	0	0
Undivided Earnings	2,714,059	2,387,514
<b>NET INCOME</b>	<b><u>\$ 2,714,059</u></b>	<b><u>\$ 2,387,514</u></b>
<b>NOTE:</b>		
Total Lines of Credit Available	\$44,712,819	\$50,263,78
Total Gain (Loss) on Investments Available for Sale	(\$ 2,842,247)	(\$ 3,987,790)

## BOARD OF DIRECTORS



*Walter V. Behrman, Jr.*  
CHAIRMAN



*Andrew Kravewsky*  
VICE CHAIRMAN



*Barbara J. Hogan*  
SECRETARY



*Paul Basil*  
TREASURER



*Joe Corrigan*



*Rebekah Garcia-Stevens*



*Ed Hotaling*



*Frank LaRose*



*Joshua Stratton*

## MINUTES FROM THE 55<sup>TH</sup> ANNUAL MEETING TEG FEDERAL CREDIT UNION

*The 55th Annual Meeting was held on Saturday, March 23, 2024 at Villa Borghese, 70 Widmer Road, Poughkeepsie, NY 12603*

### **I. Call to Order**

Mr. Behrman called the 55th Annual Meeting to order at 5:33 P.M. and asked everyone to rise for the pledge to the flag. The Secretary, Ms. Hogan, confirmed that we had a quorum.

### **II. Minutes**

A copy of the minutes of the 54th Annual Meeting is in the 2023 Annual Report and Ms. Joyce Betros made the motion to approve the minutes and was seconded by Ms. Coleen Burns. They were unanimously approved by those assembled.

### **III. Chairman Remarks-Walter Behrman**

Mr. Behrman welcomed everyone to the 55th Annual Meeting, and he introduced himself as Chairman of the Board of Directors. He then stated that he would introduce other Board members later in the meeting.

2024 is starting out to be a year fraught with danger. Our political turmoil here in the United States, the continuing warfare and unrest in the Middle East, the war in Ukraine, and the attack in Russia have all contributed to a sense of unease for everyone. BUT NEVER FEAR, TEG IS HERE! Rest assured, the Board, Supervisory Committee, CEO, Senior Managers, and all the men and women here at TEG are keeping an eye on your money and working diligently to keep it safe and to help it grow. You can keep your money tucked away, or you can utilize the expertise of Jean Riordan, who has been with us for many years and is now with our partner, Visions Financial, to help it grow even more." He introduced Jean Riordan from Visions.

Since he intended to cover our accomplishments since our 50th Anniversary later in the meeting, he moved on with the remainder of the meeting.

### **IV. President/CEO Report - Ron Flaherty**

Mr. Ron Flaherty introduced himself as President and CEO and welcomed and thanked everyone for taking the time to attend the Annual Meeting.

He then began his remarks

Good evening, everyone, and thanks for being here tonight to celebrate 55 years in business! I am Ron Flaherty, the President & CEO of TEG.

Since our last celebration in 2019, as we all know, the world has changed dramatically. In 2020 the Covid pandemic hit hard. It was a very difficult time for everyone. It impacted education and

businesses which had to resort to remote learning and remote work, something that never had been done before on such a wide scale. My senior management team and I met daily via Zoom to ensure we took the steps necessary to continue to serve our members and keep TEG moving in the right direction. Our Mortgage Department worked very hard to ensure our members could buy homes or refinance their mortgages at low rates, saving them a lot of money. We improved our online banking platform, moving to Alkami, which helped us provide a way for our members to interact with us online throughout this crisis. We also kept our branches open while working hard to ensure everyone's safety in case our members needed to come in and talk with someone.

Since then, we have experienced a great deal of uncertainty, with interest rates rising from zero to 5 1/2% very rapidly, as well as rising inflation due to supply chain disruptions, pent-up demand, and massive government spending. However, despite all of this, TEG has risen above these setbacks and flourished.

I am very excited with our many current projects. To name a few, we broke ground on our newest branch in Ulster County on Route 32 in Plattekill between Newburgh and New Paltz, which should be open by the end of the year. We will be switching over to Visa from our current Mastercard card platform giving our members greater rewards on debit and credit cards as well as providing all the benefits and security features that Visa has to offer. We are also improving our data and analytical capabilities, which will allow us to make better decisions that directly impact our membership based on research.

Credit Unions are all about people helping people and we have had a lot of success doing just that. If, we stay committed to this principle, we will continue to grow and prosper. I always tell my staff, we need to continually improvise, adapt, and overcome in order to succeed. We are here for you, our members, in good times and bad and will always work hard to keep the trust that you have placed in us.

Things are starting to get back to normal, and we will continue to adapt to this fast-paced and ever-changing environment.

Tonight's celebration is a way to thank all of you for your support, dedication, and commitment to TEG. And I would like to thank each of you for that.

I would also like to thank our entire senior management team as well as all of our employees for their hard work and dedication to TEG and our members. All of our jobs play an important role in our success and I thank you for that and am very proud of you.

Lastly, I would like to thank Walter Behrman, our chairman and

our entire Board of Directors as well as our Supervisory Committee who voluntarily give their time to TEG, for the trust and confidence that they have placed in me. I truly appreciate the opportunity to lead this great organization!

I hope you enjoy the evening!

## V. Treasurer's Report

Ms. Garcia-Stevens, Treasurer, stated that TEG's financial statements were included in the Annual report that was distributed to all attendees. Ms. Garcia-Stevens gave the following report:

Good evening. I am Rebekah Garcia-Stevens, the Board of Directors Treasurer for TEG Federal Credit Union. I would like to direct your attention to the summary of financials located on page 4 of the Annual Report. As Mr. Behrman and Mr. Flaherty reported, the Credit Union had a good year. The Credit Union continues to grow, with Total Assets reaching 431 million dollars. Along with this growth, the Credit Union's Equity grew by over 2.1 million dollars. With this strong growth, the Equity Ratio, the primary measurement the Credit Unions regulator uses to measure the health of the financial institution, ended the year at 8.59%. This classifies the Credit Union as Well Capitalized. This could not be achieved without the hard work and dedication of the Credit Union staff and volunteers. I also want to express my appreciation to the Membership of the Credit Union. Your trust in us has allowed the Credit Union to grow and prosper and the primary reason why we are a safe and sound financial institution Thank you.

### Annual Financial Condition-2023:

Total Assets.....	\$431,913,233
Total Liabilities and Equity.....	\$431,913,233
Total Earnings.....	\$25,530,193
Net Income.....	\$2,387,514
Total Members.....	37,446

## VI. Supervisory Committee

Mr. Trevor Kaftan, Supervisory Committee Chairperson, gave the Supervisory Committee report:

Good evening. Our outside auditing firm Wojeski & Co. has completed the year-end financial audit of the Credit Union for the period ending December 31, 2023. We are pleased to report that no anomalies were found, and the Credit Union adhered to all rules and regulations during 2023. We are proud to say that TEG is financially sound.

I would like to thank the members of the Supervisory Committee for all they do for TEG - Marilyn Brammer, Abhi Kakumanu and Joe Lombardi. These volunteers work hard to ensure the safety of TEG.

On behalf of the other members of the Committee, I would also like to thank the Board for their support of a strong, independent and capable Supervisory Committee that can ensure future growth and success for the Credit Union. I would also like to thank Ron Flaherty, CEO and Tom Gay, CFO, and our talented group of Senior Managers for their leadership. However, our biggest thanks go to all the employees of TEG for all they do to support our Credit Union's mission, but most of all for providing our members with the personal attention that makes TEG the best Credit Union in the Hudson Valley.

## VII. Old Business None

## VIII. New Business

Since Secretary Barbara Hogan is up for election, Mr. Behrman appointed Frank LaRose as Acting Secretary for purposes of the election.

In addition to Barbara Hogan, Josh Stratton and Paul Basile have each been nominated for a three-year term on the Board of Directors:

Since there were no other nominees, Mr. Behrman requested the Acting Secretary, Mr. LaRose, cast one vote for each of them.

Mr. Behrman congratulated the elected Board Members and Barbara Hogan continued as Secretary for the remainder of the meeting.

## IX. Recess

Since he will be reconvening the meeting a little later, Mr. Behrman recessed the meeting at 5:45 PM.

Mr. Behrman reconvened the meeting at 9:16 PM and continued with his comments.

For those of you who were not here earlier in the meeting, I would like to introduce our Board and Supervisory members. My name is Walter Behrman and I am Chairman of the Board, Vice Chairman - Andrew Krewasky, Secretary - Barbara Hogan, Treasurer - Rebekah Garcia-Stevens. Board members are Paul Basile, Joseph Corrigan, Frank LaRose and Joshua Stratton. Board member Edward Hotaling had a family emergency and was not able to attend.

Supervisory Committee members are Chairman – Trevor Kaftan, Secretary – Abhi Kakumanu, Marilyn Brammer and Joseph Lombardi who was not able to attend.

All of us are dedicated to supporting our CEO, Mr. Ron Flaherty and doing the very best to ensure everything is safe, legal and adhering to all the Federal regulations required.

I hope you have had time to peruse the hand-out summarizing the first 50 years that was on the table. I don't want to belabor the first fifty years, but I want to just mention a few things of note.

Mr. Behrman introduced Joyce Betros who was a Founding Member of the Credit Union. He also introduced Barbara J. Hogan who was on the Board of the Dutchess County CSEA Credit Union when they joined up with TEG. The original Wappingers Central Credit Union joined with CSEA CU and then changed their name to "Taconic Educational and Governmental Credit Union" which was eventually shorted to just TEG.

Mr. Behrman then said that in 1979 he was a Board Member of the Poughkeepsie Public School Credit Union, but because it was very small and did not offer many services that he was instrumental in bringing the Arlington Central School District Employees into TEG. In 1980 he was approached to come on the Board of TEG. He said that he was 35, had two small children 2 and 4 years old and that he really didn't have time. They prevailed, and now 44 years later, he was still here.

He continued:

Remember, at the 50th Anniversary, I had actually spoken about what we had accomplished up to 2018. The years 2019 through 2023 were very busy ones.

**2019** – We **expanded our Field of Membership** to include Dutchess, Orange, Ulster, Sullivan, Putnam, Westchester and Rockland Counties. We opened our **Crystal Run Branch** in Walkkill, NY. We also received our **Low-Income Designation** from NCUA which allowed us to expand our service to our Commercial members.

**2020 – 2021** – Do you remember four years ago this month when we **shut the country down because of the Pandemic**? We experienced unprecedented times. Our economy was contracting severely and over 20M people were unemployed. It threatened our local economy and our business here at TEG. We had an expected loss of revenue from a two-thirds drop in loan volume, zero percent interest rates and basically the shutting down of our economy.

**OUR CEO, MR. RON FLAHERTY LED THIS ORGANIZATION WHEN DEALING WITH THIS TRAUMA.** We started by postponing April 1st pay increases, suspended our 401K match and utilized Government sponsored relief through the CARE Act. Mr. Flaherty and our **Senior Management Team (please stand and be recognized)**, took pay cuts. We identified some non-critical positions for layoff, which we were most reluctant to do, we put a hiring freeze in place and delayed new projects.

The priority of Mr. Flaherty and the Board was protecting our employees and helping our members. We had many employees working from home, closed our offices except by appointment, but kept our drive-thru for normal activity. Eventually, things settled down, and we were able to resume normal activities.

During that time, we had record-breaking Mortgage Originations, \$138M in 2020 and \$137M in 2021.

**2022** – Completed **Auto Leasing Program** for TEG members to lease new and used vehicles. We completed an upgrade of our entire ATM Network. Upgraded Alkami Online and our Mobile Platform.

We partnered with **Vision Retirement** to handle our members retirement and investment needs. Jean Riordan, please stand. Everyone, this is the person who can help you with your investment needs. She has been with TEG for many years and will make sure you have a great investment portfolio. We also opened our new **TEG Mortgage Operations Center** in East Fishkill.

#### **2023** – THE MOST RECENT YEAR.

For those of you who have not been at our main office on Commerce Street, we recently upgraded our entry way so we have automatic doors. We owe this improvement through the perseverance of one of our members, who has been reaching out to some of our Management Team. She managed to contact our COO Mr. Cory Shapiro, who “got the job done”.

**Cory, please stand.** We listen to our members and make any improvements we possibly can.

Our CEO Ron Flaherty, having foresight for long range planning, after having opened the new Mortgage Operations Center last year, we have now **added Freddie Mac in house** mortgage servicing capabilities. We have signed up with Arketecture to move towards more data analytics and better decision making.

We set up a **Centralized lending department** to underwrite all loan decisions. We completed cloud migration of core systems to WesCom Resource Group.

Our share growth was 2.69% for the year. Our capital ratio remained above 8% and ended the year at 8.59% This is an outstanding achievement.

We **increased internal network security for more safety for member information.** We implemented Zelle for P2P real time payments. This allows members to transfer funds to external people real time (10 seconds or less). We limit \$1000 per day outbound for extra safety.

We created the **Escrow Holdback Share** account that exists on a member’s accounts and earns interest. This created a more transparent way of managing member funds held for construction, renovation or other purposes related to mortgage secured loans. On any loans we sell to Freddie Mac or Federal Home Loan Bank, we retain servicing for approximately 84.7% of those loans. Members have expressed a preference for TEG to retain this servicing. Members are more comfortable dealing with TEG, and it gives us an opportunity to assist them. Since TEG covers a large area over 90% of borrowers have elected to use our hybrid closing option, either signing at a local TEG branch or in front of a notary of their choice, and at their convenience.

*Modena location opened in December 2024*

Our Commercial Lending Department has reached over **\$11.5M in funding while growing the portfolio by over 12%** for the year. As of December 31, 2023 the portfolio balance was equal to \$58.8M

**We had numerous upgrades to our IT infrastructure.** We have a robust Digital Channels Department that works to resolve any member or system issues. We increased auto approvals on indirect loans and created and staffed a Centralized Lending Department. The Risk Mitigation and Compliance Department reviews thousands of transactions to ensure that our members are protected from unsavory and unlawful actors.

As per Federal Regulation, all 51 policies were reviewed and approved by the Policy Review Committee, composed of staff as well as Board members, and approved by the Board of Directors.

Our **Marketing Department** keeps our name out in the area. They notify members of any important changes at TEG, such as the Personal and Debt Consolidation Promotions as well as First Time Homebuyer Webinar Series to name a few. They also review and coordinate TEG’s activities in the community and our charitable giving program.

**Last but not least we purchased property for a new Branch in Plattekill, the first branch location in Ulster County. We hope to have the branch up and running by the 4th Quarter of this year and it will have automatic entry doors just like our current Commerce Street Branch.**

#### **2023 was a busy and productive one.**

In **summary**, we have been working hard to keep up to date with technology and to always improve our service to all the members of TEG.

#### **X. Questions and Answers**

Mr. Behrman asked if there were any questions.

A member, Mr. Hans Schneider commented that we should thank the members who have been members since 1969 when TEG was created; they are some of the reasons that TEG has grown and is as successful as it is today.

#### **XI. Adjournment**

Mr. Behrman thanked Ms. Elaine Lacy and Ms. Kaitlin Thomas for organizing the Annual Meeting.

Since there was no further business to come before the assembly, he adjourned the 55th Annual meeting at 9:46 P.M. He thanked everyone for attending the meeting and hoped they enjoyed the rest of the evening.

Respectfully submitted,

*Barbara J. Hogan*

Secretary



## TOGETHER EVERYONE GROWS

YOU are the reason we love what we do. Improving lives.  
Helping people get to a better place financially.  
*Member Focused. Member Driven.*

### *Conveniently Located To Serve You*

#### POUGHKEEPSIE – MAIN OFFICE

1 Commerce Street, Poughkeepsie, NY 12603

#### BEEKMAN

Town Plaza, 2540 Route 55, Poughquag, NY 12570

#### CRYSTAL RUN

140 Crystal Run Road, Middletown, NY 10941

#### HYDE PARK

4282 Albany Post Road, Hyde Park, NY 12538

#### MODENA

1981 Route 32, Modena, NY 12548

#### NEWBURGH

16 North Plank Road, Newburgh, NY 12550

#### POUGHKEEPSIE – COLLEGE CENTER

11 Marist Drive, Poughkeepsie, NY 12601

#### ROUTE 376 – FISHKILL PLAINS

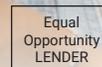
Nesheiwat Square, 900 Route 376,  
Wappingers Falls, NY 12590

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