

**FIRST
HERITAGE**
FEDERAL CREDIT UNION



2025

ANNUAL
REPORT

F H F C U . O R G

President's Message TO THE MEMBERSHIP



Dear Valued Members,

As we reflect on another remarkable year, we want to take this opportunity to express our heartfelt gratitude for your continued trust and support in your credit union. We were honored that you voted us Best Credit Union in the Twin Tiers for the 5th consecutive year, Best Financial Planning Services for the 4th consecutive year, as well as, Best Locally Owned Business in 2025.

This annual report highlights our collective achievements over the past year, showcasing our commitment to our community and to delivering exceptional financial services tailored to your needs. From expanded lending options to enhanced digital banking solutions, our focus has always been on empowering you to reach your financial goals.

We take pride in our community involvement, and each year, we are involved in several initiatives aimed at enhancing financial literacy and supporting local organizations. It's because of our employee engagement and participation that we can make a significant impact.

Through our SPARK initiative, our team showed up across our region to support families, food banks, youth programs, seniors and neighbors in need. Our employees volunteered countless hours at community events and donated thousands of dollars to local charities through our ACE awards program.

We continued to offer adult financial education seminars and remained dedicated to youth and education, offering financial education workshops, career readiness events and scholarships.

Looking ahead, we remain committed to fostering a culture of innovation, security, and service excellence. We have exciting future plans that will further enrich your credit union experience.

I would like to thank our members for their continued support and entrusting us to help improve their financial lives. First Heritage Board of Directors, Supervisory Committee members, and employees remain committed to making sound decisions that are in the best interest of the membership, ensuring that First Heritage remains a trusted financial partner in the communities we serve.

Thomas Pisano
President / CEO

FIRST HERITAGE SENIOR MANAGEMENT TEAM

Thomas Pisano
President / CEO

Art Boehm
Senior Vice President,
Chief Financial &
Risk Officer

Chris Francis
Senior Vice President

Karen McGonigal
Senior Vice President
Information Technology

David Walker
Senior Vice President

Christopher Campanelli
Vice President/ISO
Information Security

Amy Clark
Vice President
Compliance

Lindsay Cuda
Vice President
Marketing

Colleen Dobson
Vice President
Loan Administration

Jeremy Fusare
Vice President
Human Resources/Training

Calvin Grover
Vice President
Loan Operations

Dorothy Kennis
Vice President
Loss Prevention

Colleen Roll
Vice President
Branch Administration

BOARD OF DIRECTORS

Robert J. Blair
Chairperson

George McNally
Vice-Chairperson

Peggy Woodard
Secretary

Sal Princiotto
Treasurer

Daniel Bower

Joseph Roman

Robert Watts

Christopher VanZile

Michelle Moffett

SUPERVISORY COMMITTEE

Nora Smith
Chairperson

Alan Carpenter
Secretary

Dan Bower
Board Liaison

Phoebe Reynolds

SUPERVISORY COMMITTEE REPORT

The role of the Supervisory Committee is to assist the Board of Directors in fulfilling its oversight responsibilities for: (1) the integrity of the credit union's financial statements; (2) the credit union's compliance with legal and regulatory requirements; (3) the independent auditor's qualifications and independence; and (4) the performance of the credit union's internal audit function and independent auditors.

To that end, the Supervisory Committee contracted with Mengel, Metzger, Barr & Co., LLP to conduct the credit union's 2025 annual audit. The results of the audit indicated that the financial statements present fairly the results of the operations and financial position for the period, and no material weaknesses in internal control were reported. On behalf of the Supervisory Committee, I thank you, our member-owners, for the support you have given the credit union. Also, thank you to our staff, management, and our Board of Directors.

Respectfully Submitted,
Nora Smith, Chairperson

PROUD TO BE VOTED



**BEST CREDIT UNION
5 YEARS IN A ROW**



**BEST LOCALLY OWNED
BUSINESS IN 2025**



FIRST HERITAGE VOTED BEST CREDIT UNION 5 YEARS IN A ROW!

Each year, the Best of the Twin Tiers Awards celebrates and recognizes the best our community has to offer. We are so excited to be voted and named **Best Credit Union in the Twin Tiers** five years in a row and **Best Locally Owned Business in 2025!**

In addition, First Heritage Financial Services, also received the honor of **Best Financial Planning Services** four years in a row in our community!

Twin Tiers award is a community voting poll and is determined by the most votes received and not indicative of an individual's performance nor should it be construed as a recommendation. Inclusion on the Twin Tiers list should not be construed as an endorsement by Gannett Co., Inc.



TOP SMALL COMMUNITY LENDER OF THE YEAR

Our Business Lending team was recognized by the U.S. Small Business Administration for being the **top small lender in Upstate NY**. The U.S. Small Business Administration helps make the American dream of business ownership a reality by providing the resources and support they need to start and grow their small business.



DIAMOND AWARDS RECIPIENT FOR CREATIVITY AND INNOVATION

We are thrilled to announce that we received **THREE Diamond Awards** from the America's Credit Unions Marketing, PR & Development Council. These awards celebrate creativity, as well as, innovation behind our work. We took home Category's Best for "One-Time Event" and "Social Media" for our efforts during our 70 Acts of Kindness. We also won Category's Best for an "Internal Marketing Recognition/Incentive Campaign."



NATIONAL PHILANTHROPY DAY AWARDS RECIPIENT

We're honored to be recognized by AFP Finger Lakes Chapter as **Philanthropist of the Year**, Organization. Our commitment to community runs deep - this recognition is a reminder of the impact we can make when we all come together.



AWARD
AMAZING COMMITMENT TO EXCELLENCE

CONGRATULATIONS TO OUR 2025 ACE AWARDS RECIPIENTS

The ACE Awards is an internal recognition program where employees can nominate members of our team for their **Amazing Commitment to Excellence**. Each quarter, individuals receive this award honoring their actions that go above and beyond for their fellow employees and members alike. As part of our ACE Awards program, each winner gets the opportunity to support a cause that is important to them and supports our community. In 2025, through the program, **First Heritage donated a total of \$5,000 to local organizations** such as local youth sports leagues, animal shelters, food pantries, youth advocacy centers and volunteer emergency services.

Congratulations to our 2025 ACE Award recipients: Rachel VanSkiver, Tonya Lewis, Jake Christian, Jesse Reib, Chris Booth, Christie Novick, Michelle Greunke, Gail Essigmann, Jason Greene and Kayla Harrison!



OUTSTANDING YOUNG PROFESSIONAL OF THE YEAR

We are proud to share that **Jesse Reib**, Graphic Design and Digital Marketing Manager, has been honored with the **Outstanding Young Professional Award by the New York Credit Union Association**. This award recognizes an individual whose hard work and achievements have enhanced their credit union as well as the entire credit union movement.

EXPANDING OUR LINE OF PRODUCTS AND SERVICES FOR OUR MEMBERS



TAP TO PAY DEBIT AND CREDIT CARDS

In 2025 we introduced Tap Cards, featuring a new look and the latest in contactless payment technology. Enjoy tap to pay convenience, improved security and a sleek and modern design!



CREDIT SCORE MONITORING TOOL

Staying on top of credit has never been easier with the addition of SavvyMoney® to our digital banking platform. With one powerful tool, our members can access their credit score, full credit report, credit monitoring and more without impacting their credit score.



APEX REWARDS CHECKING

Our members earned a combined total of \$1.76 Million in rewards in 2025. With our APEX Rewards checking accounts, members are eligible to earn higher dividends or cashback just for simple activities they already do.



EXPANDING OUR INDIRECT LENDING

In 2025, we launched indirect lending for motorcycles, ATVs and UTVs - giving our members more lending options throughout our field of membership.



SUPPORTING AND GIVING BACK TO OUR COMMUNITY

First Heritage ignited sparks throughout our communities in 2025 through acts of kindness and by donating time, goods and funds to many worthwhile causes.



We delivered birthday cake kits to local organizations, helping those in need. The kits were delivered to the Corning Community Food Pantry in Steuben County, The Glove House in Chemung County and HAVEN in Tioga County.



We partnered with Meals on Wheels of Chemung County and Corning to help deliver meals for homebound seniors in our community. Each delivery reinforces how much kindness and connection truly matter.



Our team had the privilege of volunteering at The Grand Canyon of Pennsylvania assisting with landscaping efforts at the welcome center. We had a great time giving back and supporting our state parks.



We assisted the Food Bank of the Southern Tier by distributing food for 230 homes at the Annual Veteran's Stand Down event at Dunn Field in Elmira. We helped provide Veteran's with military surplus goods, services, food and more.

FIRST HERITAGE OUT IN OUR COMMUNITY

In 2025, we supported our community through attendance at local business events, ribbon cuttings and participated in nearly 40 community events throughout our 11 county field of membership.



Friday night lights got a little comfier when First Heritage handed out 500 free seat cushions at the Elmira High School football game to help fans cheer in comfort and style.



We had a great time volunteering at the Gus Macker 3 on 3 Basketball Tournament in Elmira with Elmira Downtown Development, Inc. and Corning's Gaffer District.



This year we participated in seven different parades throughout our 11 county field of membership such as the Elmira Heights Memorial Day Parade and the Crystal City Christmas Parade of Lights. We are grateful to be a part of these events in our community.



Our First Heritage elves volunteered at the Little Elf Shop presented by CASA of the Southern Tier to help kids shop for their families held at the Corning Painted-Post High School.



We had a great time at the United Way of the Southern Tier Annual Tricycle Race. While one tricycle did not survive all the excitement, it was all in support of a great cause.

CELEBRATING YOUTH IN OUR COMMUNITIES

FIRST HERITAGE
FEDERAL CREDIT UNION

CONGRATULATIONS TO OUR 2025 SCHOLARSHIP WINNERS

ANNIKA GEHMAN
WELLSBORO AREA HIGH SCHOOL

ANYA BERES
CORNING-PAINTED POST HIGH SCHOOL

GAVIN WALKER
CORNING-PAINTED POST HIGH SCHOOL

EACH STUDENT WAS AWARDED A \$1,000 SCHOLARSHIP FROM FIRST HERITAGE

First Heritage participated in the New York Credit Union Association's statewide scholarship program. Congratulations to our 2025 scholarship winners; Annika Gehman from Wellsboro Area High School, Anya Beres and Gavin Walker from Corning-Painted Post High School! Scholarships are graded by the New York Credit Union Association and selected based on the applicants' academics, extracurricular activities and service to their school and community.



First Heritage held its 20th Annual Everyday Heroes Award Celebration at the Corning Museum of Glass, where we honored students from 19 local high schools in our communities. It was a great privilege to come together and celebrate these outstanding students for their community involvement, kindness to others and mentoring of their fellow students. We presented each student with an award and a \$50 Visa gift card, and one grand prize winner, Hailliee, received a check for \$1,000.

FINANCIAL EDUCATION IN THE CLASSROOM



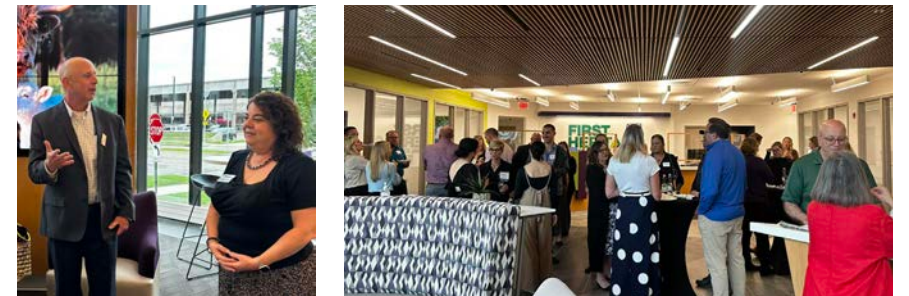
Our Financial Champions Representatives traveled to schools throughout our communities partnering with the Career Development Council to teach financial literacy on topics such as credit and banking basics, career readiness efforts as well as read to classes through our Book Detectives program.

EDUCATIONAL SEMINARS



We also provided financial literacy seminars to community members on topics such as home buying, retirement, banking basics, Medicare, online safety and scam awareness and professional development.

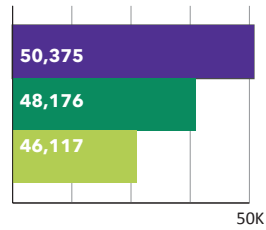
BUSINESS AFTER HOURS



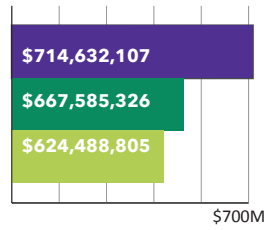
We hosted a Business After Hours event at our Headquarters location in Corning. We had a great time networking with the Corning Area Chamber of Commerce and fellow members. A special thank you to Little Boomers' Burrito Bar for catering our event.

FINANCIALS

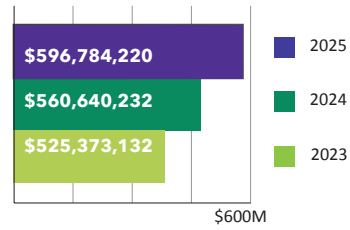
MEMBERSHIP



DEPOSITS



LOANS



STATEMENT OF FINANCIAL CONDITION	2025	2024
ASSETS		
LOANS TO MEMBERS	\$596,784,220	\$560,640,232
LESS: ALLOWANCE FOR CREDIT LOSS	4,879,498	4,659,235
CASH & CASH ITEMS	7,129,971	6,527,596
INVESTMENTS	164,021,983	144,178,296
LAND, BUILDING, & EQUIPMENT (NET)	12,755,114	12,953,194
OTHER ASSETS	29,476,428	28,031,744
TOTAL ASSETS	\$805,288,218	\$747,671,827
LIABILITIES AND CAPITAL		
PAYABLES	\$3,863,959	\$2,985,514
MEMBERS' SHARE DEPOSITS	714,632,107	667,585,326
RESERVES	4,422,004	4,422,004
UNDIVIDED EARNINGS	82,270,148	72,678,983
TOTAL LIABILITIES AND CAPITAL	\$805,288,218	\$747,671,827

STATEMENT OF INCOME AND EXPENSE	2025	2024
INCOME		
INTEREST ON LOANS	\$33,104,686	\$29,382,796
INCOME FROM INVESTMENTS	5,562,375	4,090,309
OTHER INCOME	7,664,792	7,076,664
TOTAL INCOME	\$46,331,853	\$40,549,769
EXPENSES		
COMPENSATION AND BENEFITS	\$12,897,233	\$11,324,936
OFFICE OCCUPANCY	1,281,267	1,221,741
OFFICE OPERATIONS	4,091,999	3,778,425
EDUCATIONAL AND PROMOTIONAL	627,645	564,819
LOAN SERVICING	803,465	736,989
LEGAL AND PROFESSIONAL	4,962,282	4,233,144
PROVISION FOR LOAN LOSSES	1,650,000	1,630,000
OPERATING FEES	134,991	125,963
MISC. OPERATING EXPENSE	260,383	228,921
TOTAL EXPENSES	\$26,709,265	\$23,844,938
NET INCOME FROM OPERATIONS	19,622,588	16,704,832
NON-OPERATING GAIN (LOSS)	(7,387)	25,358
NET INCOME BEFORE:		
DIVIDENDS & INTEREST EXPENSE	19,615,201	16,730,190
LESS: DIVIDENDS & INTEREST EXPENSE	12,599,659	11,069,927
INCREASE TO RESERVES AND UNDIVIDED EARNINGS	\$7,015,542	\$5,660,263

These are unaudited financial reports.

FIRST HERITAGE

FEDERAL CREDIT UNION



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