

2022

# ANNUAL REPORT

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**FIRST  
HERITAGE**  
FEDERAL CREDIT UNION



# ANNUAL REPORT TO THE MEMBERSHIP FOR 2022



### Board of Directors

- Robert J. Blair  
Chairman
- George McNally  
Vice-Chairman
- Peggy Woodard  
Secretary
- Sal Princiotta  
Treasurer
- Daniel Bower
- Joseph Roman
- Robert Watts
- Christopher VanZile
- Michelle Moffett

### Supervisory Committee

- Nora Smith  
Chairperson
- Alan Carpenter  
Secretary
- Judy McInerney
- Sal Princiotta

### Legal Counsel Messick & Lauer, P.C.

Looking back on 2022, the year will be remembered for many accomplishments. We continue to provide exceptional service to our membership, while being an outstanding partner in the communities we serve.

Your credit union’s key financial measurements continued to show positive results in 2022. Well-managed growth is a highlight of our ongoing accomplishments. We continue to experience growth in key areas which is a testament to our members trusting us with their financial resources.

During 2022, we were privileged to have added 4,874 new members. Total assets increased by \$37.8 million to end 2022 at \$684.3 million. Additionally, loans to members increased \$64.2 million, and member share deposits increased \$39.4 million.

During 2022, we were pleased to announce additions to the communities we serve. During

the year, Lycoming, Potter and Bradford Counties in the Commonwealth of Pennsylvania and Tioga, Schuylers, Yates, Allegany, and Livingston in New York State were welcomed to our service areas. We plan on delivering the same value to these new counties as we do in the original three counties in our field of membership, which include Steuben and Chemung counties in New York State and Tioga county in the Commonwealth of Pennsylvania.

I would like to thank our members for the continued support and entrusting us to help improve their financial lives. First Heritage Board of Directors 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.

Sincerely,  
Tom Pisano, President/CEO

### OUR VISION

To be the financial institution of choice by being the most trusted and respected financial leader in the communities we serve.

### OUR MISSION

“Our Family Helping Yours” by effectively improving the financial well-being and lives of our members.

# FIRST HERITAGE SENIOR MANAGEMENT TEAM



Art Boehm  
Chief Financial Officer



Chris Francis  
Senior Vice President



David Walker  
Senior Vice President



Karen McGonigal  
Senior Vice President  
Information Technology



Colleen Dobson  
Vice President Loan  
Administration



Colleen Roll  
Vice President  
Branch Administration



Dorothy Kennis  
Vice President  
Risk Management



Jeremy Fusare  
Vice President  
Human Resources/Training



Lindsay Cuda  
Vice President  
Marketing



# EXPANDING OUR FIELD OF MEMBERSHIP

In 2022, First Heritage announced the expansion of our field of membership into eight additional counties throughout New York and Pennsylvania. The newly expanded field of membership will enable First Heritage to offer financial products and services and support communities in a total of eleven counties.

### NEW YORK

- ALLEGANY
- CHEMUNG
- LIVINGSTON
- SCHUYLER
- STEUBEN
- TIOGA
- YATES

### PENNSYLVANIA

- BRADFORD
- LYCOMING
- POTTER
- TIOGA

## 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 and Co., LLP to conduct the credit union’s 2022 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

# WE’RE STILL THE BEST

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 two years in a row!

THANK  
YOU!  
To the best  
members for  
voting us the...  
BEST CREDIT UNION  
TWO YEARS IN A ROW!



# HEAR IT FROM OUR MEMBERS



MARSHALL,  
MORTGAGE MEMBER



HEATHER,  
CHECKING MEMBER

“THE BEST  
HOME BUYING  
EXPERIENCE”

“THE BEST  
REWARDS  
CHECKING”



THE BEST  
FINANCIAL ADVISOR  
AND BEST  
FINANCIAL PLANNING  
SERVICES



In addition, CFS Financial Advisor, Jim Nielsen of First Heritage Financial Services also received the honor of Best Financial Advisor and Best Financial Planning Services 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.



# ENHANCING OUR DIGITAL SERVICES

**NEW WEBSITE WITH MORE FEATURES**  
TO BETTER SERVE OUR COMMUNITY

In October of 2022, we launched our new website. The new website features a mobile-friendly design, rotating banners to showcase popular products and services, featured rates and upcoming events.

New sections of the website have been created to tell our story, highlighting First Heritage's community involvement and volunteerism. Our product pages feature testimonials from our members, sharing their experience with First Heritage.



With an improved navigation menu and more prominent search function, users can quickly and easily find the information they need.

## Annual Report 2022

## BETTER ONLINE BANKING

In February of 2022, we launched our improved online banking platform, featuring improved navigation and search functionality, a customizable dashboard and improved management features. The new online banking matches the interface of our mobile app, providing a unified experience to our members no matter what device they use.



## Financial Education Resources

With the addition of financial educational modules and videos for adults and youth, our members now have access to a wide range of educational resources to fit their financial needs.



**Mobile  
Optimized**

In 2022, 56.29% of our website visitors used their mobile devices to browse our website. Keeping that in mind, we made it a priority to optimize our website for mobile devices and tablets.



## SCHEDULE AN APPOINTMENT

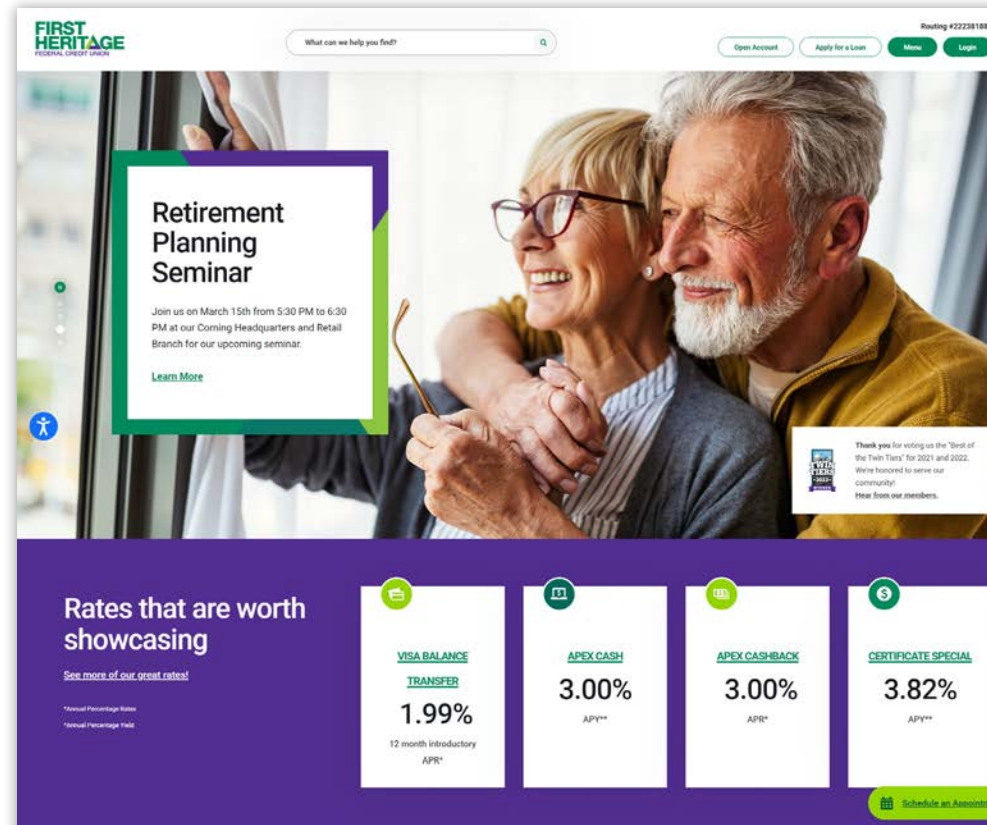
Easy, Convenient, and Secure!

***Scheduling an appointment has never been easier  
with the addition of our online digital scheduler.***

Our online digital appointment scheduler offers members the convenience of scheduling appointments from anywhere, with the ability to choose between video, phone or in-person meetings. With the added feature of Reserve with Google, scheduling appointments can be done seamlessly, directly from your web browser.

Whether you're already a member or looking to become one, you can easily schedule an appointment to meet with an expert to discuss our wide range of services.

See for yourself. Visit [fhfcu.org](http://fhfcu.org) to schedule your appointment today!



## Community Involvement



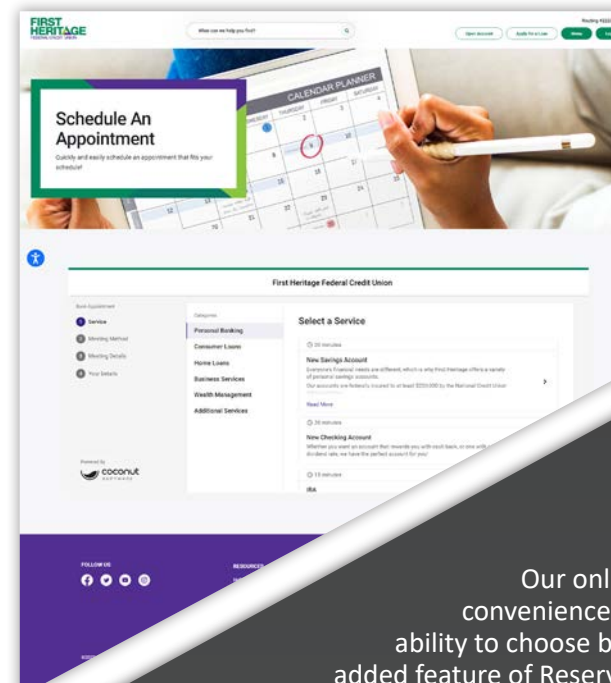
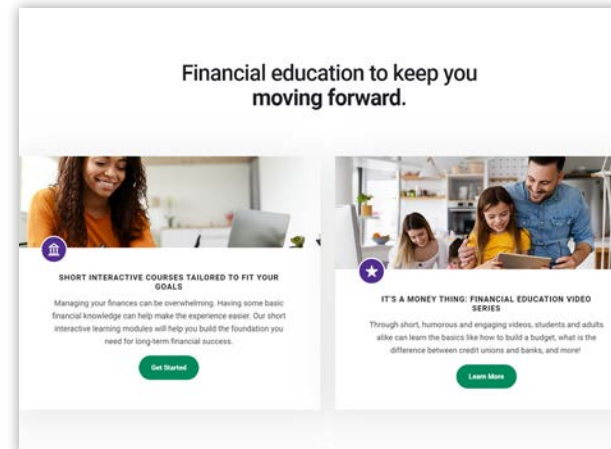
### EVENTS AND SEMINARS

First Heritage is proud to host many community events and financial education seminars at our branch locations and other places throughout our community.

#### COMMUNITY INVOLVEMENT

First Heritage, along with its employees, support many non profit organizations. We are committed to our community and the organizations that help make it a better place.

**NOW SERVING 11 COUNTRIES**  
First Heritage  
our field  
the





# EXPANDING OUR LINE OF PRODUCTS AND SERVICES



## APEX REWARDS CHECKING

First Heritage launched a new rewards checking program where our members are eligible to earn higher dividends or cash back!

## SCHOOL SPIRIT DEBIT CARDS

Members can show their school spirit with a high school debit card from First Heritage! Our high school debit cards are free and offer all of the same great benefits as our standard debit card, providing anytime access to money through ATM withdrawals and point-of-sale transactions, and they feature your schools' colors and logos.

## SCORE YOUTH ACCOUNTS

Members ages 0-17 can score rewards and skills that will last a lifetime! With SCORE, youth members earn cash rewards each month they qualify. There are no monthly fees. Qualifications are simple and will help youth learn to manage their account and create healthy lifelong banking habits.



We made SPARKS in our community through an employee-driven donation drive for animals in our local communities. First Heritage team members donated hundreds of items to support local animal shelters and animal sanctuaries!



The First Heritage SPARK crew donated dozens of jackets to help those in need for the upcoming cold winter months. Jackets were distributed to Sister Jenny's Outreach Center and the Salvation Armies of Chemung and Steuben County.



We also teamed up with the United Way of the Southern Tier to create notes of encouragement to be placed in backpacks for school-aged children. The UW partners with area agencies to distribute backpacks full of supplies and our notes were added to the bags to bring a smile and some words of encouragement to students in grades K-12. TEAM volunteers created 1,020 notes for this SPARK initiative!

Our mission to give back to our communities was evident through these efforts and so many more and we will continue that mission in 2023.



# FIRST HERITAGE

## IN THE CLASSROOM

### EVERYDAY HEROES



First Heritage held the 17th Annual Everyday Heroes Awards celebration at the Corning Museum of Glass where we honored students from 16 different high schools in our communities. Each student was presented with an award and a \$50 Visa gift card and one grand prize winner, Leamon Darod Wheeler, received a check for \$1,000!



### FINANCIAL LITERACY



In 2022, we were able to provide financial education through various outlets. Classroom presentations focused solely on financial literacy in five schools totaling to 27 presentations to over 700 students. Our community partnership offered job readiness lessons to 220 students in the past year, visiting 38 classrooms. Additionally, we offered our time to increasing literacy levels through giving 1,500 books to local elementary students! Overall, our community partnership, has allowed us to reach 3114 students through 163 classroom visits!

### 2022 SCHOLARSHIP WINNERS



First Heritage participated in the New York Credit Union Association's statewide scholarship program. Congratulations to our 2022 scholarship winners; Kylee Bakley from Notre Dame High School, Wyatt Golden from Twin Tiers Christian Academy and Alexis Guzylak from Horseheads 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  
FEDERAL CREDIT UNION

2022 NEW YORK CREDIT UNION ASSOCIATION SCHOLARSHIP WINNERS

Kylee Bakley

Notre Dame High School

\$1,500

Recipient of:

New York Credit Union Association Scholarship

+ Statewide Level Winner \$500

+ Credit Union Level Winner \$1,000

Wyatt Golden

Twin Tiers Christian Academy

\$1,000

Recipient of:

New York Credit Union Association Scholarship

+ Credit Union Level Winner \$1,000

Alexis Guzylak

Horseheads High School

\$1,000

Recipient of:

New York Credit Union Association Scholarship

+ Credit Union Level Winner \$1,000



# OUT IN THE COMMUNITY

## \$11,390 RAISED TO DRIVE AWAY HUNGER



We are very excited to announce that in 2022, the Drive Away Hunger campaign raised \$11,390 for the Food Bank of the Southern Tier. These funds will provide over 33,000 meals to children, families and seniors in the Southern Tier. Thank you to all of our partnering dealerships and to our members that helped make this campaign successful.



## LEADER OF THE PACK CHAMPIONS THREE YEARS IN A ROW!

The First Heritage team took home first place for the third year in a row in the Leader of the Pack Food Packing Challenge! Together, we packed 8,460 bags which comes out to 17,280 meals and \$27,669 worth of food!



## SHRED DAYS HOSTED 4 COMMUNITY DOCUMENT SHREDDING EVENTS IN 2022

First Heritage helped our communities safely destroy thousands of documents with sensitive information. With the help of 67 TEAM volunteers we hosted Shred Days in Corning, Painted Post, Elmira Heights and Wellsboro.

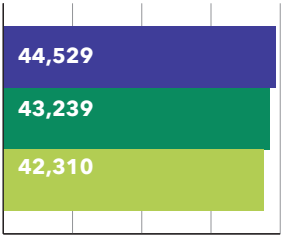


## PARADE OF LIGHTS PEOPLE'S CHOICE AWARD WINNING FLOAT

The parade of lights is a cherished part of the Crystal City Christmas that has become a holiday tradition for many. It was an honor to be the grand marshal. We are so grateful to be a part of such a magical event in our community.

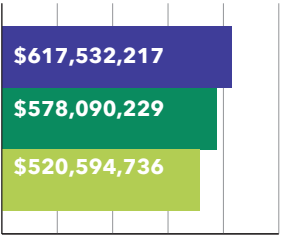
# FINANCIALS

MEMBERSHIP



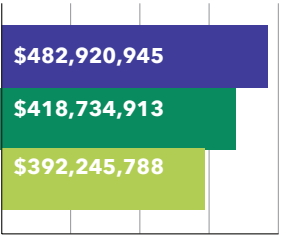
45K

DEPOSITS



700M

LOANS



500M

STATEMENT OF FINANCIAL CONDITION <small>AS OF DECEMBER 31, 2022</small>	2022	2021
ASSETS		
LOANS TO MEMBERS	\$482,920,945	\$418,734,913
LESS: ALLOWANCE FOR LOAN LOSS	3,526,410	3,329,964
CASH & CASH ITEMS	8,936,099	10,815,405
INVESTMENTS	155,249,751	180,101,616
LANDS AND BUILDING	12,042,855	12,408,761
FURNITURE AND EQUIPMENT (NET)	1,775,167	1,981,658
OTHER ASSETS	26,868,473	25,802,549
TOTAL ASSETS	\$684,266,880	\$646,514,938
LIABILITIES AND CAPITAL		
PAYABLES	\$5,334,578	\$3,990,830
MEMBERS' SAVINGS	617,532,217	578,090,229
RESERVES	4,412,245	4,412,245
UNDIVIDED EARNINGS	56,987,840	60,021,634
TOTAL LIABILITIES AND CAPITAL	\$684,266,880	\$646,514,938

STATEMENT OF INCOME AND EXPENSE <small>AS OF DECEMBER 31, 2022</small>	2022	2021
INCOME		
INTEREST ON LOANS	\$17,370,940	\$15,536,901
INCOME FROM INVESTMENTS	2,174,791	1,338,687
OTHER INCOME	7,016,865	7,185,599
TOTAL INCOME	26,562,596	24,061,187
EXPENSES		
COMPENSATION AND BENEFITS	9,709,205	9,070,269
OFFICE OCCUPANCY	1,209,304	1,179,177
OFFICE OPERATIONS	3,113,175	2,821,054
EDUCATIONAL AND PROMOTIONAL	518,408	474,283
LOAN SERVICING	1,370,215	1,411,285
LEGAL AND PROFESSIONAL	3,450,602	2,790,339
PROVISION FOR LOAN LOSSES	550,000	655,000
OPERATING FEES	106,192	120,123
MISC. OPERATING EXPENSE	346,250	233,963
TOTAL EXPENSES	20,373,351	18,745,493
NET INCOME FROM OPERATIONS	6,189,245	5,315,694
NON-OPERATING GAIN (LOSS)	757,425	2,557,223
NET INCOME BEFORE DIVIDEDNS AND TRANSFERS	6,946,670	7,872,917
LESS DIVIDENDS	2,616,945	2,571,285
INCREASE TO RESERVES AND UNDIVIDED EARNINGS	\$4,329,725	\$5,301,632





**FIRST  
HERITAGE**  
FEDERAL CREDIT UNION

# ANNUAL REPORT

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