



# 2025

## ANNUAL REPORT

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### BOARD OF DIRECTORS:

Gerard Judge	.....	Chairperson
Gary Haas	.....	Vice-Chairperson
Jessica Ryan	.....	Treasurer
Steven Sosnowsky	.....	Assistant Treasurer
Robert Nolter	.....	Secretary
Joe Dragovits & Joe Cusick	.....	Board Members

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 **People First**  
BANK. BORROW. INVEST.

# MESSAGE FROM THE CHAIR OF THE BOARD

On behalf of the Board of Directors, I am pleased to share this Annual Report and to thank you for your continued trust in People First Federal Credit Union.

As a member-owned cooperative, People First exists to serve its members. The Board's responsibility is to provide governance and oversight to ensure that your credit union remains financially strong, well-managed, and focused on its mission—today and well into the future.

Throughout the year, the Board worked closely with management to oversee financial performance, guide strategic priorities, and ensure responsible growth. We remain confident that the credit union is well-positioned to navigate economic change while continuing to deliver value to members.

Together, we honor our past and look forward to a strong and sustainable future.



**Gerard Judge**  
Chair, Board of Directors  
People First Federal Credit Union

# PRESIDENT'S MESSAGE – ANNUAL REPORT

**Annual Meeting: March 17, 2026**

As we reflect on the past year, I am proud of the progress People First Federal Credit Union has made and the position we are in today. Our organization continues to grow and evolve, guided by a clear purpose and a responsibility to serve our members with integrity, strength, and foresight.

People First was founded with a simple but powerful mission: to serve working people and their families. From our humble beginnings serving employees at Mack Trucks, the credit union was built on the belief that financial services should be fair, accessible, and rooted in the community. While much has changed since those early days, that belief remains central to who we are.

Over the decades, People First has evolved alongside our members. We have expanded our field of membership, broadened our products and services, and invested in new capabilities to meet changing needs. Through every phase of growth, however, our mission has remained constant—to serve members responsibly, strengthen communities, and operate with discipline and transparency. Growth has never been the objective on its own; rather, it has been a means to deliver long-term value and stability for the members we serve.

## A Year of Purposeful Growth

This past year reflected that philosophy in action. People First continued to grow in both membership and financial strength, even as economic conditions shifted and uncertainty persisted across the financial services industry. We saw solid lending activity across multiple product areas, continued expansion beyond our traditional markets, and steady progress toward key financial milestones. Throughout the year, your credit union remained financially sound and well-capitalized, supported by thoughtful oversight and disciplined risk management.

Importantly, we approached growth with intention. We remained focused on sustainable lending, prudent balance-sheet management, and maintaining strong capital levels to protect the credit union through economic cycles. These decisions are not always the easiest in the short term, but they are essential to ensuring People First remains strong and resilient over time.

## Investing in the Future—With Purpose

Another defining theme of the year was investment in the future of the organization. We continued to modernize our technology, strengthen our digital banking capabilities, and enhance cybersecurity and operational resilience. These investments were made deliberately—not to chase trends, but to ensure that People First can deliver reliable, secure, and efficient service in an increasingly digital world.

Modernization also extends beyond technology. We refined internal processes, improved how we use data to inform decision-making, and strengthened the systems needed to support a larger and more complex organization. These efforts allow us to operate more effectively while maintaining the personal service our members expect.

## Protecting What Makes People First Different

As People First grows, we remain deeply committed to protecting the values that define us. Personal service, community presence, and a people-first culture are not negotiable—they are foundational. Growth introduces complexity, and complexity requires discipline, but it must never come at the expense of the trust our members place in us.

## Looking Ahead

Moments of reflection remind us that People First is more than a financial institution—it is a cooperative built on shared responsibility. The strength we enjoy today is the result of generations of members, volunteers, and employees who believed in the mission and worked to protect it.

As we look ahead, we do so with confidence and humility. Confidence in the strength of our financial foundation, our strategy, and our people—and humility in recognizing that our success is rooted in service to our members.

On behalf of the Board of Directors, our leadership team, and our dedicated employees, thank you for your continued trust in People First Federal Credit Union. We are proud of where we have come from, focused on where we are today, and committed to building a strong and sustainable future—together.



**Howard Meller**  
President & Chief Executive Officer  
People First Federal Credit Union

“ I’ve been with People’s First for over 5 years and have always had a positive experience! Thank you People’s First! ”  
– Steven W.



# TREASURER'S REPORT

The credit union concluded 2025 in a strong financial position, marked by positive earnings, solid growth, and an improved capital foundation. Total assets reached approximately \$998.7 million, representing an increase of just over eight percent, from the prior year.

Net loans increased to \$662.2 million, reflecting ongoing demand from our members across lending products. Cash and cash equivalents rose significantly to \$69.3 million, strengthening liquidity and positioning the credit union well in a dynamic interest rate environment.

Member deposits remained the credit union's primary funding source. Members' share and savings accounts grew to \$929.1 million, an increase of more than \$64 million from 2024, demonstrating continued member confidence. The credit union carried no borrowed funds at year end, and accrued expenses and other liabilities remained stable.

Undivided earnings increased to \$75.8 million, reflecting positive operating performance. In addition, accumulated other comprehensive loss related to investment valuations improved compared to the prior year strengthening the credit union's capital position and supporting future growth.

People First reported net income of \$3.9 million in 2025, a significant turnaround from the net loss in 2024. Interest income rose to \$50.6 million, driven by higher loan balances and yields, while dividend expense increased due to competitive rates paid on member shares. As a result, net interest income grew to \$37.4 million, and after a \$5.7 million provision for loan losses, net interest income after provision totaled \$31.7 million.

Noninterest income increased to \$12.0 million, while noninterest expenses totaled \$39.8 million, reflecting continued investment in employees, facilities, technology, and loan servicing to support growth and member service. Overall expense growth remained controlled and aligned with strategic priorities.

On behalf of management and the Board of Directors, I thank our members for their ongoing support.

Respectfully submitted,



**Jessica Ryan**  
Treasurer

# STATEMENTS OF INCOME

INTEREST INCOME	2025	2024
Loans	\$ 43,131,866	\$ 37,015,572
Securities, Interest Bearing Deposits & Cash Equivalents	\$ 7,514,017	\$ 6,892,527
<b>Total Interest Income</b>	<b>\$ 50,645,883</b>	<b>\$ 43,908,099</b>
INTEREST EXPENSE		
Members' Share and Savings Accounts	\$ 13,195,931	\$ 11,821,712
Borrowed Funds	1	\$ 15,454
<b>Total Interest Expense</b>	<b>\$ 13,195,932</b>	<b>\$ 11,837,166</b>
<b>Net Interest Income</b>	<b>\$ 37,449,951</b>	<b>\$ 32,070,933</b>
<b>PROVISION FOR LOAN LOSSES</b>	<b>\$ 5,736,796</b>	<b>\$ 6,018,275</b>
<b>Net Interest Income After Provision for Loan Losses</b>	<b>\$ 31,713,155</b>	<b>\$ 26,052,658</b>
NONINTEREST INCOME	2025	2024
Service Charges and Fees	\$ 9,157,316	\$ 8,418,083
Interchange Income	\$ 1,303,197	1,387,917
Other Noninterest Income	\$ 1,716,402	1,366,903
Net Gain (Loss) on Sale of Investment Securities	0	0
Net Gain (Loss) on Sale of Assets	(195,997)	(134,980)
Net Gain (Loss) on Sale of Loans	(100)	(355)
<b>Total Noninterest Income</b>	<b>\$ 11,980,818</b>	<b>\$ 11,037,568</b>
NONINTEREST EXPENSE	2025	2024
Employee Compensation and Benefits	\$ 17,679,645	\$ 16,808,932
Office Occupancy	\$ 2,769,567	\$ 2,401,172
Office Operations	\$ 10,771,513	\$ 10,495,177
Professional and Outside Services	\$ 1,774,373	\$ 2,167,472
Educational and Promotional	\$ 968,436	\$ 1,247,844
Loan Servicing	\$ 4,022,661	\$ 3,563,070
Operating Fees	\$ 166,368	\$ 162,198
Other Operating Expenses	\$ 1,633,729	\$ 1,669,963
<b>Total Noninterest Expense</b>	<b>\$ 39,786,292</b>	<b>\$ 38,515,828</b>
<b>NET INCOME</b>	<b>\$ 3,907,681</b>	<b>\$ (1,425,602)</b>

## STATEMENTS OF FINANCIAL CONDITION

ASSETS	2025	2024
Cash and Cash Equivalents	\$69,335,824	\$44,355,238
Securities - Available for Sale	\$174,709,299	\$196,068,500
Other Investments	\$6,052,587	\$5,833,625
Loans, Net	\$662,217,368	\$595,528,411
Accrued Interest Receivable	\$3,961,941	\$4,161,274
Premises and Equipment, Net	\$12,776,801	\$14,170,185
NCUSIF (National Credit Union Share Insurance Fund) Deposit	\$8,739,449	\$8,088,796
Other Assets	\$60,885,724	\$55,596,106
<b>Total Assets</b>	<b>\$ 998,678,993</b>	<b>\$ 923,802,135</b>

LIABILITIES AND MEMBERS' EQUITY	2025	2024
Members' Share and Savings Accounts	\$929,119,603	\$864,781,202
Borrowed Funds	\$0	\$0
Accrued Expenses and Other Liabilities	\$10,137,122	\$10,641,830
<b>Total Liabilities</b>	<b>\$ 939,256,725</b>	<b>\$ 875,423,032</b>
<b>MEMBERS' EQUITY</b>		
Undivided Earnings	\$ 75,756,733	\$ 71,849,041
Accumulated Other Comprehensive Loss	\$ (17,681,564)	\$ (24,817,037)
Equity Acquired by Acquisition	\$ 1,347,099	\$ 1,347,099
Total Members' Equity	\$ 59,422,268	\$ 48,379,103
<b>Total Liabilities and Members' Equity</b>	<b>\$ 998,678,993</b>	<b>\$ 923,802,135</b>

## SUPERVISORY COMMITTEE REPORT

During the past year, the Supervisory Committee fulfilled its responsibilities under NCUA Regulation Part 715, which requires every federally insured credit union to complete an annual audit and appropriate verification of member accounts, based on charter type and asset size. For the year ended 2025 the credit union's audit requirement was satisfied through an independent financial statement audit.

The Supervisory Committee reviewed the audit results and verified that the audit was completed in accordance with the approved engagement and applicable regulatory standards, as required by NCUA rules.

**Harry Aristakesian**  
Supervisory Committee Chair

## 75 Years of People First

From our humble beginnings serving employees at Mack Trucks, People First Federal Credit Union was founded on the belief that people deserve fair, accessible, and community focused financial services. That belief continues to guide us as we grow, innovate, and serve our members—always staying true to our cooperative roots.



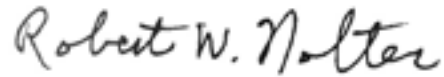
# NOMINATING COMMITTEE MINUTES

DECEMBER 16, 2025

A meeting of the 2025-2026 Nominating Committee was held on December 16, 2025 at 5:30pm. Present were: Chairperson Robert Nolter, Gary Haas, and Joe Dragovits. The following business was conducted:

The committee accepted the nominations from Jerry Judge, Joe Cusick, and Joe Dragovits for re-election to a three (3)-year term on the Board of Directors.

There being no further business, Joe Dragovits made a motion to adjourn the meeting at 5:40pm, seconded by Gary Haas and passed.



**Robert Nolter**  
Chairman



75th ANNUAL MEETING MINUTES  
MARCH 19, 2025

The 75th Annual Meeting of the People First Federal Credit Union was held at the Fearless Fire Company. The meeting was called to order at 6:05pm by Chairman Jerry Judge. Mr. Judge welcomed and thanked everyone for attending. He informed all that the secretary determined a quorum of members was present.

**Chairman Judge introduced the board members:** Vice Chairman: Gary Haas, Treasurer Jessica Ryan, Assistant Treasurer Steve Sosnowsky, Secretary Robert Nolter, Jessica Ryan, and Joe Dragovits. Board Member Joe Cusick was not present. Associate Board Member is Ryan Haas.

Supervisory Committee members are Chairperson Harry Aristakesian, Jose Ozoa, and Jonathan Nolter. The role of the Supervisory Committee is to assure the members of the credit union's sound position. Our CPA firm, CLA (Clifton Larson Allen LLP), conducts a comprehensive annual audit and verification of members' accounts as required by federal law. In addition to the NCUA's regular federal examination, we utilize third-party consultants to review internal controls, policies, and procedures.

**MINUTES:** Emrich Stellar made a motion to accept the minutes of the 74th annual meeting as printed, seconded by Denise Judge and passed.

At this time, Chairman Judge introduced our President/CEO, Howie Meller.

Howie reported 2024 was the "best of times and the worst of times". We had a good year with loan, member, and asset growth. We are ready for 2025, and things are running very smoothly.

He thanked the Board for their strategic direction and their ideas. He thanked the Executive Team and said he appreciates the work they do. He also thanked the members for choosing People First as their financial institution.

**CHAIRMAN & PRESIDENT/CEO'S REPORT:** Jerry referenced the Federal Reserve's decision to lower rates in 2024 which affected investments. The Lehigh Valley showed strength. Looking at our credit union, total assets grew to \$923.8 million, and our loan portfolio exceeded projections by \$45 million, which was fantastic. Chairman Judge commended the Team. We realized 17.38% growth in loans, the backbone of the credit union. Our loan interest income exceeded budget expectations by \$3.9 million and our deposit base reached \$864.8 million.

He noted our lending success creating 7,185 loans totaling \$238 million, driving \$87.5 million in net growth. We did more than \$36.1 million in auto lending. Our loan portfolio yield increased by 71 basis points to 6.81%. Delinquency rates improved to .60%.

Discussing our membership growth, Chairman Judge indicated we welcomed our 75,000th member in 2024. We realized a growth increase of 3.7% over the prior year. Compared to our peers, we are "blowing it out of the park".

Reporting on Operational Improvements, he informed the membership we handled 96 fraud incidents in the fourth quarter alone. Technological improvements were made by adding Duo Multi-Factor Authentication to increase security.

Our Business Banking team experienced a great 2024 by reaching net growth of \$30 million in 2024.

The credit union continues to support the community and strengthen its presence in the Lehigh Valley. We proudly sponsored Allentown's holiday event, "Lights in the Parkway" and participated in various events in the Lehigh Valley and surrounding areas.

Concluding his report, Chairman Judge indicated looking forward, People First is set for continued growth in 2025.

**TREASURER'S REPORT:** The report was included in the Annual Meeting Report.

**UNFINISHED BUSINESS:** None to discuss.

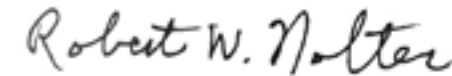
**NEW BUSINESS:** None to report.

**ELECTION COMMITTEE:** Robert Nolter presented the report of the Nominating Committee. In accordance with the credit union bylaws, the Nominating Committee was appointed by the Board of Directors. They selected incumbent directors Jessica Ryan and Steven Sosnowsky to fill the two positions on the Board of Directors for a three-year term and Joe Cusick to fill one position on the Board of Directors for a one-year term. Notice of the positions up for election was provided to all members. Members were also advised that additional nominations may be made by petition, and if none received, a mail ballot election would not be held. Our bylaws do not allow nominations to be made from the floor.

Since there were no additional nominees, Robert Nolter asked that the candidates nominated by the Nominating Committee be elected to serve their term on the Board of Directors.

At this point, Chairman Judge instructed the secretary to cast a single ballot for the candidates and declared the candidates nominated by the Nominating Committee elected to the Board of Directors for their designated term.

There being no further business, Emrich Stellar made a motion to adjourn the meeting, which was seconded by Denise Judge and was carried. The meeting was adjourned at 6:35pm.



**Robert Nolter**  
Board Secretary

Dictation & Transcription:  
**Diane Marie Merkel**