

2024 ANNUAL REPORT

*Not here for our profit.
Here for yours.*



PFCU
PHILADELPHIA
FEDERAL CREDIT UNION

Insured by NCUA

CHAIRMAN AND PRESIDENT'S REPORT

Throughout 2024, we were amazed by the dedication of our members and employees to support our community and keep Philadelphia Federal Credit Union (PFCU) strong. PFCU strives to be more than just a financial institution; our goal is to uplift our members and community. Our philosophy of "people helping people" is at the heart of everything we do, from providing upgraded services for our members to having our staff and volunteers dedicate time toward increasing financial literacy.

Learn about PFCU's dedication to our membership and community:

FOR THE MEMBERSHIP

Reduced Rates and Fees – We offered a special introductory rate for a Home Equity Line of Credit (HELOC). We also waived the application fee on our mortgage loans, saving our members money to use toward closing costs.

Increased Dividends – To help our members fulfill their savings goals, we were able to increase the dividend rates on our savings products and continue to offer a high-yield savings certificate.

Member Engagement – PFCU is always prioritizing members, whether new or longstanding, and seeks new ways to engage with members every year. This year, we introduced a Member Experience Survey Program, so members can help us maintain or improve our service levels.

Member Appreciation – To show our appreciation for members and to display our commitment to strengthening their financial well-being, PFCU hosted a member appreciation contest throughout the month of April that awarded cash prizes. Member referral promotions also offered a cash incentive to the referring member and new member.

Technical Upgrades – Every year, we seek to improve your banking experience. We are proud to offer these new features:

- A new live chat so our members can initiate communication and co-browse with our service advisors instantly to gain assistance.
- Our new website features a simplified design with easy navigation and clear calls to action.

Increased Services and Offerings – PFCU expanded our offerings to our community in new ways.

- We opened a new branch in the East Falls neighborhood, our 12th branch in the city. It offers a greeter station, internet café, full-service ATM and free coin counting machine.
- We expanded our line of business account offerings, including free checking and interest-bearing savings account with automatic overdraft protection.

TruStage® – We are proud to continue to offer our members affordable auto, home and life insurance options through the TruStage® Insurance Agency.

Financial Education – PFCU's financial education program continued using our online platform as well as in-person seminars to connect with our members and the community.

- Our Financial Educator conducted 11 virtual and 83 in-person seminars with attendance totaling over 1,600. She shared her insights on several topics including Creating Money Habits, Setting Goals and Saving, Investing and Retirement Basics, Money Management: Balancing Income and Expenses, and Identity Theft and Fraud Prevention. She also led a personal finance workshop for Temple University student-athletes.
- We continued to promote Credit Score, so our members can take control of their financial health.

- PFCU continued to provide monthly informational articles through our MoneyLine Blog.
- We created monthly MoneyLine in a Moment educational videos on our social pages.
- We educated our members on the importance of their account security with ongoing communication and guidelines to avoid identity theft and scams.

Scholarships – We awarded seven \$2,500 scholarships to deserving student-members. When PFCU created the Scholarship Program, we had in mind our philosophy of giving back to members and the communities in which we serve.

FOR THE COMMUNITY

Social Expansion – Our followers on Facebook, X, LinkedIn and YouTube increased, allowing us to expand our community online. Through these platforms, we promoted webinars and videos about the home-buying process to help our followers increase their financial education.

Commitment to the Community – We hosted free shredding days throughout the year at our Operations Center. Through our sponsorship of Temple University Athletics, we also have the privilege of being the Official Credit Union of Temple University.

Community Recognition – PFCU's Operations Center was recognized as the best in stormwater management on private property and given the Stormwater Pioneers Award from the Philadelphia Water Department.

Employee/Volunteer-Sponsored Events – PFCU sponsored fun events with employees, including the Philadelphia St. Patrick's Day Parade, the Kensington Derby & Arts Festival, Neighbor to Neighbor Community Day, Spruce Hill May Fair and Movie Night in East Falls.

Local Support – We continued to show strong support for our community by making donations and participating in many community events, including Temple University Sports Business Conference, Mt. Airy Day, the 18th Annual Juneteenth Festival, University City District's Movies in Clark Park, the Awbury Arboretum's Harvest Fest and the East Falls Fall Fest.

Season of Giving – We partnered with Cradles to Crayons (C2C) Philadelphia and donated \$4,635.00 to this cause. Employees donated money, and PFCU's Board of Directors graciously matched the amount. C2C's mission is to provide children from birth through age 12, living in homeless or low-income situations, with the essential items they need to thrive – at home, at school and at play.

We extend thanks to everyone who contributes to PFCU. It is because of PFCU's staff, management, numerous committees and, most importantly, our members like you that we can celebrate the success of our Credit Union. We look forward to 2025 and eagerly welcome new ways to strengthen our community.

BERNARD B. LESTER
Chairman

PATRICIA A. CRAVEN
President/CEO





INDEPENDENT AUDITORS' REPORT

We have audited the accompanying consolidated statements of financial condition of Philadelphia Federal Credit Union and its subsidiaries, which comprise the consolidated balance sheets as of September 30, 2024, and 2023, and the related consolidated statements of income, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements. These consolidated financial statements are the responsibility of the Credit Union's management.

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of Philadelphia Federal Credit Union and its subsidiaries as of September 30, 2024, and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

CONNOLLY, GRADY & CHA, P.C.

Certified Public Accountants
Springfield, Pennsylvania

BALANCE SHEET

	September 2024	September 2023	Net Change 2024-2023	% Change
ASSETS				
Cash and Cash Equivalents	\$179,829,538	\$186,835,899	\$(7,006,361)	-3.75%
Investment Securities (Available for Sale)	325,049,817	346,954,556	(21,904,739)	-6.31%
Loans Receivable	1,070,369,393	956,850,827	113,518,566	11.86%
Accrued Interest Receivable	4,201,453	3,721,151	480,302	12.91%
Premises & Equipment	14,743,931	12,987,526	1,756,405	13.52%
Restricted Stock - FHLB Pittsburgh	760,500	381,100	379,400	99.55%
Prepaid Expense & Other Assets	14,514,163	16,341,773	(1,827,610)	-11.18%
Prepaid Pension Obligation	53,239,305	43,449,956	9,789,349	22.53%
Insurance Funding Receivable	26,235,406	25,569,915	665,491	2.60%
Operating Lease Right-of-Use Assets	971,507	3,655,043	(2,683,536)	-73.42%
NCUSIF Deposit	13,820,410	13,522,164	298,246	2.21%
Total Assets	\$1,706,721,527	\$1,610,269,910	\$96,451,617	5.99%
LIABILITIES & EQUITY				
LIABILITIES				
Accounts Payable & Accrued Expense	\$5,811,353	\$5,968,457	\$(157,104)	-2.63%
Advance Payments by Borrowers for Taxes & Insurance	2,132,449	1,830,657	301,792	16.49%
Borrowings	0	969,148	(969,148)	-100.00%
Other Liabilities	398,008	731,858	(333,850)	-45.62%
Operating Lease Liabilities	3,069,382	3,706,311	(636,929)	-17.18%
Total Liabilities	11,411,192	13,206,431	(1,795,239)	-13.59%
EQUITY				
Shares	1,156,453,018	1,213,330,063	(56,877,045)	-4.69%
Certificates	337,692,443	217,556,440	120,136,003	55.22%
Total Shares	1,494,145,461	1,430,886,503	63,258,958	4.42%
Regular Reserves	4,172,269	4,172,269	0	0.00%
Undivided Earnings	230,925,231	214,218,691	16,706,540	7.80%
Unreal Gain/Loss-Invest.-Pension FAS158	(21,745,343)	(21,745,343)	0	0.00%
Unreal Gain/Loss-Invest.	(21,581,656)	(40,809,008)	19,227,352	-47.12%
Net Income/Loss	9,394,373	10,340,367	(945,994)	-9.15%
Total Equity	201,164,874	166,176,976	34,987,898	21.05%
Liabilities & Equity	\$1,706,721,527	\$1,610,269,910	\$96,451,617	5.99%

INCOME & DISTRIBUTION

	September 2024	September 2023	Net Change 2024-2023	% Change
INCOME				
Interest on Loans	\$59,844,744	\$49,216,592	\$10,628,152	21.59%
Investment Income	10,950,383	12,137,503	(1,187,120)	-9.78%
Fee Income	23,876,280	23,848,436	27,844	0.12%
Gain on Sale of Premises	0	1,300	(1,300)	-100.00%
Gain on Sale of Loans	50,556	12,250	38,306	312.70%
Other Income	1,380,496	1,571,000	(190,504)	-12.13%
Gross Income	\$96,102,459	\$86,787,081	\$9,315,378	10.73%
DISTRIBUTION OF INCOME				
Dividends to Members	\$24,844,816	\$14,650,611	10,194,205	69.58%
Provision Loan Losses	7,581,259	6,568,831	1,012,428	15.41%
Operational Expenses	53,856,792	55,150,297	(1,293,505)	-2.35%
Non-Operational Expenses	404,963	76,975	327,988	426.10%
Undivided Earnings	9,394,373	10,340,367	(945,994)	-9.15%
Total Distribution	\$96,102,459	\$86,787,081	\$9,315,378	10.73%

BOARD OF DIRECTORS

BERNARD LESTER
Chairman

PAULETTE CHAMBERS
Vice Chairman

JOSEPH F. McHUGH, JR.
Treasurer

ELIZABETH SEES
Secretary

CAROLYN DALEY BRADY
Member

BRIDGET TIERNEY BROWN
Member

VINCENT COLABERDINO
Member

SHAWN HAGERTY
Member

KATHLEEN MEYER
Member

MICHELE WILLMUNDER
Member

CHARLES ZACNEY
Member

MICHAEL J. McALLISTER, ESQ.
Emeritus

ELAINE MELCHIORRE
Emeritus

ELOUISE THOMAS
Emeritus

PFCU
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MAILING ADDRESS

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Philadelphia, PA 19154-1003

TELEPHONE NUMBERS

215-934-3500 • 800-832-PFCU
TDD: 215-934-4000

24-HOUR ACCOUNT ACCESS

Teller Phone: 877-835-7328

Online Banking: Enter through pfcu.com

WEBSITE
pfcu.com



TREASURER'S REPORT

Each year brings its own unexpected twists and turns, but Philadelphia Federal Credit Union (PFCU) stayed resilient and continued focusing on growth in 2024. I am pleased to report PFCU remained financially strong. We are proud of the dedication of our institution, staff and members in the face of change.

We experienced a 5.99% increase in assets this year, ending 2024 with an impressive portfolio of assets totaling \$1,706,721,527. In addition, we closed the year with member shares reaching a total of \$1,494,145,461, an increase of 4.42% from 2023. Loan growth increased from \$956,850,827 to \$1,070,369,393, an 11.86% increase, while our gross income increased by 10.73% to \$96,102,459. This impressive growth resulted in \$24,844,816 in dividends paid to our members, up 69.58% from last year.

Thank you to the PFCU Board, management and staff that serve our Credit Union and keep it resilient every year. We appreciate our loyal members who continue to place their trust in us and support our mission of serving our community. As a member-owned, not-for-profit institution, we can thrive because of the dedication of our members, staff and volunteers. We look forward to many more years of serving our members.

JOSEPH F. McHUGH, JR.
Treasurer

SUPERVISORY COMMITTEE'S REPORT

Philadelphia Federal Credit Union's Supervisory Committee is responsible for reviewing the audit function of the Credit Union to ensure that PFCU's financial strength is fairly represented. The committee oversees the internal and external auditors, who make sure that the Credit Union's financial controls are operationally sound and functioning in accordance with the mandated guidelines and policies set forth by all governing bodies.

An external audit was conducted in 2024 by the Certified Public Accounting firm of Connolly, Grady and Cha, P.C. The federal examiners of the National Credit Union Administration (NCUA) also audited the Credit Union. These examinations of PFCU's financial statement and practices, along with audits conducted by the Internal Audit Department, have found Philadelphia Federal Credit Union to be in excellent condition, both financially and administratively.

Due in part to the efforts of the Supervisory Committee and auditors throughout the credit union movement, credit unions as a whole are very sound financial institutions. Each year, more individuals are choosing credit unions due to their cost-effective services and, more importantly, because these individuals know that their money is safe.

The Supervisory Committee is dedicated to ensuring that these well-founded beliefs and principles are steadfastly maintained for our members' benefit. The committee welcomes all comments and suggestions from our members. You are invited to use the following address:

PFCU Supervisory Committee
P.O. Box 21004
Philadelphia, PA 19114

TIMOTHY LEDERER
Chairman