



Annual Report

2018



Vision Statement

A member-owned, caring provider of financial services, committed to helping the people of the Lehigh Valley and beyond to improve their lives and secure a better future.

From the Chairman of the Board and President/CEO

You may have seen or heard the phrase “it all started here” on our ads this year. When buying a new car or home it all starts at your credit union with a loan or mortgage. We know that ownership is important to you. Ownership of your car. Ownership of your home. Ownership of your financial security. And, ownership of your credit union.

Just two years ago, this letter noted that People First had in that year grown to over 60,000 member and \$500,000,000 in assets. As of the end of 2018, I am proud to report, we have achieved 70,000 members and are approaching \$600,000,000 in assets. The growth we have achieved over this short period is a testament to the trust placed in us by you, our members. We achieved this growth by focusing on your growth and providing great products and services. Not just growth for growth’s sake.

What does “focusing on your growth” mean? It means we aren’t just looking at the assets on the balance sheet. It means that no matter where you are on your financial path, People First has a product or service to help you get to the next step. Everything from a first savings account to retirement planning. And we know that sometimes you may need a little guidance along the way. Our trusted staff and partners are here when that need arises.

Education and growth can take on a lot of forms. People First participates and helps coordinate a Financial Reality Fair where area high school students spend a day learning about budgeting. People First was integral in bringing this event to the Lehigh Valley and since then over a thousand students have had a taste of what ownership of their financial future will look like.

This year People First introduced our Youth First program. This program will help guide our youngest members through the different stages of their financial life. In 2019, we’re introducing the newest component. People First will be awarding five \$1,000 scholarships for recent high school graduates entering college or trade school. All of the details will be available on our website, PeopleFirstCU.org.

In 2018 we began two great initiatives to help you on your financial journey. GreenPath Financial Wellness is here to help with financial education, counseling and budgeting tools. Whether you are looking for help to reduce credit card debt or to build a plan to buy your first home, GreenPath is here to help.

Our second new program is People First Financial Solutions. This investment service is here to help you whether you are looking to start investing, roll over a 401k from a previous employer, or consolidate your retirement account. A no cost financial review session is available to all members.

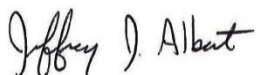
I mentioned buying a first home earlier and our mortgage program is here for you if you’re looking to purchase or refinance. And our recently launched concierge program will walk you through every step of the way, from application to closing.

Two new products launched in 2018 help members who need to establish or rebuild their credit, the Credit Builder loan and the Visa® Platinum Secured Card. The Credit Builder loan is a share secured loan to help members re-establish their credit after a setback. The new Visa® Platinum Secured Card gives members the flexibility of a credit card combined with the security of a share secured loan. It’s ideal for young members who haven’t yet established credit.

On behalf of the entire board and employees, I would like to thank you for your continued membership and trust. I’m sure you will agree with me that whether your ownership goals are a car, a home, or financial security, it all starts here with People First.



Frederick A. Molchany
Chairman of the Board



Jeffrey J. Albert
President/CEO

Consolidated Statement of Financial Condition

Income & Expense

Balance Sheet		
	Dec. 31, 2018	Dec. 31, 2017
Assets		
Loans	\$386,688,529	\$358,589,445
Less: Allowance for Loan Losses	(2,746,867)	(2,708,800)
Add: Deferred Loan Origination Costs & Premiums	4,318,928	4,509,942
Net Loans	388,260,590	360,390,587
Cash and Investments	155,050,412	167,187,700
Land and Building(net)	9,377,428	9,591,735
Furniture, Fixtures and Equipment	3,379,670	3,796,983
All Other Assets	16,297,658	16,341,099
Total Assets	\$572,365,758	\$557,308,104

	Dec. 31, 2018	Dec. 31, 2017
Interest from Loans	\$18,525,010	\$16,614,758
Income on Investments	3,587,453	3,605,466
All Other Income	7,870,561	6,770,101
Total Income	29,983,024	26,990,325
Operating Expenses	23,693,238	23,009,759
Net Operating Income	6,289,786	3,980,566
Non-Operating Gain(Loss)	(83,728)	(30,037)
Net Income Before Dividends	6,206,058	3,950,529
Dividends	2,293,177	2,069,152
Net Income After Dividends	\$3,912,881	\$1,881,377

Liabilities and Equity

Current Liabilities	\$511,600	\$1,154,816
Shares	353,374,422	330,926,099
Money Market Shares	47,490,038	49,438,720
Share Certificates	136,166,407	139,731,725
Regular Reserve	4,194,127	4,194,127
Undivided Earnings	43,003,378	39,090,496
Unrealized Investment Gain/(Loss)	(12,374,214)	(7,227,879)
Total Liabilities and Equity	\$572,365,758	\$557,308,104

Board of Directors:

Frederick A. Molchany	Chairman of the Board
Joseph J. Preisler	Vice-Chairman
Emrich M. Stellar	Treasurer
Joseph T. Dragovits	Assistant Treasurer
Gerard J. Judge	Secretary
Gary M. Haas	Director
Robert W. Nolter	Director

From the Treasurer and Supervisory Committee

People First continued to grow in assets, loans and deposits in 2018. With asset growth of 2.7%, loan growth of 7.8% and deposit growth of 3.3% our financial condition continues to be strong.

During the past year our focus continued to be on lending to our members, with our loan growth centered primarily in auto and mortgage loans. Our business lending portfolio also grew steadily as we continue to serve the needs of our local community.

Interest rates increased modestly as the Federal Reserve adjusted rates to accommodate economic expansion. Due to rising interest rates and putting our money to work in loans to our members, our net income for 2018 grew to over \$3.9 million.

Our loan rates remain low and our deposit rates are among the highest in the Lehigh Valley. Your credit union is well-capitalized and delinquency on loans remains low as we look forward to another year of growth and financial stability in 2019.

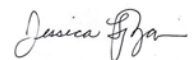


Emrich M. Stellar
Treasurer

To be able to assure the members of the credit union's sound position, the Supervisory Committee utilizes the services of a certified public accounting firm, RKL, of Wyomissing, PA. They conduct a comprehensive annual audit and complete the verification of member's accounts as required by federal law. The credit union also utilizes third party consultants that review the credit union's internal controls, policies and procedures in addition to the regular federal examination by the NCUA.

Federal credit union bylaws dictate that the Supervisory Committee is responsible for completing regular and supplemental audits to determine that accounting records and reports accurately reflect operations and actual results.

With the help of our Board of Directors, management, and staff, our committee is able to perform our duties and satisfy the legal responsibilities entrusted to us.



Jessica P. Ryan
Chairwoman, Supervisory Committee

Historical Highlights

1950-1959

SEPTEMBER 1950 Mack Local 677 FCU's Organization Certificate approved; began operating at UAW Local 677 Union Hall at 1104 Walnut Street, Allentown, PA
SEPTEMBER 1959 Assets exceed \$1,000,000

1960-1969

JANUARY 1968 Occupied rented space at UAW Local 677 Building, 2100 Mack Boulevard, Allentown, PA
MAY 1968 Assets exceed \$2,000,000

1970-1979

JANUARY 1972 Payroll deduction for credit union began at Mack Trucks
NOVEMBER 1974 Assets exceed \$5,000,000
DECEMBER 1974 Credit Union hires first General Manager
NOVEMBER 1975 First Lehigh Valley credit union to build and occupy its own office at 2211 Mack Boulevard, Allentown, PA
AUGUST 1977 Assets exceed \$10,000,000
DECEMBER 1977 Share Draft (Checking) Accounts introduced

1980-1989

AUGUST 1982 First Lehigh Valley credit union to offer ATM services
AUGUST 1983 KidsPeace (formerly Wiley House) became first non-Mack Truck Credit Union Sponsor Company
AUGUST 1984 First Lehigh Valley credit union to offer MasterCard® Credit Cards
JANUARY 1984 First Lehigh Valley credit union to purchase its own in-house data processing system (AFTECH); Tellerphone audio-response system introduced
Assets exceed \$50,000,000
MARCH 1985 First Mortgage Loans and Home Equity Lines of Credit introduced
MAY 1987 First branch office opened at 451 Chew Street, Allentown, PA
JULY 1987 Willard Allentown FCU merger—1,892 new members
OCTOBER 1987 SI Forks Township Employees FCU merger— 208 new members
JUNE 1988 NCUA approved name change to People First FCU
OCTOBER 1988 Pottsville Bleach & Dye FCU merger— 373 new members
JULY 1989

1990-1999

JUNE 1990 Bux-Mont Machinists FCU merger—1,664 new members; acquired a branch office in Sellersville, PA
AUGUST 1991 New branch office in Whitehall, PA
OCTOBER 1992 New branch office in Trexlertown, PA
DECEMBER 1992 Assets exceed \$100,000,000; HealthEast FCU merger—3,328 new members; Fulco FCU merger— 308 new members
JULY 1995 Relocated main office to Downyflake Lane, Allentown, PA
JUNE 1996 Visa® Check Card introduced
JUNE 1997 PeopleFirstCU.org introduced
MARCH 1998 Assets exceed \$150,000,000
JUNE 1998 PC Access introduced
FEBRUARY 1999 Muhlenberg Hospital Center FCU merger— 440 new members
NOVEMBER 1999 Visa® Platinum Credit Card introduced

2000-2009

JANUARY 2000 24-Hour Loan Center
MAY 2000 US Gauge FCU merger—350 new members
SEPTEMBER 2000 50th Anniversary Celebration
JANUARY 2002 New branch office in Bethlehem, PA Who's Who in Business Award
FEBRUARY 2002 Community Charter approved
JUNE 2002 Assets exceed \$200,000,000
JANUARY 2003 Who's Who in Business Award
JANUARY 2004 Who's Who in Business Award
JULY 2004 Courtesy Pay introduced
AUGUST 2004 Traylor FCU merger—166 new members
JANUARY 2005 Who's Who in Business Award
OCTOBER 2005 Indirect Lending offered at Auto Dealerships

DECEMBER 2005 Introduction of Money Market Share Accounts
JANUARY 2006 Who's Who in Business Award
JANUARY 2007 Who's Who in Business Award
MARCH 2007 Assets exceed \$250,000,000
JULY 2007 Introduction of eStatements and eNotices
NOVEMBER 2007 Welcome Aboard Program and Credit Card Rewards introduced
JANUARY 2008 Who's Who in Business Award
JULY 2008 New Low Rate Visa® Platinum Credit Card introduced
DECEMBER 2008 People Perks Program and Balance introduced
JANUARY 2009 Who's Who in Business Award
JULY 2009 New branch office opens in Nazareth, PA; Assets exceed \$325,000,000
SEPTEMBER 2009 Small Business Lending Program launched

2010-2017

JANUARY 2010 Who's Who in Business Award
FEBRUARY 2010 Assets exceed \$350,000,000
JUNE 2010 Best of the Valley Award; Business Deposit Products offered
SEPTEMBER 2010 60th Anniversary Celebration; Reader's Choice Award
DECEMBER 2010 Bath Catholic FCU merger—270 new members
JANUARY 2011 Who's Who in Business Award
MARCH 2011 Membership exceeds 50,000
JUNE 2011 Best of the Valley Award
SEPTEMBER 2011 1st annual People First Charitable Golf Tournament
OCTOBER 2011 Jeffrey J. Albert, newly appointed President/CEO
NOVEMBER 2011 Mobile Access introduced; New Account Opening Online introduced; Member Survey conducted

JANUARY 2012 Who's Who in Business Award
MARCH 2012 Assets exceed \$400,000,000
APRIL 2012 CU Realty Real Estate Rebate Services introduced
MAY 2012 Recipient of the Allentown Arts Ovation Award
JUNE 2012 Best of the Valley Award
SEPTEMBER 2012 Readers Choice Award, Currency Teller introduced, 2nd annual People First Golf Classic

JANUARY 2013 Who's Who in Business Award
FEBRUARY 2013 Mobile Website introduced
JUNE 2013 Best of the Valley Award
SEPTEMBER 2013 Readers Choice, 3rd annual People First Golf Classic
DECEMBER 2013 TWE FCU merger – 198 new members
JANUARY 2014 Who's Who in Business Award
JUNE 2014 Best of the Valley Award
SEPTEMBER 2014 Readers Choice Award, 4th annual People First Golf Classic
JANUARY 2015 Who's Who in Business Award
JUNE 2015 Best of the Valley Award
SEPTEMBER 2015 Readers Choice Award, New branch opens in Bethlehem Township, 5th annual People First Golf Classic

JANUARY 2016 Who's Who in Business Award
FEBRUARY 2016 Assets exceed \$500,000,000
APRIL 2016 Trexlertown office relocation
MAY 2016 Membership exceeds 60,000
SEPTEMBER 2016 2016 Readers Choice Award, Better Homes Realty introduced, 6th annual People First Golf Classic

OCTOBER 2016 Lehigh Valley FCU merger – 1,901 new members
JANUARY 2017 Who's Who in Business Award
APRIL 2017 Conversion to Corelation data processing system completed
JUNE 2017 Best of the Valley Award
SEPTEMBER 2017 2017 Reader's Choice Award, 7th annual People First Golf Classic
JANUARY 2018 Who's Who in Business Award
MAY 2018 Financial Solutions investment program launched
JUNE 2018 Best of the Valley Award
SEPTEMBER 2018 Who's Who in Business Award, 8th annual People First Golf Classic
DECEMBER 2018 Membership exceeds 70,000