



2021

ANNUAL REPORT



— ★ We offer **YOU** the **RIGHT** financial solutions because you're **FAMILY**. ★ —



ENHANCING THE LIVES
OF OUR MEMBERS AND THE
COMMUNITIES WE SERVE BY
BUILDING TRUSTED RELATIONSHIPS.

BOARD OF DIRECTORS



GARY
WEYHMULLER
Chairman



JAMES
BROWNLOW, II
Vice Chairman



BRUCE K.
FOULKE
Treasurer



JENNIFER
HANNIGAN
Secretary



JOHN
FAFARA



CLARA
GLENN



KATHLEEN
KINSLOW



JUAN
LOPEZ



KENNETH
WONG

SUPERVISORY COMMITTEE



JUAN LOPEZ
Chairman



ANTHONY
KUCZYKOWSKI



MICHAEL
GUNTICK

LOAN REVIEW/DELINQUENCY COMMITTEE



CLARA GLENN
Chairperson



MICHAEL
GUNTICK

2021 OPERATIONAL HIGHLIGHTS



\$16.1

MILLION IN DIVIDENDS
PAID TO MEMBERS

\$3.96

BILLION IN ASSETS

\$318.9

MILLION NET WORTH

247,355

MEMBERS

53,663

NEW MEMBERS

97%

MEMBER SATISFACTION
RATING ACHIEVED

- FORMATION OF DIVERSITY, EQUITY AND INCLUSION COMMITTEE AND COUNCIL
- LAUNCHED VANA VIDEO ADVISOR SERVICE
- NEW BRANCHES: FAIRLESS HILLS, ANN'S CHOICE, WARMINSTER AND MARKET EAST BRANCHES
- COMPLETED VIRIVA CREDIT UNION MERGER, WELCOMING ALMOST 8,000 NEW MEMBERS, \$83.6 MILLION IN ASSETS AND NEW WARMINSTER LOCATION

2021 COMMUNITY IMPACT HIGHLIGHTS



2,200

COMMUNITY SERVICE HOURS
PERFORMED BY ASSOCIATES

\$50,000

CONTRIBUTED BY SPIRIT
OF GIVING FOOD DRIVE

11,000 lbs

OF FOOD DONATED TO
ORGANIZATIONS & FAMILIES

\$18,000

RAISED BY ADOPT-A-FAMILY
FOR HOLIDAY GIFTS

2,600+

BOOKS DONATED THROUGH
BOOKS FOR KIDS PROGRAM

\$800,000

RAISED BY THE
KIDS-N-HOPE FOUNDATION

- OVER 100 INDIVIDUALS RECEIVED DONATIONS FROM ANNUAL COAT DRIVE
- GREEN TEAM PERFORMED MULTIPLE HIGHWAY CLEAN-UPS
- PRESENTING SPONSOR, MUSEUM OF THE AMERICAN REVOLUTION FLAGS & FOUNDING EXHIBIT
- \$375,000 DONATED THROUGH THE KIDS-N-HOPE FOUNDATION TO LOCAL PARTNERS:
Children's Hospital of Philadelphia, Doylestown Hospital, Grand View Health, Jefferson Health Foundation, Philadelphia Ronald McDonald House, St. Mary Medical Center, Catholic Community Services, Christ's Home, CORA Services, KenCrest, Laurel House, Providence Center, Special People in the Northeast (SPIN)

2021 FINANCIAL WELLNESS HIGHLIGHTS



72

FREE FINANCIAL
WELLNESS SEMINARS

30

\$1,000 CECILIA GRADY COLLEGE
SCHOLARSHIPS AWARDED

- INTRODUCED AMERICANHERITAGE U FINANCIAL WELLNESS LEARNING PROGRAM
- LAUNCHED INTERACTIVE WEBSITE LEARNING CENTER



THE FINANCIAL BRAND



2021

RECOGNITION & AWARDS

- ★ Best in State Credit Union designation by *Forbes*
- ★ Dora Maxwell Social Responsibility Community Service Award for Pennsylvania.
- ★ *Credit Union Journal* Best Place to Work recognition as top 50 in the Nation.
- ★ *Philadelphia Business Journal* Best Places to Work recognition for 15th consecutive year.
- ★ *Philadelphia Business Journal* Healthiest Employer Wellness Award for 10th consecutive year.
- ★ *The Financial Brand* recognized American Heritage as one of the top 35 credit unions using social media worldwide.
- ★ Recognition for excellence in membership communication, event marketing, social media, website and brand awareness from CUNA Marketing Diamond Awards, CrossState Credit Union Association Marketing Innovation and Creativity Awards, Philadelphia Direct Marketing Association Ben Franklin Awards, and Public Relations Society of America Pepperpot Awards.
- ★ Web Marketing Association award for best credit union mobile website.
- ★ Investment & Retirement Center ranked as the 4th overall program and the #1 managed program in the country by CUNA Mutual Group.
- ★ South Jersey Biz annual Best in Biz Readers' Choice Award.



American Heritage

CREDIT UNION



WE OFFER YOU THE *RIGHT* FINANCIAL
SOLUTIONS BECAUSE YOU'RE *FAMILY*!



American
Heritage

MARKET EAST
1000 N. 10TH ST.
PHILADELPHIA, PA 19107
MON-FRI 9AM-5PM
SAT 9AM-12PM
SUN 12PM-5PM

American
Heritage

MARKET EAST
1000 N. 10TH ST.
PHILADELPHIA, PA 19107
MON-FRI 9AM-5PM
SAT 9AM-12PM
SUN 12PM-5PM



MARKET EAST, PHILADELPHIA, PA BRANCH

CHAIRMAN'S REPORT



Welcome to American Heritage Federal Credit Union's 73rd Annual Meeting. As we prepare our annual report, we acknowledge that 2021 was one of the most successful years in the credit union's history, setting records for membership growth, loan growth, expansion into new markets, and community investment. This success is due to our members, associates, and management, who despite the continued backdrop of great uncertainty in our community and our country, demonstrated the resiliency, loyalty and ingenuity that makes American Heritage special.

As we progressed through the second year of the pandemic, our team continued to transition to hybrid models of service, leveraging our technology such as PAT and VANA to provide the resources and attention to support our members through the pandemic. Our team did not lose focus on our strategic goals of introducing new products and channels to help our members achieve their financial success stories.

We helped thousands of members purchase a home with our \$500 closing cost credit plus a \$250 gift card to first-time homebuyers, and formally launched VANA, a first-of-its-kind video advisor service that helps tens of thousands of members interact with the credit union's trustworthy personnel.

American Heritage completed the largest merger in our history with Viriva Credit Union with almost 8,000 members and \$83.6 million in assets. Cumulatively, American Heritage has successfully completed over 50 credit union mergers totaling over \$150 million in assets.

American Heritage continued to strategically expand its access to new communities in the region opening branches in Fairless Hills, along Market Street (East), in Warminster at the former Viriva branch as well as a branch in Ann's Choice Senior Living Center. In the community we were the proud sponsor of the Flags & Founding Documents: 1776 to Today exhibit at the Museum of the American Revolution, as well as hosted the International Culture Exchange Festival at our Red Lion Road campus.

More and more individuals, families and businesses are learning about American Heritage as our brand awareness continues to increase. They are choosing our valuable products, great rates, and world class service as a better alternative to other institutions. As a result, we were proud to welcome seven new sponsor companies and 53,663 new members to the credit union this past year. As we approach \$4 billion in assets, American Heritage Federal Credit Union remains the 5th largest credit union in the Commonwealth of Pennsylvania and moved up six places to become the 89th largest credit union in the nation based on asset size.



In 2021, at a time when our community and members needed our support the most, the American Heritage family was there to help. This past year, the Kids-N-Hope Foundation donated \$375,000 to pediatric music therapy programs and children's health and life services at local hospitals. With this annual contribution, the Foundation has now reached the \$2.5 million milestone in cumulative donations since its founding. Our members and associates collected 11,000 pounds of food for local food banks and pantries, and we contributed over \$50,000 to those organizations.

We also instituted our Heart program for credit and debit cards, with a penny per purchase supporting the Kids-N-Hope Foundation, generating more than \$296,000 in donations aiding pediatric music therapy in 2021.



In continuing our commitment to education, our Books for Kids programs distributed 2,600 books to local organizations, and we awarded Cecilia B. Grady Scholarships to 30 members who are attending college. We also hosted 72 seminars/webinars on credit union money saving products, budgeting, home buying/selling, understanding credit, college financing, identity theft, retirement and investing.

CHAIRMAN'S REPORT (Continued)



Our Diversity, Equity and Inclusion Committee and Council is firmly committed to providing equality and economic opportunity in the communities we serve, as has been the case since our founding. However, by championing these causes through a formal committee, American Heritage will serve as the example for other organizations in championing the causes of diversity, equity and inclusion.

On behalf of our Board of Directors, I wish to express my gratitude to the President & CEO and his management team, as well as the dedicated staff of American Heritage for all of their hard work and dedication to the credit union movement and our membership. In these difficult times, our members count on their steadfast leadership and guidance. Our all-volunteer Board of Directors, as well as our Supervisory, Loan Review & Delinquency Committees, are dedicated to ensuring that our credit union is always providing the best products for our membership while keeping the credit union financially strong, and I appreciate the time and energy that they devote to our organization. Most of all, I want to thank our members for their loyalty and support to our credit union.

Respectfully submitted,

GARY WEYHMULLER
Chairman

“

BECAUSE OF AMERICAN HERITAGE,
I AM FINANCIALLY STABLE. I
WAS PROVIDED WITH FINANCIAL
OPPORTUNITIES THAT ANOTHER
CREDIT UNION WOULD NOT GIVE
ME. THANK YOU FOR BELIEVING
IN MY FINANCIAL RESPONSIBILITY.
SO GLAD TO BE PART OF THE
AMERICAN HERITAGE FAMILY

- MEMBER -
KING OF PRUSSIA BRANCH

”



“

WE ARE PROUD TO BE RECOGNIZED BY OUR PEERS
IN THE CREDIT UNION MOVEMENT AS WELL AS
AMONG SO MANY REGIONAL ORGANIZATIONS FOR
COMMUNICATIONS EXCELLENCE. CREDIT UNIONS PLAY
SUCH AN IMPORTANT AND EVOLVING ROLE IN OUR
SOCIETY, AND WE ARE HONORED TO BE RECOGNIZED
IN OUR EFFORTS TO COMMUNICATE THAT TO THE
MEMBERS AND COMMUNITIES WE SERVE.

- BRUCE K. FOULKE -
PRESIDENT/CEO

”





COMING IN 2022!
GLENDORA, NJ BRANCH

PRESIDENT/TREASURER'S REPORT



\$528.3

MILLION ASSET GROWTH

\$3.96

BILLION IN ASSETS

\$462.5

MILLION SHARE GROWTH

\$423.6

MILLION LOAN
PORTFOLIO GROWTH

\$318.9

MILLION NET WORTH

\$197.4

MILLION TOTAL INCOME

\$52.9

MILLION NET INCOME

I am proud to report that our 2021 results were driven by strong organic growth as we increased our assets by 15% and we proficiently executed our business plan achieving a return on assets of 1.43%. We were also privileged to serve almost 250,000 members, adding 34,058 net new members within our community to our credit union, including nearly 8,000 members who joined us through the merger of Viriva Credit Union in November.

The 15% growth in assets of \$528.3 million to \$3.96 billion was driven by organic share growth of \$386.5 million, the acquisition of Viriva's \$83.6 million in assets, net income of \$52.9 million and all other of \$5.3 million. Within shares, our highly-competitive rates and outstanding service model helped attract checking and savings account growth of \$382.3 million, or 23%, share certificate growth of \$48.8 million, or 5%, and money market growth of \$31.4 million, or 18%. Our overall share growth of 18% was more than our peers' share growth at 13% and our 0.67% cost of funds was more than our peers' 0.40% cost of funds. We are proud to outpace our peers in cost of funds, as this represents a direct member giveback. In addition, we also maintained \$505.0 million of fixed-rate borrowings with a weighted average cost of 1.86% to hedge the risk of holding \$482.9 million of fixed-rate mortgage loans earning a weighted average rate of 3.39%.

Such sources of funds allowed us to grow the loan portfolio by \$423.6 million, or 17%, to \$2.9 billion in the following areas-commercial loans by \$366.0 million, or 51%, to \$1.083 billion; all other loans by \$123.8 million, or 49%, to \$379.0 million; and first mortgage loans by \$40.1 million, or 9%, to \$482.9 million. These increases were partially offset by decreases in automobile loans of \$81.3 million, or 12%, to \$592.1 million, real-estate secured home equity loans of \$23.8 million, or 10%, to \$213.9 million and credit card loans of \$1.2 million, or 1%, to \$105.2 million. In addition to the changes in loans above, we also sold and/or participated mortgage loans of \$406.2 million, automobile loans of \$189.1 million, and all other loans of \$164.6 million.

The credit union's Net Worth, a primary measure of our safety and soundness, grew to \$318.9 million. The net worth ratio was 8.04% based on ending assets and 8.58% based on average assets; both were well above

the minimum 7.00% ratio necessary to be classified as a "well-capitalized" credit union.

During 2021, American Heritage Credit Union recorded total income of \$197.4 million derived from interest on loans of \$110.3 million, interest on investments of \$3.9 million, and other operating income of \$83.2 million. Total expenses were \$119.7 million and total dividend and interest expense was \$24.8 million as the overall cost of funds as a percent of average assets decreased to 0.67% in 2021 from 0.98% in 2020. Our resulting net income was \$52.9 million for the year.

Our success can be attributed to our members' trust in our services and being there for them in a time of need during the ongoing pandemic, as well as the dedication of our all-volunteer Board of Directors, as well as the management and staff of American Heritage Credit Union. Our affiliates have also lent support - First Heritage Realty Alliance LLC providing real estate broker solutions, First Heritage Financial LLC providing mortgage loan underwriting and servicing solutions, Member Settlement Solutions LLC providing title solutions, Member Business Financial Services LLC providing commercial loan underwriting and servicing solutions, DataVa Solutions



PRESIDENT/TREASURER'S REPORT (Continued)



LLC offering customer relationship management (CRM) solutions and our Investment and Retirement Center (IRC) offering retirement solutions.

In 2021, American Heritage formally launched its Diversity, Equity and Inclusion (DEI) program, which included developing a Charter, forming a Council and Committee, and developing a Strategic Plan with key initiatives focused in four areas, (1) Governance/Organizational Commitment, (2) Workforce Strategies, (3) Corporate Social Responsibility, (4) Transparency. Since its launch, we have enjoyed an elevated engagement and participation among our associates. On a regular basis, our associates participate in programming, training, and events to commemorate as well as educate themselves about the history, lives, movements, perspectives, struggles and achievements of people from all cultures and backgrounds. I am proud of our credit union's DEI achievements over the previous decades, and I am excited for the lasting legacy that the 2021 formalization of our DEI efforts will provide in the years ahead. Just this year, minority representation among our staff increased from 27.4% to 29.6%. Among our Philadelphia locations, our minority representation among staff is over 30%. Our associates truly reflect and empathize with the richly diverse membership we serve.

I extend a special thanks to the Board of Directors, management and staff for their support, dedication and vision. I also wish to express sincere appreciation to the members who place not only their money, but also their confidence in American Heritage Credit Union. At American Heritage, we pledge to continue to work to provide products that meet your needs as **"We Offer You the Right Financial Solutions Because You're Family."**

Respectfully submitted,

BRUCE K. FOULKE

Treasurer/President



AMERICAN HERITAGE LAUNCHES THE DIVERSITY, EQUITY AND INCLUSION PROGRAM



Taking action on matters of diversity, equity and inclusion is vital for us to be the best Credit Union we can be. The culture of American Heritage Credit Union is built on inclusiveness and equal opportunity that leads to a respectful, productive environment for everyone and enables individuals to achieve their full potential.

“

MY MEMBER SERVICE REPRESENTATIVE WAS VERY PROFESSIONAL AND EXPLAINED ALL OF MY OPTIONS, WHICH ALLOWED ME TO MAKE THE BEST FINANCIAL DECISION FOR MY CIRCUMSTANCE. I AM PLEASED KNOWING THAT I AM IN GOOD HANDS AT AMERICAN HERITAGE.

- MEMBER -
PARKSIDE BRANCH

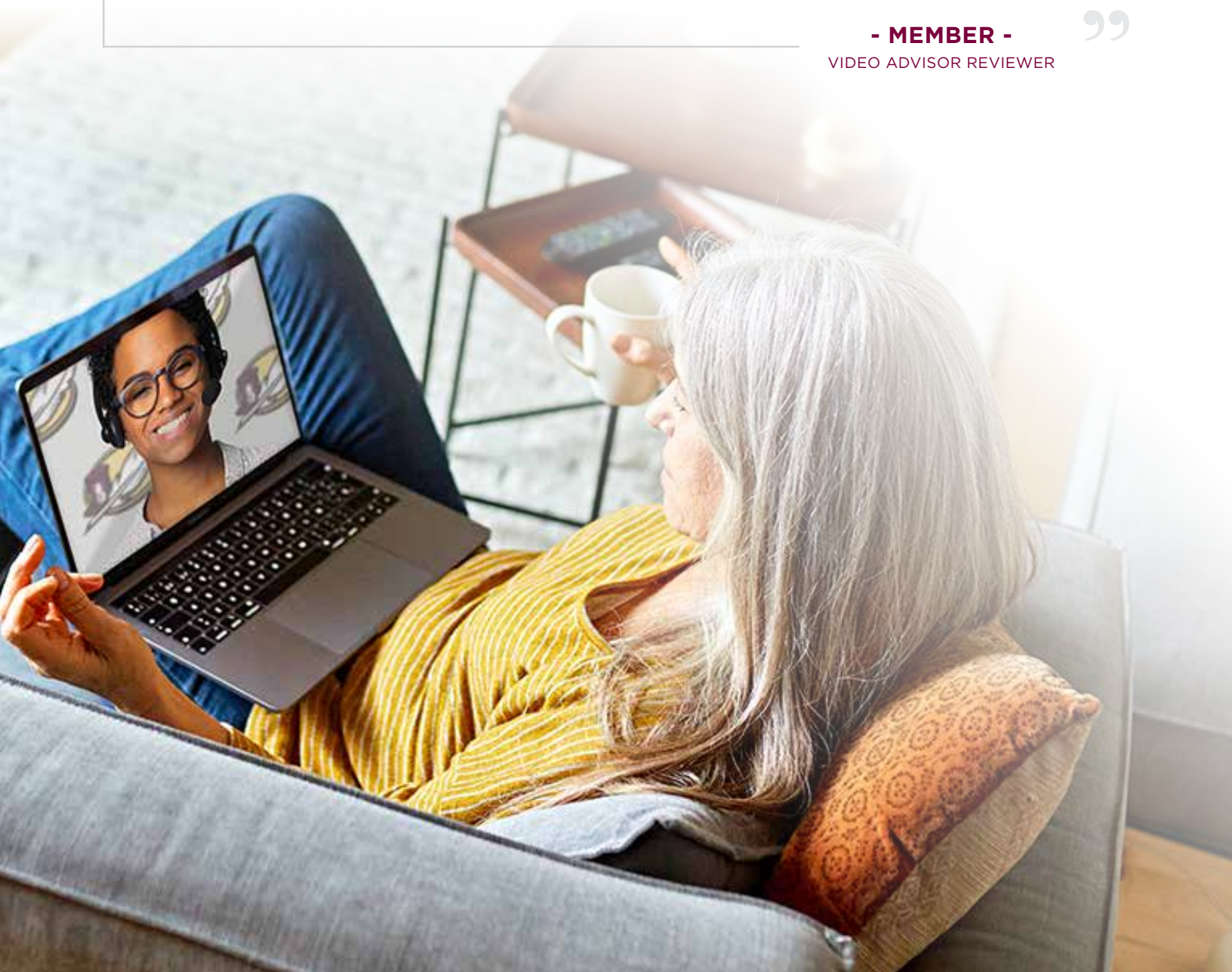
”

“

MY ADVISOR WAS VERY KNOWLEDGEABLE AND
ABLE TO ASSIST ME WITH MY REQUEST. THEY
WERE FRIENDLY, PERSONABLE AND A JOY TO
TALK TO. THANKS FOR PROVIDING ACCESS TO
VIDEO ADVISOR. I LIVE OUT OF STATE AND
VANA IS VERY CONVENIENT.

”

- MEMBER -
VIDEO ADVISOR REVIEWER





American Heritage
CREDIT UNION



COMING IN 2022!

ABINGTON, PA BRANCH

SUPERVISORY COMMITTEE REPORT

Your Supervisory Committee is appointed by the Board of Directors in accordance with the Federal Credit Union Act and ensures that your credit union conducts its operations and activities in a safe and sound manner. The Committee, as the members' representative and official auditor, has the responsibility to review and evaluate the overall financial operations and performance of your credit union, including that of its management staff, to ensure that all the regulations, procedures, and policies that govern this institution are properly followed.

The committee was assisted in carrying out its responsibilities by our Internal Auditors, who performed and/or directed a total of 86 Audits and reviews during the fiscal year which ended September 30, 2021. The credit union is also periodically examined by the National Credit Union Administration (NCUA), which completed an annual review and Fair Lending examination during the fiscal year 2021. Both NCUA examinations did not produce any significant findings. Our own internal audits as well as the NCUA examinations confirm effective internal controls are in place.

In conformity with NCUA regulations, the Committee contracted the Certified Public Accounting firm of RKL LLP to conduct an independent external audit of the credit union's financial statements as of September 30, 2021. The independent auditor found that American Heritage Credit Union's financial statements present fairly its financial position in conformity with Generally Accepted Accounting Principles.

As a result of the aforementioned reviews and audits, it is the pleasant duty of the Supervisory Committee to report to you that the affairs of the American Heritage Federal Credit Union during fiscal year 2021 have been conducted in a most satisfactory manner and in accordance with prescribed standards and accounting practices, and were found to be current, accurate, complete, and in balance.



The sound policies and practices of the Board of Directors contributed to the continuing growth and improvement of services, which has been evident over the past year.

We wish to commend the President/CEO and his staff for their efficient, attentive, and courteous service to our members. The cooperation and assistance they have provided this committee is appreciated. We look forward to another year of service to our members and assure you that you can expect the same high standard of service that you received in 2021.

Respectfully submitted,

JUAN LOPEZ, Chairman

ANTHONY KUCZYKOWSKI

MICHAEL GUNTICK

“

VERY HELPFUL AND FRIENDLY. THEY TOOK THE TIME TO MAKE SURE I HAD ALL THE INFORMATION AND MADE ME FEEL LIKE I WAS THEIR #1 PRIORITY. YOU HAVE BIG HEARTED PEOPLE.

- MEMBER -
BELLMAWR BRANCH

”

LOAN REVIEW/DELINQUENCY COMMITTEE REPORT



31,823
LOANS FUNDED

\$585.4
MILLION IN FUNDED LOANS

\$423.6
MILLION LOAN PORTFOLIO GROWTH

For the calendar year 2021, the Loan Review Committee and the Loan Officers approved and funded 31,823 loan applications for \$585.4 million in automobile, credit card, recreation vehicles, lines of credit, home equity lines of credit and loans, as compared to 28,690 for \$557.9 million in 2020. In addition to the Loan Review Committee, we originated 539 commercial and 1,631 mortgage loans for \$602.5 million and \$328.3 million, respectively. Overall, the loan portfolio grew by \$423.6 million, or 17%, to \$2.856 billion as of December 31, 2021.

In terms of delinquencies, at year end 2021, we had 679 delinquent loans totaling \$17.2 million, or 0.60% of total loans, as compared to 600 delinquent loans totaling \$12.8 million, or 0.53% of total loans, at year end 2020. The increase in the number of delinquent loans of 79 consisted primarily of 125 more unsecured loans, while the increase in delinquent loans of \$4.4 million was due to an increase in fixed-rate mortgages.

In 2021, there were \$4.5 million of loans charged off and \$1.4 million of loan recoveries, whereas in 2020, there were \$5.0 million of loans charged off and \$1.2 million of loan recoveries. The decrease in charge offs was due to credit card loans that decreased \$0.7 million to \$1.2 million. The allowance for loan losses at

December 31, 2021 and 2020 of \$14.7 million and \$13.0 million, respectively, was adequately funded based on management's minimum and maximum estimated loss ranges as calculated in accordance with generally accepted accounting principles.

The Loan Review/Delinquency Committee would like to express its thanks to the American Heritage Credit Union loan officers and asset recovery teams for providing us with vital information and assistance that enabled us to make fair and just decisions on member applications for credit and modifications. We hope you will continue to take advantage of the services that your credit union offers, and we pledge to service your needs in the same progressive manner and friendly atmosphere to which you have become accustomed to over the years.

Respectfully submitted,

CLARA GLENN, Chairperson

MICHAEL GUNTICK

BRYAN EICHENBAUM, Senior Vice President
of Consumer Lending

NOMINATING COMMITTEE REPORT



The Nominating Committee of American Heritage Federal Credit Union respectfully submits the names of the following candidates to serve on the Board of Directors:

Bruce Foulke - 3 Year Term, 2022-2025

Kathleen Kinslow - 3 Year Term, 2022-2025

Kenneth Wong - 3 Year Term, 2022-2025

Respectfully submitted,

JAMES BROWNLOW, II, Chairperson

JENNIFER HANNIGAN

CLARA GLENN



2022

COMING SOON

★

New App

MOBILE TELLER APP

Contactless

CREDIT & DEBIT CARDS

New Branches

GLENDORA, NJ
POTTSTOWN, PA
ABINGTON, PA

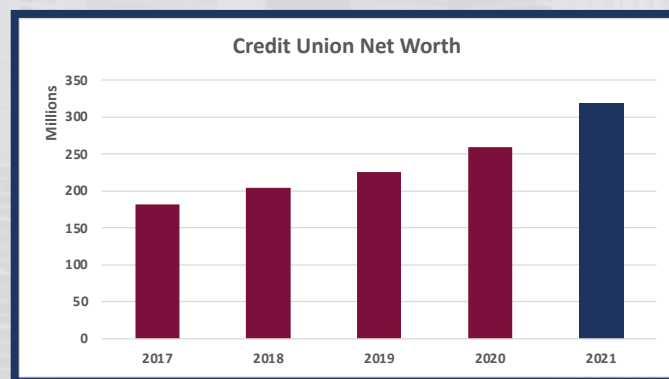
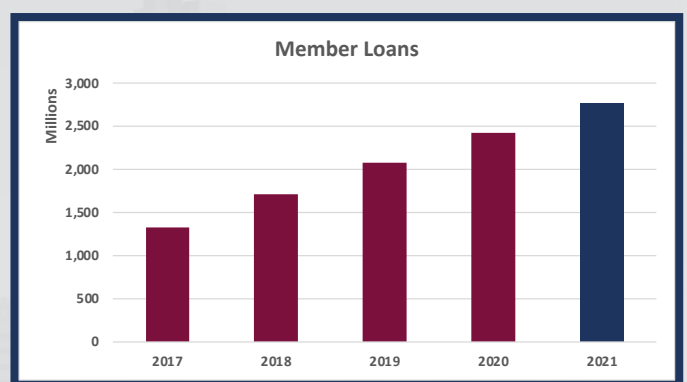
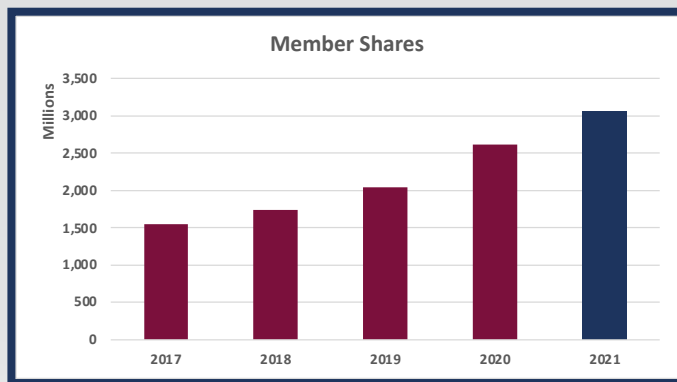
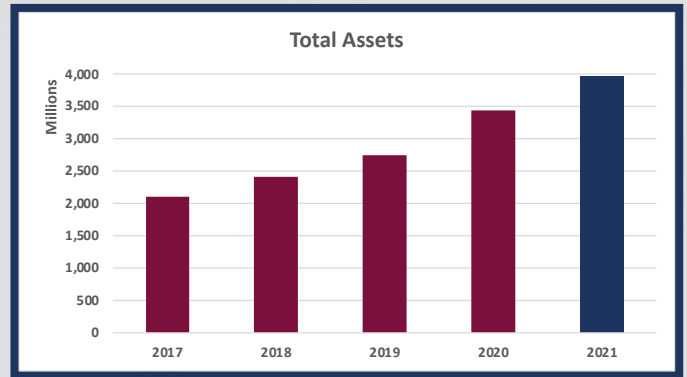
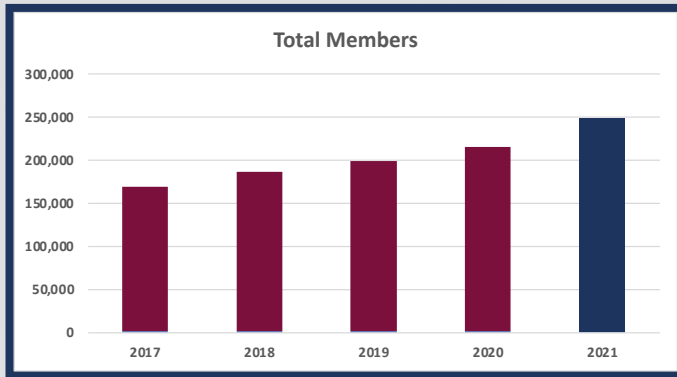
Financial Wellness

PROGRAM FOR YOUTH MEMBERS



HISTORICAL PERFORMANCE

2017 - 2021



FINANCIAL STATEMENTS

(Unaudited)

BALANCE SHEET

	December 31	
	2021	2020
Assets		
Loans to Members	\$2,855,513,169	\$2,431,949,138
Allowance for Loan Losses	(14,679,070)	(13,029,306)
Cash in Bank and on Hand	715,787,390	588,471,702
Investments	225,318,063	270,383,940
Other Assets	180,331,904	156,222,905
Total Assets	\$3,962,271,456	\$3,433,998,379
Liabilities and Equity		
Share of Members	\$3,078,546,638	\$2,616,032,365
Borrowings	505,000,000	505,000,000
Other Liabilities	55,005,360	48,487,099
Total Liabilities	3,638,551,998	3,169,519,464
Net Worth	318,892,348	259,353,285
Valuation Reserve/Other	4,827,110	5,125,630
Total Equity	323,719,458	264,478,915
Total Liabilities and Equity	\$3,962,271,456	\$3,433,998,379

INCOME STATEMENT

	For the years ended December 31	
	2021	2020
Interest on Loans	\$110,255,801	\$101,371,369
Interest on Investments	3,908,358	9,951,836
Other Operating Income	83,226,025	61,651,790
Total Income	197,309,184	172,974,995
Compensation and Benefits	57,792,136	52,187,045
Provision	4,827,000	7,642,000
Other Expenses	57,070,634	48,660,067
Total Expense	119,689,770	108,489,112
Dividend Expense	16,104,137	19,678,347
Interest Expense	8,683,507	10,623,761
Dividend and Interest Expense	24,787,644	30,302,108
Net Income	\$52,912,770	\$34,183,775



— ★ AmericanHeritageCU.org ★ —



EQUAL
OPPORTUNITY
LENDER



Federally Insured
by NCUA



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Philadelphia, PA 19115
Phone: 215.969.0777 | 800.342.0008
Fax: 215.676.6912