

AUDIT REPORT

To the Supervisory Committee and Board of Directors of
Patriot Federal Credit Union

Report on the Audits of the Financial Statements

Opinion

We have audited the financial statements of Patriot Federal Credit Union (the Credit Union), which comprise the statements of financial condition as of September 30, 2025 and 2024, and the related statements of income, comprehensive income, members’ equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Credit Union as of September 30, 2025 and 2024, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America (GAAP).

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor’s Responsibilities for the Audits of the Financial Statements section of our report. We are required to be independent of the Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Credit Union’s ability to continue as a going concern for one year after the date that the financial statements are issued.

Auditor’s Responsibilities for the Audits of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing audits in accordance with GAAS and Government Auditing Standards, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Credit Union’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Credit Union’s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements as a whole. The FHA Lender with Title II Authority Adjusted Net Worth Computation and Financial Data Template are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audits of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

In our opinion, the FHA Lender with Title II Authority Adjusted Net Worth Computation and Financial Data Template are fairly stated, in all material respects, in relation to the financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report, dated December 11, 2025, on our consideration of the Credit Union’s internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and on compliance and the results of that testing, and not to provide an opinion on internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with Government Auditing Standards in considering the Credit Union’s internal control over financial reporting and compliance.

Doeren Mayhew Assurance

Miami, Florida December 11, 2025

SUPERVISORY COMMITTEE

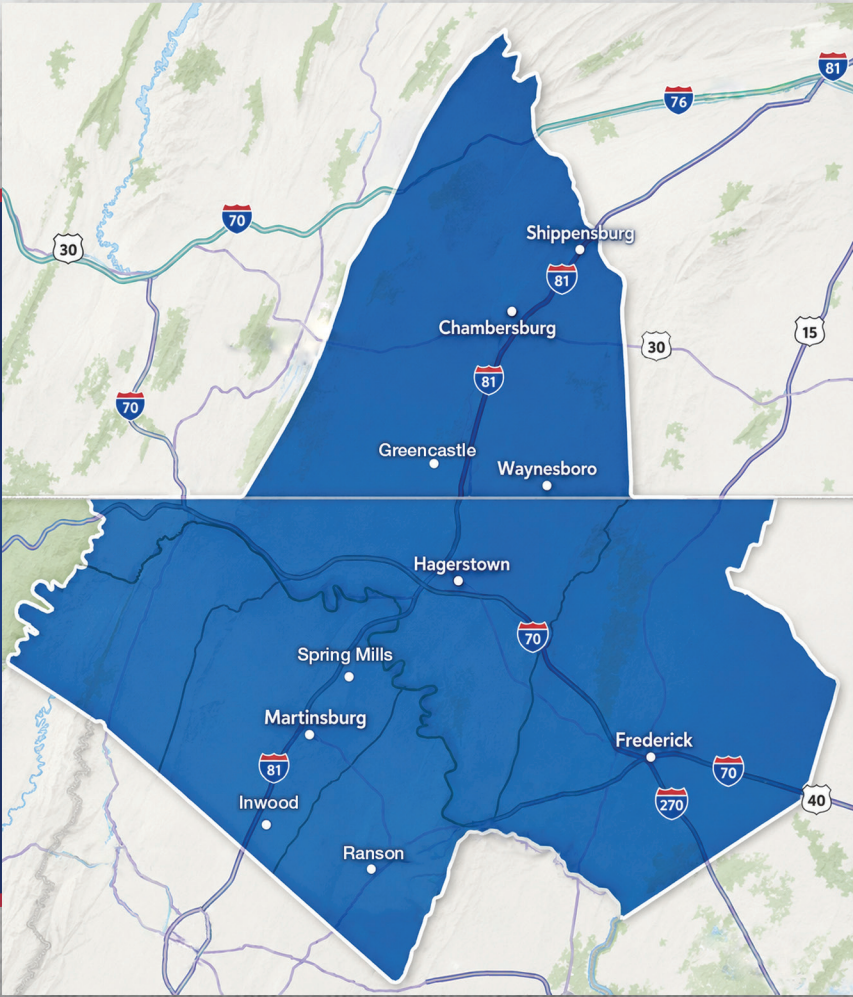
The Supervisory Committee is established in accordance with the Federal Credit Union Act. It serves as a liaison between Patriot Federal Credit Union’s members and the Credit Union’s management. The Supervisory Committee is responsible for reviewing internal controls for the purpose of safeguarding credit assets. The Supervisory Committee is also responsible for ensuring the reliability of the credit union’s financial records, promoting operational efficiency, and encouraging adherence to prescribed policies. It is the duty of the Supervisory Committee to oversee the annual audit and to ensure that a report of the audit is submitted to the Board of Directors.

The committee engaged the certified public accounting (CPA) firm of Doeren Mayhew to perform a certified audit as of September 30, 2025. In addition the Supervisory Committee engaged the firm of Clifton Larson Allen (CLA) who performed periodic internal audits and reported their findings to the Supervisory Committee. Members can communicate directly to the committee verbally, or via letter to Patriot Federal Credit Union, Attention: Supervisory Committee, P.O. Box 778, Chambersburg, PA 17201.

The committee will strive to resolve any member concern.



2025
Annual Report



CEO’s ANNUAL REPORT

As Patriot begins the journey into our seventh decade of service to our members and local communities, I am humbled, proud, and honored to help lead the credit union as your CEO. Our past achievements and bright future energize and excite me given the opportunities that lie ahead as we assist members and others living, working, and doing business in our communities with their financial needs.



We are truly blessed and fortunate to be located in the heart of a vibrant geographic area, positioned along the growing corridors of Interstate 81 and 70. With the support of an outstanding board of directors, our leadership team and collaborative managers and staff have earned a strong reputation and placed us in a solid financial position. But the biggest ingredient to our success is our member base and the communities that we serve.

You, our members, are the reason that we exist and are at the core of everything we do – supporting our mission and vision of “People Helping People” by empowering lives and enriching the economic well-being of our communities.

It’s part of the credit union difference. While credit unions often draw comparisons to banks, we are ‘people-first’ financial providers. During challenging economic times like these that are magnified by issues like increased fraud and data privacy concerns, more people are looking for financial institutions they can trust. Credit unions provide consumers with an option to select where they manage their financial matters, something that over 140 million Americans do.

How do we do this? Credit Unions don’t put shareholders ahead of customers and how much money can be made from a home loan; instead, we focus on prioritizing their ability to live their life with less stress and greater financial peace of mind. Credit unions are owned by the people who use them – our members – while traditional banks are owned by shareholders and driven by profits.

It is something that credit unions like ours have done for generations - offering fair loans to someone with no credit history, or providing a financial counselor to assist members in rebuilding after experiencing difficult times. That’s not something you are going to experience from traditional banking providers. We’re here to solve real-life problems and challenges that people face and guide them through the best of times and the most difficult by meeting their financial needs and providing peace of mind.

Most certainly the world has changed in our sixty years as a not-for-profit financial cooperative. Consumers have many choices and preferences on how to handle their finances. And while we simply can’t be all things to all people, we strive to be forward-thinking and intentional about ways that we can assist consumers, businesses and organizations in being financially independent.

While the financial statements shown in the charts accompanying this letter reflect our financial condition ending September 30, 2025 with comparison to the same period a year earlier, much of my following commentary is relative to the time since then, and to the future. Before I do, let’s summarize our results. Total assets increased 8.4% to \$1.25 Billion, as share balances grew 10.0% and loans outstanding were up 7.6%. I’d now like to transition to discussion on more recent accomplishments and future plans.

Since September 2025, we have seen resounding successes in growth, something that I am extremely proud of. As you may be aware, we expanded convenient

face-to-face services into Greencastle, PA and the Spring Mills area north of Martinsburg, WV with the opening of two new branch locations. Additionally, construction is well underway in southern Berkeley County and we are on-track to open our Inwood branch location later this year.

Understanding that some members prefer in-person service, others convenient digital access, and some both, we also made improvements to our digital delivery channels. We introduced a new online bill pay platform, online and mobile banking system, and loan pay platform. And while these new systems were upgrades from our prior platforms, we are continuing to work on future enhancements to further improve convenient access with these channels including upgrading our ATMs to offer tap and go card access. I am equally pleased with the work our teams have done, as much as I am with the grace and understanding of our members during these times of change.

As of June 30, 2026, our financial footing is strong with a 11.49% net worth ratio, as has our year-over-year growth in share balances, assets, and loans, which grew 9.9%, 9.9% and 6.1%, respectively. And we’re serving more people, with net membership growing 2.5%. All of these numbers are comparatively higher than our credit union peer group averages, positioning us in the top 10% of credit unions in the country.

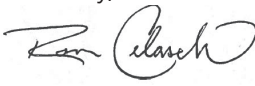
Looking back over the past year, we’ve made significant progress at Patriot and I’m also pleased to share that we have some exciting plans in store for the future. As I mentioned previously, consumers prefer access through various channels – in-person and digital. We are balancing our focus on improving both the physical and the digital experience and occasionally we address both with one initiative.

An example of that is coming in the form of our scheduling platform. Currently, we assist members and prospective members on a first-come, first-served basis and for some that works fine. However, to better serve consumers with limited flexibility and time, our new scheduling platform will allow members to schedule a meeting time at any of our locations based upon the availability of our staff. We will still be accepting walk-ins, but we believe busy consumers will find this self-service ability to provide them with more convenient options.

Members with payroll direct deposit at Patriot will also have the benefit of accessing funds up to 2 days earlier than their normal payday with ‘Earned Wage Access’. Currently members can see incoming payroll direct deposits and other transactions in online and mobile banking under the ‘pending’ tab. With Earned Wage Access, members can securely access or withdraw money to avoid balance shortfalls and potential fees. It is a free service that we’re very pleased to offer.

In early 2027 we will expand our business service offerings to better serve our business members and communities. This will include adding value and accessibility to some of our existing business services as well as introducing new ones. Stay tuned for more information.

Lastly, I want you to know how much I appreciate your membership and support. Please continue to look to Patriot for the financial services that you need and let us know how we can help. And if you have the opportunity, tell your family and friends about the service you receive and the value presented through your local credit union. We look forward to serving your financial needs and serving as your financial partner now and in the years to come.

Sincerely,

Ron Celaschi, CEO

FINANCIALS

SEPTEMBER 30, 2025 AND 2024

ASSETS	2025	2024
Cash and cash equivalents	\$ 119,070,243	\$ 121,531,964
Interest bearing deposits	1,743,000	2,988,000
Available-for-sale investments	86,311,647	69,083,752
Loans held-for-sale	–	–
Loans to members, net of allowance for credit losses of \$10,544,717 and \$7,545,681 as of September 30, 2024 and 2023, respectively	935,213,247	869,502,870
Accrued interest receivable	3,775,094	3,588,588
Property and equipment	36,644,816	29,747,366
Prepaid and other assets	59,705,065	49,513,464
National Credit Union Share Insurance Fund (NCUSIF) deposit	9,309,769	8,807,623
Total assets	<u>\$1,251,772,881</u>	<u>\$1,154,763,627</u>

LIABILITIES AND MEMBERS’ EQUITY

Liabilities:		
Members’ shares and savings accounts	\$ 1,113,468,649	\$ 1,012,510,988
Borrowed funds	–	17,000,000
Accrued expenses and other liabilities	8,162,276	8,233,596
Total liabilities	<u>1,121,630,925</u>	<u>1,037,744,584</u>
Commitments and contingent liabilities		
Members’ equity:		
Undivided earnings	142,192,622	131,635,840
Equity acquired in merger	1,345,792	1,345,792
Accumulated other comprehensive loss	(13,396,458)	(15,962,589)
Total members’ equity	<u>130,141,956</u>	<u>117,019,043</u>
Total liabilities and members’ equity	<u>\$1,251,772,881</u>	<u>\$1,154,763,627</u>

INTEREST INCOME:

Loans to members	\$ 55,044,163	\$ 48,952,993
Investments and cash equivalents	7,144,675	7,032,339
Total interest income	<u>62,188,838</u>	<u>55,985,332</u>

INTEREST EXPENSE:

Members’ shares and savings accounts	22,753,249	20,396,545
Borrowed funds	17,923	586,953
Net interest income	39,417,666	35,001,834
Provision for credit losses	5,259,704	2,898,354
Net interest income after provision for credit losses	<u>34,157,962</u>	<u>32,103,480</u>

NON-INTEREST INCOME:

Fees and charges	6,093,241	5,827,361
Interchange income	5,513,425	5,186,023
Employee retention tax credit income	1,738,662	–
Other income	1,659,037	1,721,996
Gain on sale of loans	70,122	272,980
Total non-interest income	<u>15,074,487</u>	<u>13,008,360</u>

NON-INTEREST EXPENSES:

Compensation and benefits	21,478,189	19,476,012
Office operations	5,563,086	4,903,037
Outside services	4,520,406	3,874,212
Office occupancy	2,425,130	2,375,161
Advertising	1,830,207	1,595,642
Loan servicing	1,619,042	1,392,478
Other expense	1,239,607	827,106
Total non-interest expenses	<u>38,675,667</u>	<u>34,443,648</u>
Net income	<u>\$ 10,556,782</u>	<u>\$ 10,668,192</u>

AGENDA

60TH ANNUAL MEETING SEPTEMBER 22, 2026

SCHEDULE OF EVENTS

Registration 1:00 pm-1:25 pm

BUSINESS MEETING – 1:30 PM

Welcome. Mr. Dennis Coons
Chairman

Call To Order Mr. Dennis Coons

Ascertain A Quorum Is Present Mr. Thomas Luzzi
Secretary

Reading & Approval of Minutes from Last Meeting Mr. Thomas Luzzi

Reports

Report to the Membership. Mr. Ron Celaschi
President/CEO

Treasurer Mr. Garry Gontz
Board Treasurer

Supervisory Committee Mr. Matthew Zaborsky
Chairman

Unfinished Business

New Business

Nominating Committee Report Mr. John Washabaugh

Elections

Closing Remarks Mr. Dennis Coons

Adjournment

2025 ANNUAL REPORT



GENERAL MEMBERSHIP ANNUAL MEETING MINUTES

September 23, 2025

The 59th Annual General Membership Meeting of Patriot Federal Credit Union was held on September 23, 2025, at Patriot Federal Credit Union Chambersburg, PA. The following directors were present: Dennis Coons, John Boozer, Garry Gontz, Thomas Luzzi, Sila Alegret-Bartel, John Washabaugh, Dr. Lorenzo York and Matt Zaborsky. The following directors were absent: Elliot Simon. The following Supervisory Committee members were present: Matthew Zaborsky. The following Supervisory Committee member was absent: Jay Keefer. Ron Celaschi, President/CEO was also present.

Chairman Dennis Coons called the business meeting to order at 1:30pm. and welcomed all.

Chairman Coons introduced Thomas Luzzi, Board Secretary. Mr. Luzzi certified that a quorum of members was in attendance.

Board Secretary Luzzi called for a review of the minutes of the September 24, 2024, meeting. Hearing no questions or corrections, the minutes were approved as written.

CEO, Ron Celaschi reviewed the highlights from 2025 noting that Patriot Federal Credit Union (PFCU) had continued growth in 2024 with total assets of 10.25%. Loans to members increased 2.40% while deposits were also up, by 8.24%. PFCU remains in a strong financial position following our performance in 2024. Patriot had a strong financial position with \$10.7 million in Net Income and the Net Worth position of 11.70%. Over \$20 million returned to members in the form of dividends.

Treasurer Mr. Gontz offered a summary of the credit union's financial soundness. Mr. Gontz noted that the financial report is included in the Annual Report for the review of all members.

Supervisory Committee Chair, Matthew Zaborsky reviewed the success and changes to the internal audit firm. Mr. Zaborsky provided a summary of member complaints received and successfully addressed. He reminded attendees that the Supervisory Committee report is included in the Annual Report.

There was no unfinished business to discuss.

Nominating Committee Chair, Thomas Luzzi announced the three nominees to fill the 3-year terms: Sila Alegret-Bartel, Dennis Coons and Thomas Luzzi. Matthew Zaborsky was nominated to fill 1 year term; and Loren Martin and John Washabaugh have been nominated to fill two, 2-year terms on Patriot Federal Credit Union's Board of Directors. Their bios are found in the Annual Report package. There were no nominations from the floor.

With no further business on the table, Chairman Coons adjourned the 59th Annual General Membership Meeting of Patriot Federal Credit Union at 1:57 p.m.

Thomas Luzzi
Board Secretary

NOMINEES

GARRY GONTZ - Board Treasurer

Garry E. Gontz, a resident of Chambersburg, PA, is a retired Business and Industry Specialist for the U.S. Department of Defense-Office of Economic Adjustment with nearly 34 years combined federal service.

His work experience included working for the Pentagon coordinating defense department assistance, project management and grants at Base Realignment and Closure sites across the country and was the Base Transition Coordinator for Department of the Army at Letterkenny Army Depot.

Mr. Gontz holds a Bachelor of Arts degree in public relations from Shippensburg University and a Certificate in Strategic Planning from the Graduate School, Washington, D.C.

He is the Secretary on the Board of the Letterkenny Industrial Development Authority and recently elected to serve as the president of the Cumberland Valley Business Park Association. Mr. Gontz has served on the Franklin County Assessment Board and most recently on the County's Board of Elections. Mr. Gontz has been a member of Patriot Federal Credit Union since 1973 and currently serves as Board Treasurer.

MATTHEW J. ZABORSKY, JR. - Supervisory Chair/Board Member

Matthew J. Zaborsky, Jr of Martinsburg, WV has retired after many years of working in the Financial Services Industry.

A graduate of George Mason University, Mr. Zaborsky attained his Bachelor of Science Degree in Business Administration.

Mr. Zaborsky initially sought to serve as a member of Patriot's Board because of his previous background in Financial Services working as a banker, credit union manager, and a self-employed mortgage broker. Mr. Zaborsky desires to give back to his community and to assist with the ongoing success of Patriot Federal Credit Union.

