



2019
Annual
Report

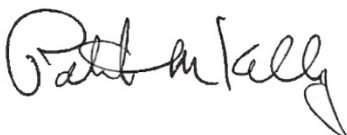
2019 President's Message



Thank you for your continued membership and dedication to our Credit Union. In 2019, we have grown membership to over 19,000 and experienced many growth opportunities for our Credit Union and the communities we serve. Here are a few of our many achievements in 2019:

- 2019 was a solid year for growth and earnings.
 - ◆ Assets reached \$304.7 million, an increase of \$12 million dollars or 4.18%.
 - ◆ Loans grew in 2019 to \$176.9 million, an increase of \$2.3 million dollars or 1.34%.
 - ◆ Shares grew to \$256.8 million, an increase of \$9 million dollars or 3.66%.
- On November 6, 2019 we declared our first ever special member dividend. Our Board of Directors approved a \$1.13 million-dollar dividend to reward members for their engagement and loyalty to the Credit Union.
- In June 2019 we achieved record setting results on our Annual Car Sale, supported by our lending staff and local dealerships.
- In late 2019 we announced our plans to build a new branch located in Portville, NY. We are very excited to expand our number of branches and look forward to serving both our existing and new members in Portville and the surrounding communities.

We are proud of the many accomplishments in 2019 and remain committed to providing our members with exceptional products and services to help them reach their financial goals. On behalf of our board of directors, we thank you for supporting Olean Area Federal Credit Union.



Patrick Kelly, Board President

Treasurer's Report



Mary Palumbo
VP of Finance and IT



Ronald Kent
Serving Olean Area FCU 1992-Present

The annual report contains our complete statement of financial condition and income statement for 2019. The financial results for 2019 show the Credit Union had a successful year and demonstrate overall financial strength. We had several accomplishments from upgrading technology to paying out a \$1.13 million dividend to our membership.

2019 Income Statement

- Return on Assets of 0.78%, compared to peer average of 0.73%.
- Net Income of \$2.34 million, after a special dividend of \$1.13 million.
- Loan Income increased by 6.81% and Investment Income increased by 30.95%.
- Cost of Funds (1.08%) including the special dividend and (0.70%) excluding the special dividend remained higher than credit union peers (0.61%).
- Overall Operating Expenses remained low compared to peer, 2.77% vs 3.82%.

2019 Statement of Financial Condition

- Assets remained strong, reaching over \$304 million.
- Loans increased \$2.3 million and Member deposits increased \$9.1 million.
- Investment Portfolio increased \$10.8 million and the portfolio continued to hold a short average life 2.15 years, while increasing our overall investment yield to 2.40%.
- Net worth, which is a measure of capital strength of the credit union, remained strong at 15.15%, as compared to peer's Net Worth of 11.68%. Our strong net worth provides us the opportunities to invest in new products and services that enhance the value of membership.

One of the most important goals of the Board of Directors and Management is to remain financially safe and sound. In recent years we have taken steps to minimize our financial risk and prepare for future growth. Our strong capital position provides opportunity for growth in existing and new markets, internal growth and development, as well as engaging in new technology and services. These initiatives enhance the value of membership and will continue to meet current and future needs of our members in a competitive market, all at a minimal to moderate affect on our finances.

Supervisory Committee Report

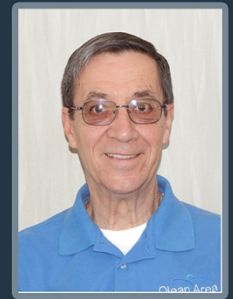
The mission of the Supervisory Committee is to safeguard member assets by overseeing the integrity of the Credit Union's financial statements, internal controls and compliance with legal and regulatory requirements. The Supervisory Committee is also responsible for engaging internal and external auditors to ensure management meets financial reporting objectives and follows General Accepted Account Principals (GAAP) and NCUA regulations.

In 2020, an internal audit was conducted by The Bonadio & CO LLP. The internal audit provides an additional layer of review of the financial controls used. An external CPA audit was conducted by Mengel Metzger Barr & Co. LLP in September 2019. Throughout 2019, we observed that Olean Area FCU continued to meet the requirements of the National Credit Union Administration (NCUA). The federal examiners of NCUA also audited the Credit Union and any findings were reported to the supervisory committee.

All Committee members as well as Board of Directors completed training required by the NCUA.

The Committee has concluded that the Olean Area FCU operated in a safe and sound financial manner and assets of the membership are being effectively safeguarded. The committee welcomes all comments and suggestions from our members. Concerns and questions may be directed to:
Olean Area Federal Credit Union Supervisory Committee, PO Box 201, Olean, NY 14760.

Thank you to the Board of Directors, Committee Members, Credit Union Management, and Credit Union Employees.



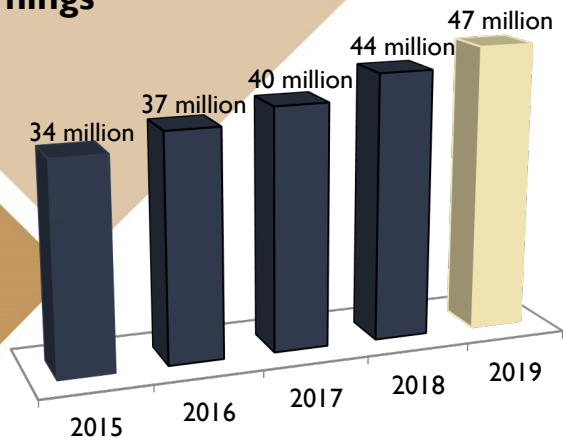
Robert Olander
Serving Olean Area FCU 2007-present

Financial Statements

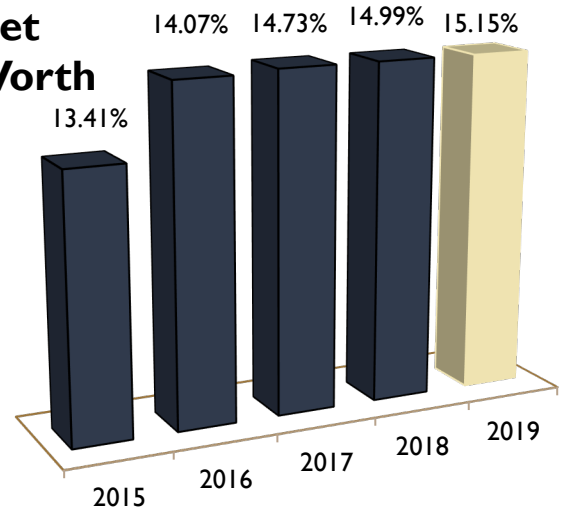
Year End December 31,	2019	2018
Assets		
Loans	\$176,851,531	\$174,497,782
Allowance for Loan Loss	-2,797,265	-2,733,836
Net Loans	174,054,265	171,763,946
Cash	3,264,544	3,921,766
Total Investments	110,788,903	99,982,008
Other Assets	16,584,644	16,775,630
TOTAL ASSETS	\$304,692,356	\$292,443,350
Liabilities and Equity		
Total Liabilities	\$1,107,420	\$1,107,984
Savings	81,171,675	77,325,034
Checking	39,980,964	37,372,395
Money Market	53,610,197	57,171,901
IRA	2,870,672	3,318,132
Certificates	79,132,760	72,495,008
Total Shares	256,766,268	247,682,469
Total Reserves	46,818,668	43,652,896
TOTAL LIABILITIES AND EQUITY	\$304,692,356	\$292,443,350
Interest Income		
Interest on Loans	\$8,621,441	\$8,071,735
Interest on Investments	2,683,993	2,049,688
Total Interest Income	\$11,305,435	\$10,121,424
Interest Expense		
Dividends Paid on Shares	\$3,229,745	\$1,560,432
Interest on Borrowed Funds	98	212
Total Interest Expense	\$3,229,843	\$1,560,644
Net Interest Income	\$8,075,592	\$8,560,780
Provision for Loan Losses	360,000	577,221
Net interest income after PLL	\$7,715,592	\$7,983,559
Non Interest Income	2,898,715	2,908,887
Non Interest Operating Expense	8,275,936	7,883,233
Gain/Loss on Merger	0	1,163,623
NET INCOME	\$2,338,372	\$4,172,837

Financial Highlights

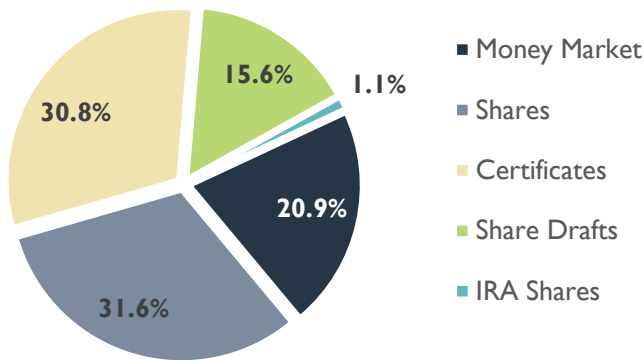
Reserves and Undividend Earnings



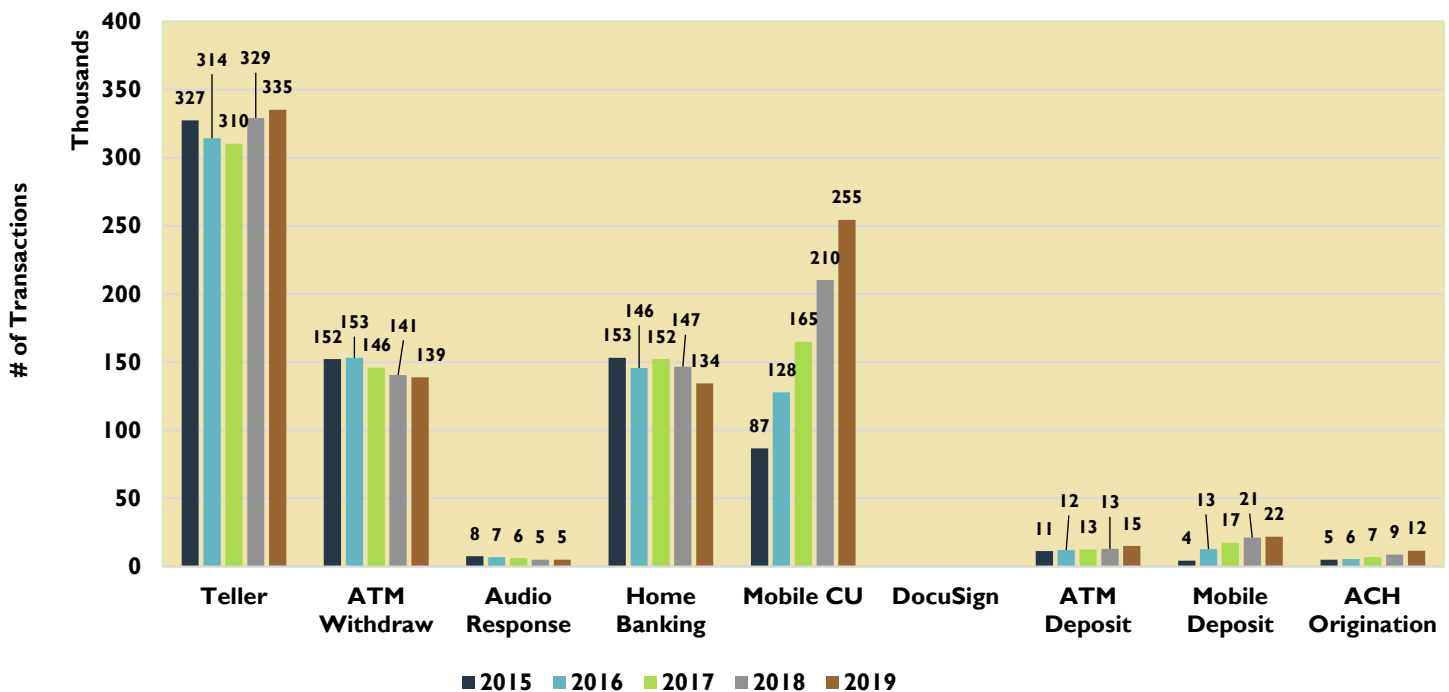
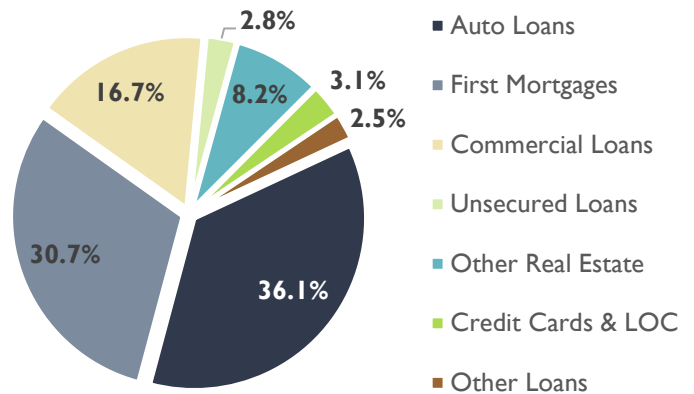
Net Worth



Share Portfolio



Loan Portfolio



Community Involvement

As a local Credit Union, we demonstrate the Credit Union philosophy of "people helping people." We offer products and services to meet our member needs as well as the needs of our local communities.



FINANCIAL LITERACY OUTREACH EFFORTS:

- National Credit Union Foundation Biz Kids Grant Program
- Mad City Money Program
- Olean Middle School Student of the Month Scholarship Program
- Student Loan Seminar

PROGRAMS & EVENTS:

- Olean Firemen Hot Dog Fundraiser
- Casual For A Cause Dress Down Days
- Toys for Tots
- Diaper Drive
- Corporate Challenge
- Food Pantry Collection
- Member Shred Day
- American Red Cross Blood Drive
- Free Movie Nights
- Santa Claus Lane Parade



DONATIONS:

The Credit Union made donations of more than \$31,000 in 2019 to support local community efforts and organizations in our field of membership.



Our Mission: To provide members personal service and affordable products that meet their financial needs at every stage in their lives.

Board of Directors



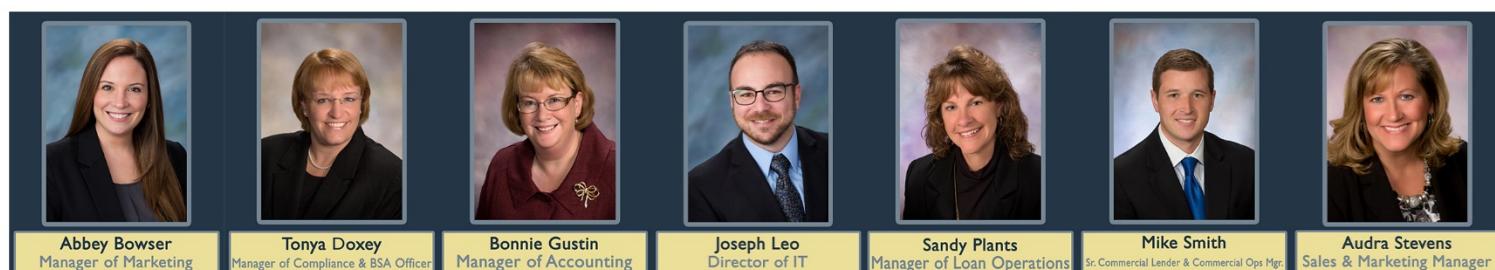
Supervisory Committee



Senior Management



Managers



Main Office: 1201 Wayne Street Olean, NY 14760
Olean Branch: 206 N. Clark Street Olean, NY 14760
Allegany Branch: 180 W. Main Street Allegany, NY 14706
Coming Soon: 160 S. Main Street Portville, NY 14770

716.372.6607

www.oleanareafcu.org

