

ANNUAL REPORT

2020



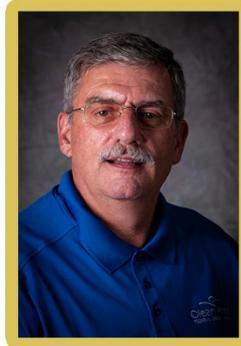
Olean Area
FEDERAL CREDIT UNION



2020 CEO & PRESIDENT'S MESSAGE



RICH YEAGER
CEO



PATRICK KELLY
BOARD PRESIDENT

Thank you for your continued membership and dedication to our Credit Union.

2020 was a challenging yet rewarding year for our Credit Union. We received approval to expand our field of membership to encompass an entire 4 county area; Cattaraugus & Allegany counties in New York & McKean & Potter counties in Pennsylvania.

In Mid-March, like the rest of the world, we faced unprecedented times due to the Coronavirus Pandemic and were forced to adjust our operations for an extended period to protect the safety and well-being of our members and employees. We served our members via drive thru, digital channels, and increased phone services and scheduled appointments to ensure service was not impacted. Remarkably, despite these ongoing challenges, we processed nearly the same number of member transactions in 2020 as we did in 2019.

Our Member Business Team stepped up to the task of handling the Payroll Protection Program (PPP) for local small business. Our Team closed 185 Payroll Protection Program loans and distributed over \$12MM. The Small Business Administration estimated this kept 1,924 people employed within the communities we serve.

Although we were unable to hold our annual on-site auto sale, our lending team processed a record 306 auto loans in August as we celebrated a month-long promotion. A record \$7.36MM in auto loans was granted.

Construction for our new branch in Portville began in August and was completed in just 6 months. Our Portville location opened for business on February 1, 2021.

While earnings were impacted by the Coronavirus Pandemic, we are very pleased to report net earnings for 2020 exceeded \$2MM. Our Credit Union remains fiscally sound with net worth at 13.74% and assets exceeding \$350MM.

Finally, one of the Credit Union's longest standing Board Member's, Ronald Inzana, retired after 45 years of service to the Credit Union. Ron was serving as Vice President of the board. He was replaced by Michele Pancio who has been serving as a board member since 2006.

As we move forward in 2021, our vision of growth and technology continues to come into focus. Our Credit Union strives to introduce innovative products and services to meet your financial needs and "always be in your corner."

TREASURER'S REPORT



MARY PALUMBO
VP OF FINANCE
& IT



RONALD KENT
BOARD TREASURER

The annual report contains our complete statement of financial condition and income statement. 2020 was a challenging year for the Credit Union due to the Coronavirus Pandemic. While income was down in our normal avenues of earning, we were able to supplement earnings in unexpected ways and still maintain a healthy financial position. Highlights of our financials include:

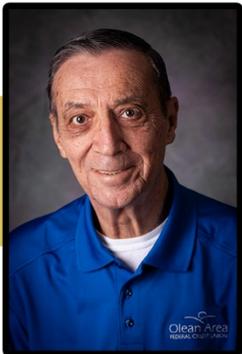
2020 Income Statement

- Return on Assets of 0.62%, compared to peer average of 0.52%.
- Net Income of \$2.03 Million.
- SBA PPP Loan Fee Income of over \$555,000.
- Cost of Funds (0.54%) compared to credit union peers (0.49%).
- Overall Operating Expenses remained low compared to peer, 2.67% vs 3.53%.

2020 Statement of Financial Condition

- Assets remained strong, reaching over \$350 Million.
- Net worth reinforced our capital strength, ending strong at 13.74%, as compared to peer's 10.55%.

Assets continued to grow, with the largest growth in Investments of \$35.7MM followed by Loan growth of \$7.1MM. Although yields dropped significantly throughout the year, we continued to invest funds to manage our earnings as well as be rewarded with PPP loan and fee income. Shares also grew at a rapid pace during the pandemic as consumer spending was down and individuals received Federal stimulus payments (approximately \$25MM). Our financial strength enabled us to build a new branch location in Portville and enabled the beginning stages for a new Operations Center to be completed in 2021. While we continue our focus on membership growth, facilities, and technology advances, our goal is to maintain a healthy ROA, control Operating Expense, and maintain financial safety and soundness.



ROBERT OLANDER
SUPERVISORY
COMMITTEE CHAIR

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 2020. Throughout 2020, we observed that Olean Area FCU continued to meet the requirements of the National Credit Union Administration (NCUA). The Credit Union's last exam date was June 30, 2019. During the exam, the federal examiners of NCUA 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.

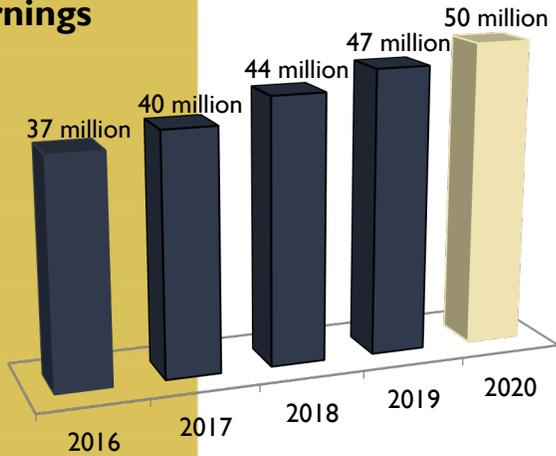
Thank you to the Board of Directors, Committee Members, Credit Union Management, and Credit Union Employees.

FINANCIAL STATEMENTS

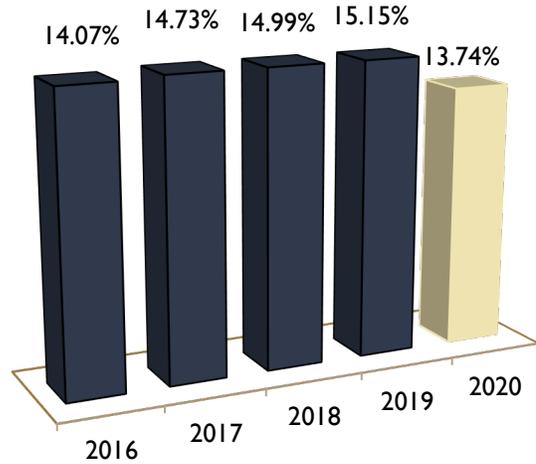
Year End December 31,	2020	2019
Assets		
Loans	\$183,966,215	\$176,851,531
Allowance for Loan Loss	-2,953,336	-2,797,265
Net Loans	181,012,879	174,054,265
Cash	3,282,757	3,264,544
Total Investments	146,480,276	110,788,903
Other Assets	20,045,957	16,584,644
TOTAL ASSETS	\$350,821,868	\$304,692,356
Liabilities and Equity		
Total Liabilities	\$1,994,676	\$1,107,420
Savings		
	104,897,629	81,171,675
Checking		
	53,325,592	39,980,964
Money Market		
	61,147,297	53,610,197
IRA		
	2,843,957	2,870,672
Certificates		
	76,702,494	79,132,760
Total Shares	298,916,968	256,766,268
Total Reserves		
	49,910,224	46,818,668
TOTAL LIABILITIES AND EQUITY	\$350,821,868	\$304,692,356
Interest Income		
Interest on Loans	\$8,068,343	\$8,621,441
Interest on Investments	2,134,218	2,683,993
Total Interest Income	\$10,202,561	\$11,305,435
Interest Expense		
Dividends Paid on Shares	\$1,778,728	\$3,229,745
Interest on Borrowed Funds	85	98
Total Interest Expense	\$1,778,813	\$3,229,843
Net Interest Income	\$8,423,748	\$8,075,592
Provision for Loan Losses	450,000	360,000
Net interest income after PLL	\$7,973,748	\$7,715,592
Non Interest Income	2,751,249	2,898,715
Non Interest Operating Expense	8,690,129	8,275,936
Gain/Loss on Merger	0	0
NET INCOME	\$2,034,868	\$2,338,372

FINANCIAL HIGHLIGHTS

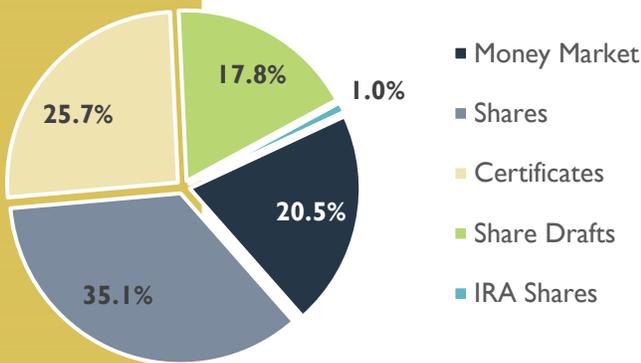
Reserves and Undividend Earnings



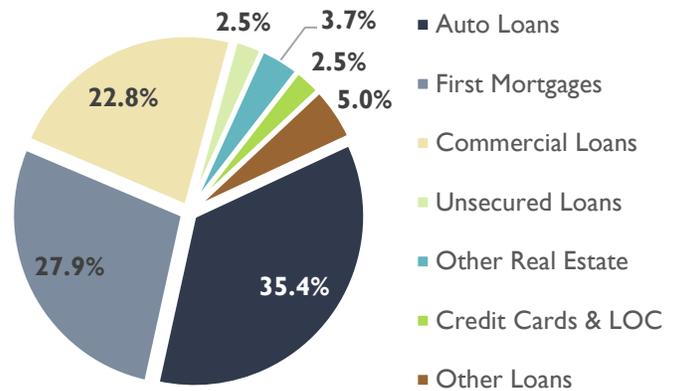
Net Worth



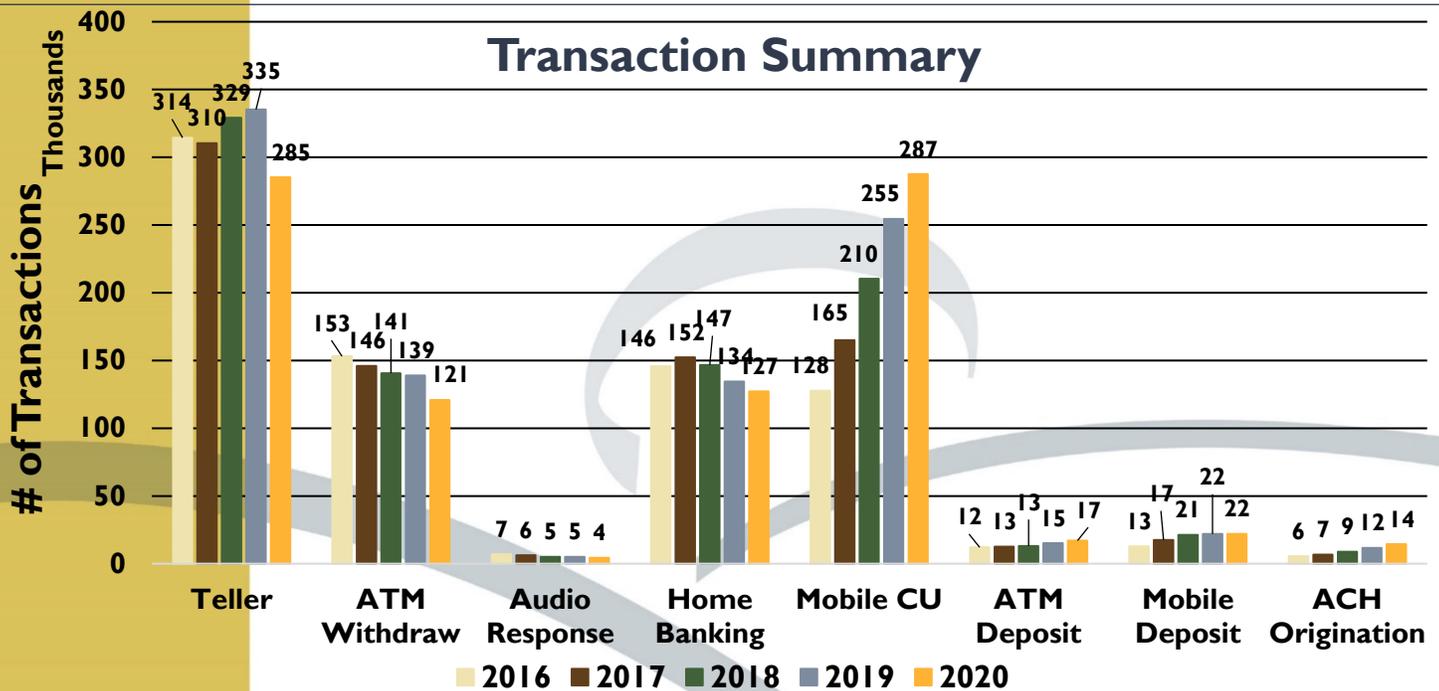
Share Portfolio



Loan Portfolio



Transaction Summary



COMMUNITY INVOLVEMENT

As a local Credit Union, we routinely demonstrate the credit union philosophy of “People helping People.” Our organization strives to understand our member’s comprehensive financial needs and deliver the best products and services to meet them, as well as the needs of the local communities we serve.

FINANCIAL LITERACY OUTREACH EFFORTS:

Olean Middle School Student of the Month

NYCUA Scholarship Program

Girl Scout Troop Accounts & Credit Presentation

OHS Checking & Savings Virtual Presentations



PROGRAMS & EVENTS:

International Credit Union Day - Member Giveaways

Casual For A Cause Dress Down Days

Toys for Tots

Diaper Drive

Canned Food Drive

Member Shred Day



DONATIONS:

The Credit Union made donations of more than \$30,000 in 2020 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



Patrick Kelly
Serving Olean Area FCU 1992-Present



Ronald Kent
Serving Olean Area FCU 1992-Present



Glenda Hall
Serving Olean Area FCU 2002-Present



Lola Stoughton
Serving Olean Area FCU 1987-Present



Jean McInroy
Serving Olean Area FCU 2002-Present



Michele Pancio
Serving Olean Area FCU 2006-Present



Robert Olander
Serving Olean Area FCU 2007-present



Jason Crisafulli
Serving Olean Area FCU 2015-Present



Lucy Benson
Serving Olean Area FCU 2018-Present

SUPERVISORY COMMITTEE



Robert Olander
Serving Olean Area FCU 2007-present



Robert Elmore
Serving Olean Area FCU 2015-Present



Carol Mahoney-Katzenstein
Serving Olean Area FCU 2015-Present

SENIOR MANAGEMENT



Richard Yeager
CEO



Mary Palumbo
VP of Operations & IT



Lee Ann Dineen
VP of Operations & HR



Joe Klaiber
VP of Lending

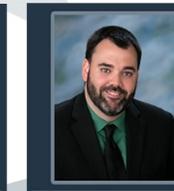
MANAGERS



Abbey Bowser
Manager of Marketing



Keri Comstock
Manager of HR



Mike Dempsey
Manager of Operations



Tonya Doxey
Director of Compliance & BSA Officer



Michelle Freeman
Manager of Finance



Bonnie Gustin
Manager of Accounting



Joseph Leo
Director of IT



Sandy Plants
Manager of Loan Operations



Mike Smith
Sr. Commercial Lender & Commercial Ops Mgr.



Audra Stevens
Director of Operations

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

Portville Branch:
160 S. Main Street - Portville, NY 14770

716.372.6607

www.oleanareafcu.org

Your savings federally insured to at least \$250,000
and backed by the full faith and credit of the United States Government

NCUA

National Credit Union Administration, a U.S. Government Agency