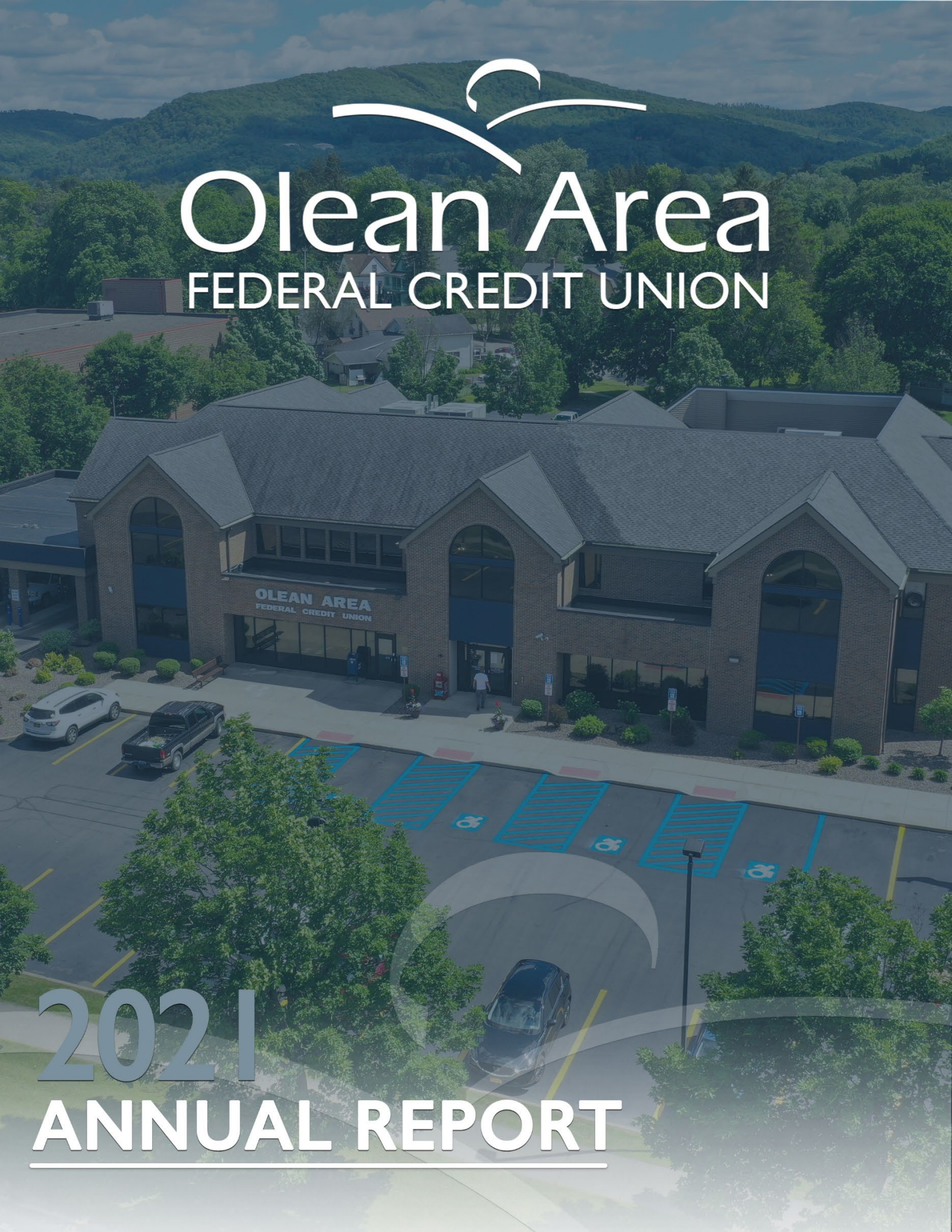




Olean Area FEDERAL CREDIT UNION



2021
ANNUAL REPORT

CEO & CHAIRMAN'S MESSAGE



RICH YEAGER
PRESIDENT/ CEO

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

As we completed our 49th year of service to our members in 2021, we continued our long-standing commitment to the communities we are chartered to serve. These communities now include Cattaraugus & Allegany counties in New York and McKean & Potter counties in Pennsylvania.

As our nation continued to navigate the Coronavirus Pandemic, effects were felt by our Credit Union throughout the year. Several departments and branches were impacted as the virus moved through our local communities. We are very fortunate not to have experienced any severe cases.

Our Portville Branch Office was successfully opened in February 2021, providing an additional full-service location for both new and existing members. We were well received by Portville and the surrounding areas. Upon completion of our Portville project, we quickly moved to the renovation of what is now our new Operations Center. We purchased the former Olean General Hospital Building on Homer Street in Olean and began renovations in the Spring. In late September, we moved our back office operations and Credit Union administration teams into the renovated facility. This move also gave us the opportunity to reorganize our remaining staff at the Wayne Street location to better service to our members.



PATRICK KELLY
CHAIRMAN OF THE
BOARD

While members and businesses began to return to a sense of normalcy, our loan volume inched closer to pre-pandemic numbers. However, our in-branch traffic continued at a slower pace with members using our self-service digital channels to accomplish their financial needs.

Mortgage rates continued at all-time lows in 2021, as our team experienced record mortgage refinance volume. The demand for auto loans returned giving us a solid year, despite a lack of automobile inventory.

We received a welcomed bonus in 2021 as the Credit Union was re-imbursed for losses associated with a Members United investment made in 2010. This helped us achieve net earnings of \$3.5 MM and continued solid net worth of 13.12%

Looking forward to 2022, we expect that all financial service providers will be challenged as we transition out of the record low interest rate environment that has spanned the last decade. We recognize that technology and digital services are a priority for our future growth and success. We look forward to introducing new innovative products and services in the coming years.

Additionally, I would like to recognize two long-time board members as they retire from service, Glenda Hall and Jean McInroy. Glenda has served since 1983 and Jean since 2002. Our entire Credit Union appreciates their dedication and wishes them well!

Finally, 2022 marks our 50th Anniversary of service to our membership. We recognize that we have come a long way from our first office, housed at Dresser Clark, to four full-service branches serving 19,482 members. In recognition of this milestone, we will celebrate with special events held throughout the year. May we “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. 2021 was an eventful year for the Credit Union, which included two building projects: Portville Branch \$2.5 million and Operations Center \$3.1 million.

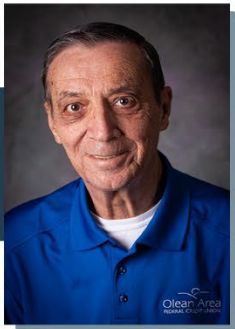
2021 Income Statement

- Return on Assets of 0.94%, compared to peer average of 0.72%.
- Net Income of \$3.51 Million.
- SBA 2nd Round PPP Loan Fee Income of over \$530,000.
- NCUA Members United Claim Recovery from 2008 \$1,137,877
- Cost of Funds (0.26%) compared to credit union peers (0.31%).
- Overall Operating Expenses remained low compared to peer, 2.62% vs 3.24%.

2021 Statement of Financial Condition

- Assets remained strong, reaching over \$390 Million.
- Net worth reinforced our capital strength, ending strong at 13.12%, as compared to peer at 10.34%.

Assets continued to grow, with the largest growth in Investments of \$51.6MM. Loans decreased by \$14.5MM due to the payoff of 1st Round SBA PPP Loans. Yield on Loans and Investments continued to drop throughout the year however, we continued to invest funds to manage our earnings as well as be rewarded with PPP loans and receipt of NCUA Members United Claim. Shares continue to grow with receiving another 2 rounds of Federal stimulus payments in January and March. 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 2021, 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 2021. Throughout 2021, 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, 2021. 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.

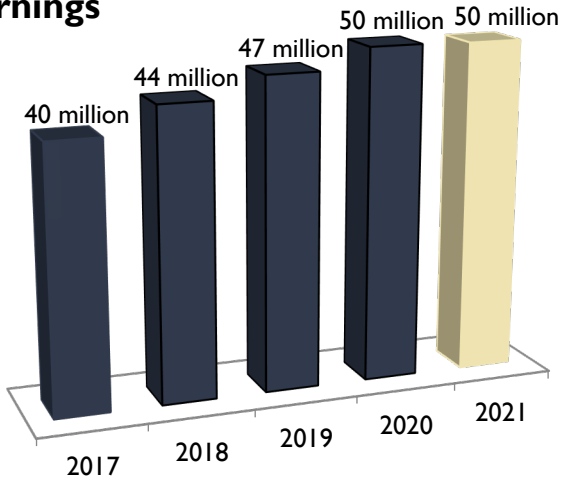
Thank you to the Board of Directors, Committee Members, Credit Union Management, and Credit Union Employees.

FINANCIAL STATEMENTS

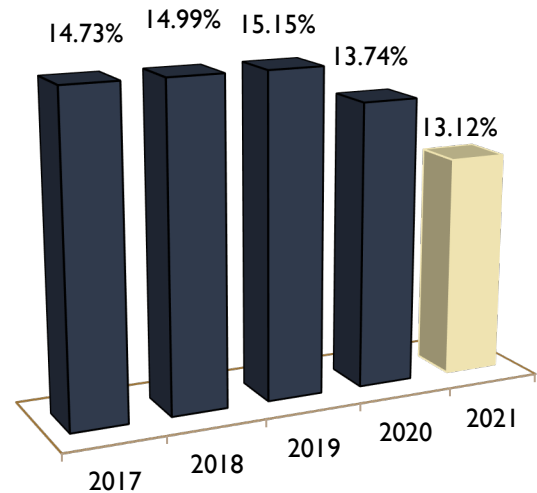
Year End December 31,	2021	2020
Assets		
Loans	\$169,423,937	\$183,966,215
Allowance for Loan/Share Loss	-2,674,971	-2,953,336
Deferred Loan Fees	-194,724	
Net Loans	166,554,243	181,012,879
Cash	3,577,583	3,282,757
Total Investments	198,059,253	146,480,276
Other Assets	26,013,612	20,045,957
TOTAL ASSETS	\$394,204,690	\$350,821,868
Liabilities and Equity		
Total Liabilities	\$2,093,933	\$1,994,676
Savings	130,578,211	104,897,629
Checking	63,907,536	53,325,592
Money Market	74,194,243	61,147,297
IRA	3,490,053	2,843,957
Certificates	70,193,759	76,702,494
Total Shares	342,363,802	298,916,968
Total Reserves	49,746,955	49,910,224
TOTAL LIABILITIES AND EQUITY	\$394,204,690	\$350,821,868
Interest Income		
Interest on Loans	\$7,661,996	\$8,068,343
Interest on Investments	1,905,809	2,134,218
Total Interest Income	\$9,567,805	\$10,202,561
Interest Expense		
Dividends Paid on Shares	\$950,141	\$1,778,728
Interest on Borrowed Funds	258	85
Total Interest Expense	\$950,399	\$1,778,813
Net Interest Income	\$8,617,407	\$8,423,748
Provision for Loan Losses	-131,711	450,000
Net interest income after PLL	\$8,749,117	\$7,973,748
Non Interest Income	4,366,493	2,751,249
Non Interest Operating Expense	9,608,132	8,690,129
Gain/Loss on Merger	0	0
NET INCOME	\$3,507,479	\$2,034,868

FINANCIAL HIGHLIGHTS

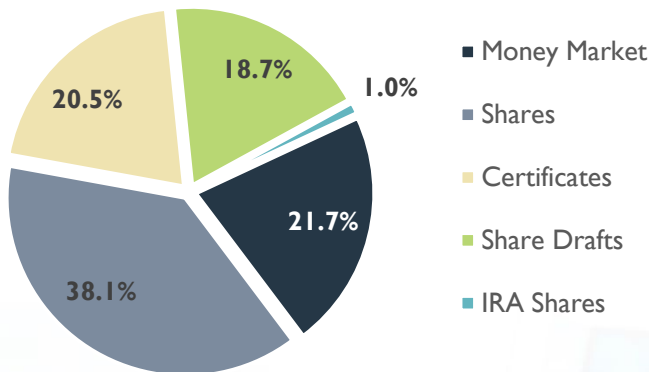
Reserves and Undividend Earnings



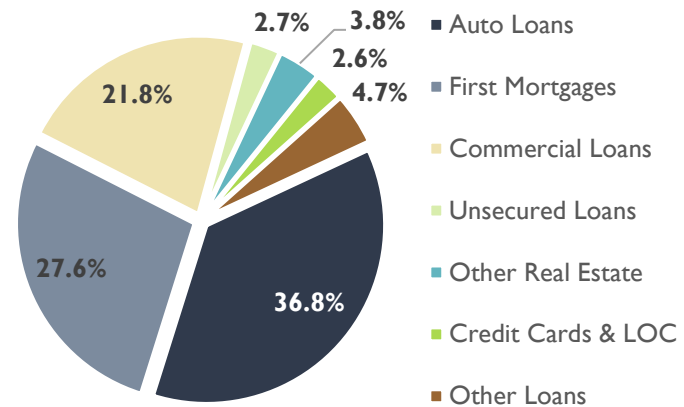
Net Worth



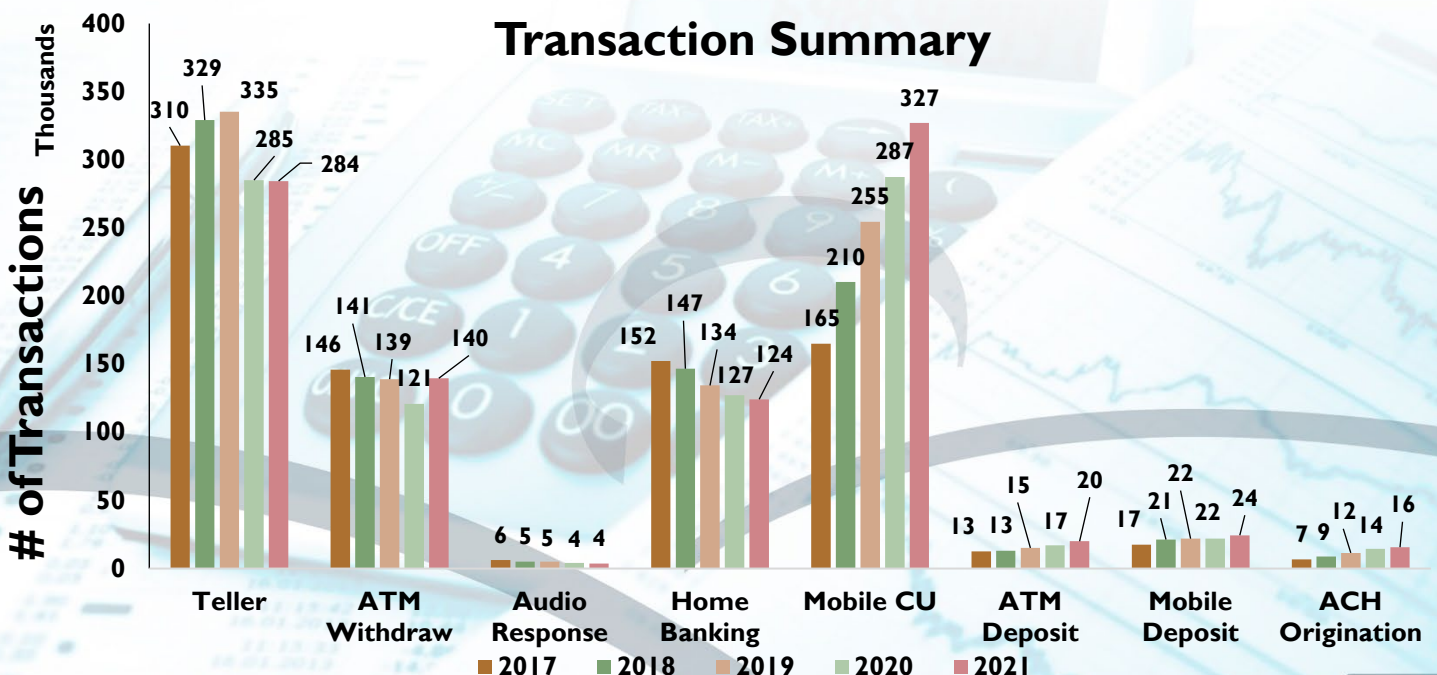
Share Portfolio



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:

NYCUA Scholarship Program

Portville Senior Class - Accounts & Credit Presentation

Potter County 4H - Checking & Savings Presentation



PROGRAMS & EVENTS:

Member Appreciation Days

International CU Day

Casual For A Cause Days

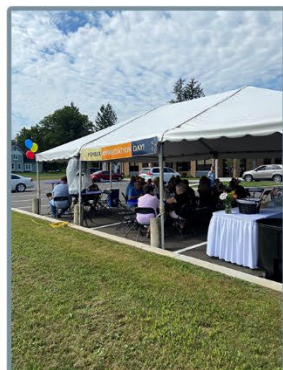
Toys for Tots

Canned Food Drive

Outdoor Family Movie Nights

Member Shred Day

ConnectLife Blood Drives



DONATIONS:

The Credit Union made donations of more than \$27,000 in 2021 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
Chairman



Michele Pancio
Vice-Chair



Ronald Kent
Treasurer



Lola Stoughton
Secretary



Jean McInroy
Board Member



Robert Olander
Board Member



Jason Crisafulli
Board Member



Glenda Hall
Board Member



Lucy Benson
Board Member

SUPERVISORY COMMITTEE



Robert Olander
Chairman



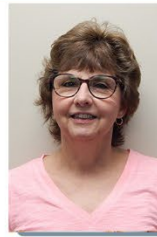
Robert Elmore



Carol Mahoney-Katzenstein



Aimee Siperek



Faith Hustak

SENIOR MANAGEMENT



Richard Yeager
President & CEO



Mary Palumbo
VP of Finance & IT



Lee Ann Dineen
VP of Human Resources

MANAGEMENT



Abbey Bowser
Manager of Marketing



Keri Comstock
Manager of Human Resources



Michael Dempsey
Manager of Operations



Tonya Doxey
Director of Compliance/
BSA Officer



Michelle Freeman
Manager of Finance



Joseph Leo
Director of IT



Joshua Miller
Portville Branch Manager



Sandra Plants
Manager of Loan Operations



Michael Smith
Director of Commercial Lending



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

Operations Center:
234 Homer Street - Olean, NY 14760

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