



2022 Annual Report

Proudly Serving our Communities for 50 Years.

1972 - 2022



CEO & BOARD CHAIR MESSAGE



RICH YEAGER
PRESIDENT/ CEO

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

As 2022 marked our 50th year of service to our membership, we celebrated our many milestones throughout the year including promotions, member benefits, and a successful Certificate offering during the third quarter.

Our Credit Union continued its steady growth with more than \$17MM in loan growth, over \$33MM in share growth, and assets reaching more than \$400 million. Our low interest rate loan environment began to shift upward in the fourth quarter as the Federal Reserve began raising rates at a very quick pace to calm inflation. We are optimistic that we have nearly reached the peak and that a downward trend may appear in late 2023 or early 2024.

Our balance sheet continues to remain strong with a net worth ratio exceeding 13% and net income once again exceeding \$2MM.

While no office expansions took place in 2022, we completed the remodel of our Clark Street Branch, giving it a much more modern look. We added an instant issue machine and two offices, giving privacy to members who frequent that branch.

Our Homer Street location celebrated its first-year anniversary and has served us well in managing our Credit Union operations.

Our digital services continue to grow with more than 500,000 transactions processed through our mobile and home banking platforms. We expect that number to continue to grow with a complete Digital Banking platform upgrade in 2023.



MICHELE PANCIO
BOARD CHAIR

As mentioned above, low borrowing rates have faded, and despite that our credit union experienced record mortgage and home equity loan volume in 2022, with nearly \$16MM in loan volume. Auto Loans also experienced a record year with loan volume exceeding \$25MM, a more than \$10MM increase over 2021. Credit Quality continues to be strong with loan losses less than .005% of outstanding loans.

Looking forward to 2023, there is no doubt that financial organizations will experience a turbulent year with unprecedented interest rate increases and the threat of a global recession. Fortunately, our credit union has a strong balance sheet and net worth, which allows us to continue to provide the products and services our members have enjoyed during the previous 50 years.

At this time, I would like to recognize Mary Palumbo and Lee Ann Dineen, two Vice Presidents of the Credit Union, each serving more than 35 years in various positions. We thank them for their service and wish them well in their respective retirements. Additionally, serving more than 20 years as Chairman of the Board, Patrick Kelly has relinquished that role, while remaining a board member. Michele Pancio, current Vice Chair of the Board, were elected as Board Chair, with Jason Crisafulli as the new Vice Chair.

In closing out 2022, and our 50th Anniversary Celebration, we recognize that we have come a long way from our first office housed at Dresser Clark, to four full-service branches and an operations center serving 19,907 members. We look forward to the opportunity to continue to serve our members for the next 50 years.

TREASURER'S REPORT

The annual report contains our complete Statement of Financial Condition and Income Statement for 2022. The financial results for 2022 show the Credit Union had another successful year which includes a renovation of our Clark St Branch.

2022 Income Statement

- Return on Assets of 0.55%, compared to peer average of 0.70%.
- Net Income of \$2.2 Million.
- Provision for Loan/Share Loss remained minimum \$24,000.
- Cost of Funds (0.33%) compared to credit union peers (0.31%).
- Overall Operating Expenses remained low compared to peer, 2.74% vs 3.26%.

2022 Statement of Financial Condition

- Assets remained strong, reaching over \$409 Million.
- Net worth reinforced our capital strength, ending strong at 13.18%, as compared to peer at 10.90%.

Assets continued to grow, with the largest growth in Loans of \$16.7MM. The Credit Union originated \$115.9MM in loans in 2022. Investments portfolio decreased by \$3.6MM. The Federal Reserve increased rates by 425bps resulting in the Credit Union seeing an increase in Yield on Loans and Investments, as well as an increase in Cost of Shares. Shares had another year of growth, \$33.2 MM, 9.71%. The Credit Union focus for 2023 is to maintain a healthy ROA while continuing to grow our membership growth, as we continue to make improvements to our facilities and improve technology.



MICHELLE FREEMAN
DIRECTOR OF FINANCE



RONALD KENT
BOARD TREASURER

SUPERVISORY COMMITTEE REPORT



ROBERT OLANDER
SUPERVISORY CHAIR

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 Accounting Principles (GAAP) and NCUA regulations.

In 2022, 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 2022. Throughout 2022, 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.

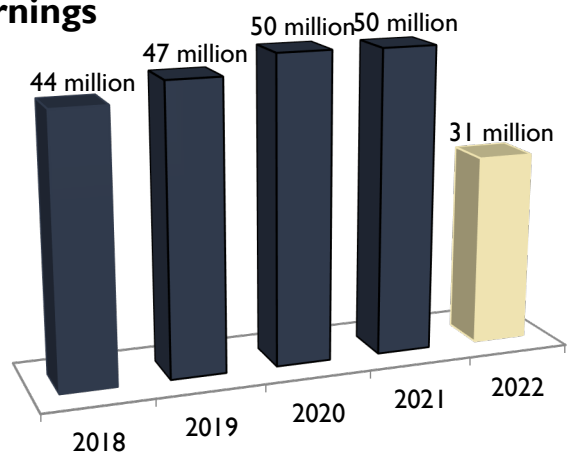
Thank you to the Board of Directors, Committee Members, Credit Union Management, and Credit Union Employees.

FINANCIAL STATEMENTS

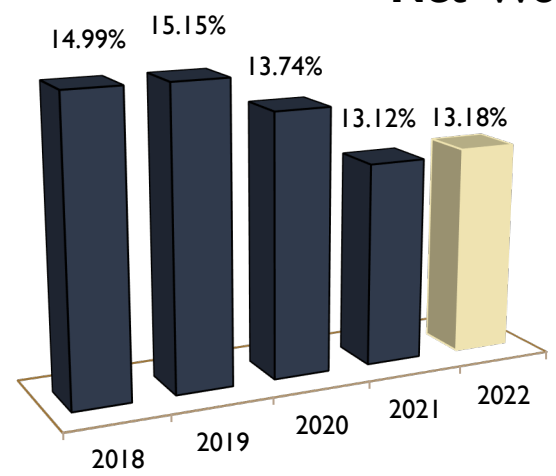
Year End December 31,	2022	2021
Assets		
Loans	\$186,158,015	\$169,423,937
Allowance for Loan/Share Loss	-2,580,255	-2,674,971
Deferred Loan Fees	53,910	-194,724
Net Loans	183,631,670	166,554,243
Cash	4,145,202	3,577,583
Total Investments	194,504,999	198,059,253
Other Assets	26,834,434	26,013,612
TOTAL ASSETS	\$409,116,305	\$394,204,690
Liabilities and Equity		
Total Liabilities	\$2,475,148	\$2,093,933
Savings	133,368,992	130,578,211
Checking	72,470,049	63,907,536
Money Market	70,985,858	74,194,243
IRA	3,464,684	3,490,053
Certificates	95,316,648	70,193,759
Total Shares	375,606,230	342,363,802
Total Reserves	31,034,927	49,746,955
Interest Income		
Interest on Loans	\$8,150,718	\$7,661,996
Interest on Investments	2,894,210	1,905,809
Total Interest Income	\$11,044,927	\$9,567,805
Interest Expense		
Dividends Paid on Shares	\$1,343,836	\$950,141
Interest on Borrowed Funds	151	258
Total Interest Expense	\$1,343,986	\$950,399
Net Interest Income	\$9,700,941	\$8,617,407
Provision for Loan/Share Losses	24,000	-131,711
Net interest income after PLL	\$9,676,941	\$8,749,117
Non Interest Income	3,519,835	4,366,493
Non Interest Operating Expense	10,997,060	9,608,132
Gain/Loss from Merger	0	0
NET INCOME	\$2,199,717	\$3,507,479

FINANCIAL HIGHLIGHTS

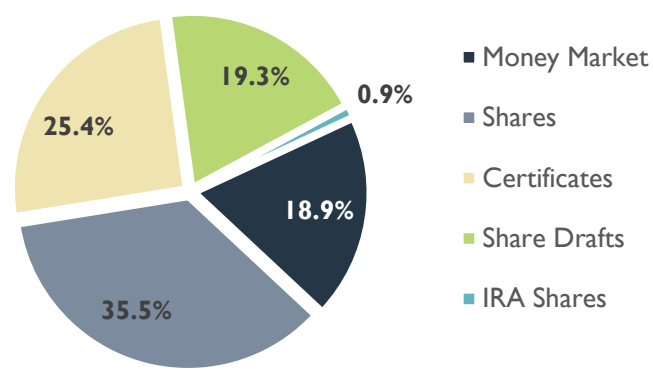
Reserves and Undividend Earnings



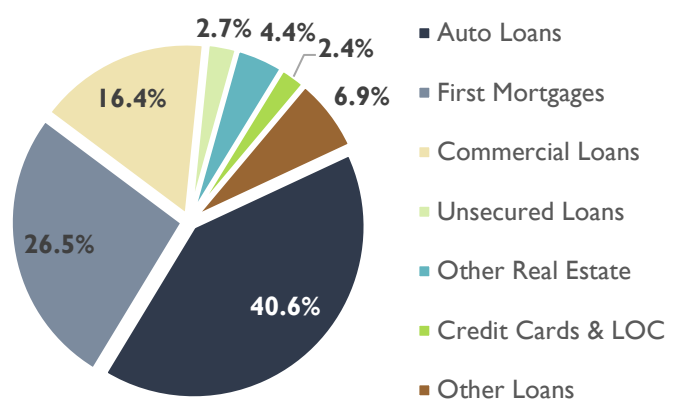
Net Worth



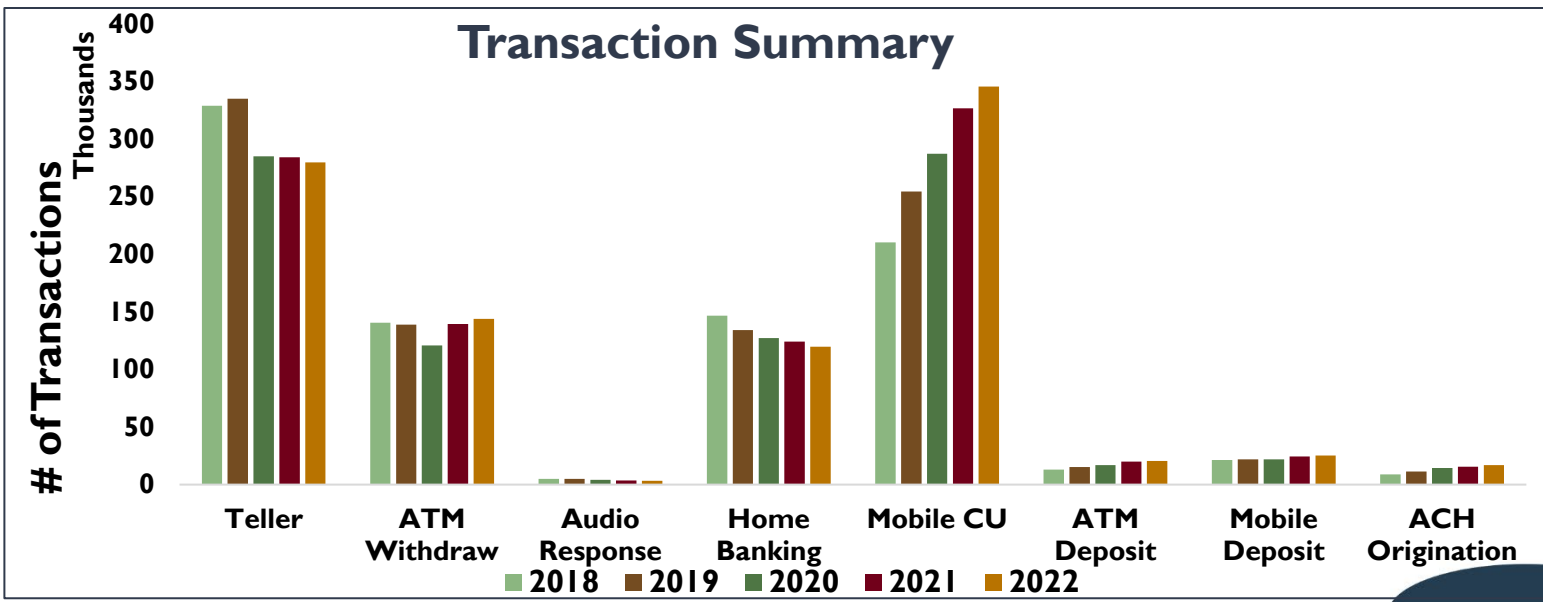
Share Portfolio



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

- Mad City Money Program
- NYCUA Scholarship Program
- LEAP Elementary School Program



PROGRAMS & EVENTS

- 50th Anniversary Programs
 - \$50 for 50 years promotion
 - 50 Random Acts of Kindness
- Casual for a Cause Dress Down Days
- Community Family Movie Nights
- Food Pantry Donations & Collection
- Toys for Tots
- Corporate Challenge
- Member Shred Day
- Member Appreciation Days
- Santa Claus Lane Parade



DONATIONS

The Credit Union made donations of more than \$38,000 in 2022 to support local community efforts and organizations in our field of membership.



Olean Area
FEDERAL CREDIT UNION

OUR MISSION

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

BOARD OF DIRECTORS

Michele Pancio
Board Chair

Jason Crisafulli
Vice-Chair

Ronald Kent
Treasurer

Lola Stoughton
Secretary

Patrick Kelly
Board Member

Robert Olander
Board Member

Lucy Benson
Board Member

SUPERVISORY COMMITTEE

Robert Olander
Chairman

Robert Elmore

Carol Mahoney-Katzenstein

Aimee Siperek

SENIOR MANAGEMENT

Richard Yeager
President & CEO

Mary Palumbo
Executive VP

Tonya Doxey
VP of Compliance

Audra Stevens
VP of Operations

Michael Smith
VP of Lending

Joseph Leo
VP of IT

Michelle Freeman
Director of Finance

Tamara Warner
Director of HR

MANAGEMENT

Abbey Bowser
Manager of Marketing

Keri Comstock
Manager of HR

Michael Dempsey
Manager of Operations

Kelly Fernandez
Portville Branch Manager

Stewart Fuller
Facilities & Physical Security Manager

Karen Newman
Allegheny Branch Manager

Melissa Pawlowski
Retail Lending Manager

Jacob Piatko
IT Security Manager

Sandra Plants
Manager of Loan Operations

Jessica Rogosinski
Clark St. Branch Manager

PAGE 6

Main Office:
1201 Wayne Street - Olean, NY 14760

Clark Street 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