



# High Point

FEDERAL CREDIT UNION

# ANNUAL REPORT

2023



## CEO & BOARD CHAIR MESSAGE



Rich Yeager, President & CEO

We appreciate your ongoing membership and commitment to our Credit Union.

In 2023, our organization reached a notable milestone by officially rebranding as High Point Federal Credit Union. This change was made to more accurately represent the communities we serve and to prepare our organization for anticipated growth in the future. This is an exciting new chapter, reflecting the progress we've achieved and the broader reach we've expanded to serve your diverse financial needs throughout Southwestern New York and Northwestern Pennsylvania.



Michele Pancio, Board Chair

2023 was a challenging year that saw the Federal Reserve raise interest rates a historic 11 times since March of 2022. As a result, borrowing costs for our members saw a significant increase and slowdown of loan requests, especially real estate loans. Despite the rate increases and reduction in loan requests, loans outstanding grew by \$7.9MM, largely from an outstanding year in Automobile Financing. On a positive note, we paid a record \$3.9MM in dividends to our membership, a \$2.6MM increase from 2022.

Our balance sheet remained strong with a net worth ratio exceeding 13.50% and assets remaining above \$405MM. Credit Quality remained outstanding and for the second consecutive year we have not needed to add to our Loan Loss Reserve. Along with our name and branding adjustment, we announced our plans on opening a fifth branch location in Bradford, PA. The construction of this comprehensive branch is set to commence in Summer 2024, aiming for an opening in early 2025. The new branch will introduce a modern teller pod layout, as well as providing universal service to address all your financial needs while visiting our branches.

This past year, we furthered our dedication to enhancing digital services by launching our new digital banking platform. This updated platform provides a more seamless and user-friendly online experience, along with extra security features to safeguard your account information. We plan to continue these enhancements to offer members additional features and services through our digital banking solutions.

We regret to announce the loss of Robert (Bob) Olander, our Supervisory Committee President and Board Member. Bob was a committed member of the Credit Union for 16 years and contributed significantly to our achievements and growth. His wisdom and expertise were invaluable, and his presence will be deeply missed by all board members and staff.

Filling Bob's role as Supervisory Committee Chair, is Mary Palumbo, who previously served as Vice President at the Credit Union for over 35 years. Mary was also appointed to our Board of Directors. Her wealth of knowledge in Credit Union policies and procedures adds great value to our organization.

In closing out 2023, we thank you for your continued loyalty to our Credit Union. Your commitment plays a vital role in the growth and expansion we have achieved over the years. No matter what financial goals you're working towards, we are here to provide the support you need to achieve them and look forward to serving you into the future.



# TREASURER'S REPORT



Michelle Freeman, Director of Finance

The annual report contains our complete Statement of Financial Condition and Income Statement for 2022 and 2023. The financial results for 2023 show the Credit Union had another successful year which includes an upgrade to our Digital Banking platform.

## 2023 Income Statement

- Return on Assets of 0.39%, compared to peer average of 0.70%.
- Net Income of \$1.6 Million.
- Dividends Paid to Membership over \$3.9 million.
- Fee Income remained low compared to peer 0.86% vs 1.16%.
- Cost of Funds (0.98%) compared to credit union peers (0.90%).
- Overall Operating Expenses remained low compared to peer, 2.58% vs 2.85%.

## 2023 Statement of Financial Condition

- Assets remained stable, ending the year at \$406 Million.
- Net worth remains strong at 13.67%, as compared to peer at 11.55%.

Assets remained stable with growth in our loan portfolio of \$7.9 million however we saw decrease in our Cash and Investments of \$12 million. The Credit Union originated \$88.3 million in loans in 2023. The Federal Reserve increased rates by 100bps resulting in the Credit Union seeing an increase in Yield on Loans and Investments, as well as an increase in Cost of Shares. The Credit Union focus for 2024 is to maintain a healthy ROA and Net Worth while continuing to grow our membership, as we build a new branch in Bradford and enhance the technology available to our membership.



Ronald Kent, Board Treasurer



# SUPERVISORY COMMITTEE REPORT



Mary Palumbo, 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.

In 2023, the Committee began meeting with the Internal Control Analyst monthly to review completed risk assessments and analysis report findings. This position ensures policies and procedures are being followed and provides the Committee an additional layer of reviewing internal controls. In addition, ten internal audits were conducted by The Bonadio & CO LLP, all with satisfactory results. An external CPA audit was conducted by Mengel Metzger Barr & Co. LLP in September 2023. Throughout 2023, we observed that High Point FCU continued to meet the requirements of the National Credit Union Administration (NCUA). The Credit Union's last NCUA exam date was March 31, 2023 and any findings were reported to the supervisory committee. The Committee has concluded that High Point FCU operated in a safe and sound financial manner, follows General Accepted Accounting Principles (GAAP) and NCUA regulations, and assets of the membership are being effectively safeguarded.

All Committee members completed monthly trainings of credit union products, services, and operations.



Robert Olander

The Committee would like to posthumously recognize Supervisory Chairman Robert Olander for his many years of dedicated service and support of High Point FCU. His candor and friendship always brought a smile to those who worked with him. Rest in peace Bob!

The committee welcomes all comments and suggestions from our members. Concerns and questions may be directed to: High Point 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 for your time and dedication to ensuring the success and growth of High Point FCU.

# FINANCIAL STATEMENTS

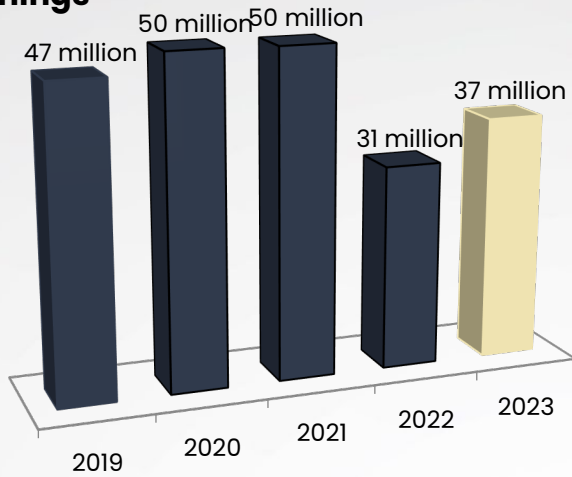


Year End December 31,	2023	2022
<b>Assets</b>		
Loans	\$194,121,575	\$186,158,015
Allowance for Loan/Share Loss	-2,232,669	-2,580,255
Deferred Loan Fees	36,378	53,910
Net Loans	191,925,284	183,631,670
Cash	2,979,019	4,145,202
Total Investments	183,663,617	194,504,999
Other Assets	27,459,711	26,834,434
<b>TOTAL ASSETS</b>	<b>\$406,027,632</b>	<b>\$409,116,305</b>
<b>Liabilities and Equity</b>		
Total Liabilities	\$8,255,138	\$2,475,148
Savings	124,037,624	133,368,992
Checking	69,337,806	72,470,049
Money Market	58,281,751	70,985,858
IRA	2,613,737	3,464,684
Certificates	106,443,221	95,316,648
Total Shares	360,714,139	375,606,230
Total Reserves	37,058,354	31,034,927
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$406,027,632</b>	<b>\$409,116,305</b>
<b>Interest Income</b>		
Interest on Loans	\$10,379,201	\$8,150,718
Interest on Investments	3,582,277	2,894,210
<b>Total Interest Income</b>	<b>\$13,961,478</b>	<b>\$11,044,927</b>
Interest Expense		
Dividends Paid on Shares	\$3,965,267	\$1,343,836
Interest on Borrowed Funds	49,242	151
<b>Total Interest Expense</b>	<b>\$4,014,509</b>	<b>\$1,343,986</b>
<b>Net Interest Income</b>	<b>\$9,946,968</b>	<b>\$9,700,941</b>
Provision for Loan/Share Losses	-235,500	24,000
<b>Net interest income after PLL</b>	<b>\$10,182,468</b>	<b>\$9,676,941</b>
Non Interest Income	3,489,204	3,519,835
Non Interest Operating Expense	12,074,816	10,997,060
Gain/Loss from Merger	0	0
<b>NET INCOME</b>	<b>\$1,596,856</b>	<b>\$2,199,717</b>

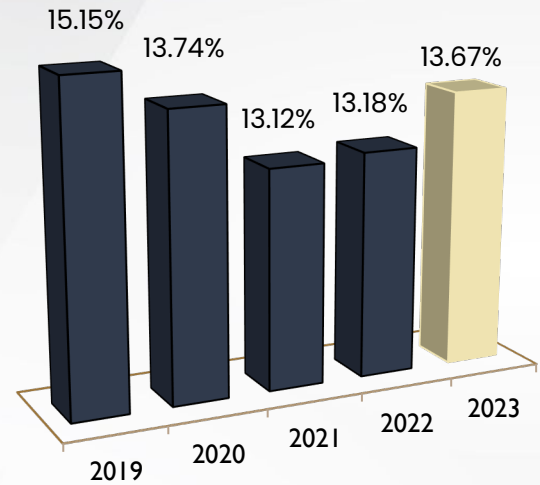


# FINANCIAL HIGHLIGHTS

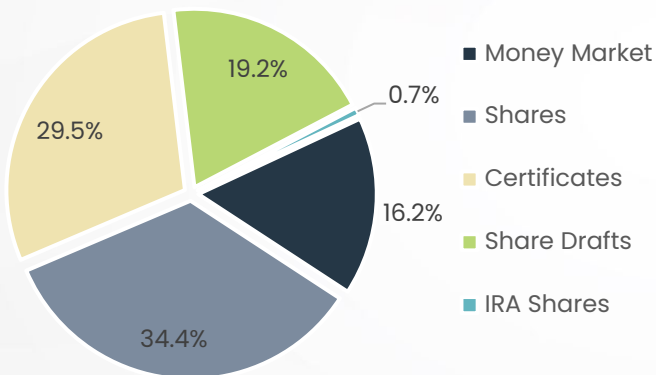
## Reserves and Undividend Earnings



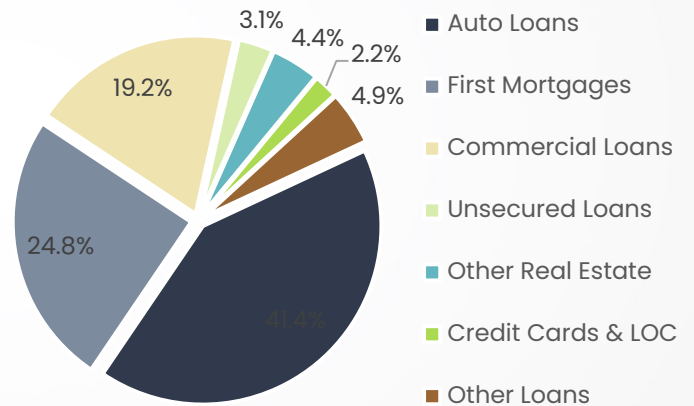
## Net Worth



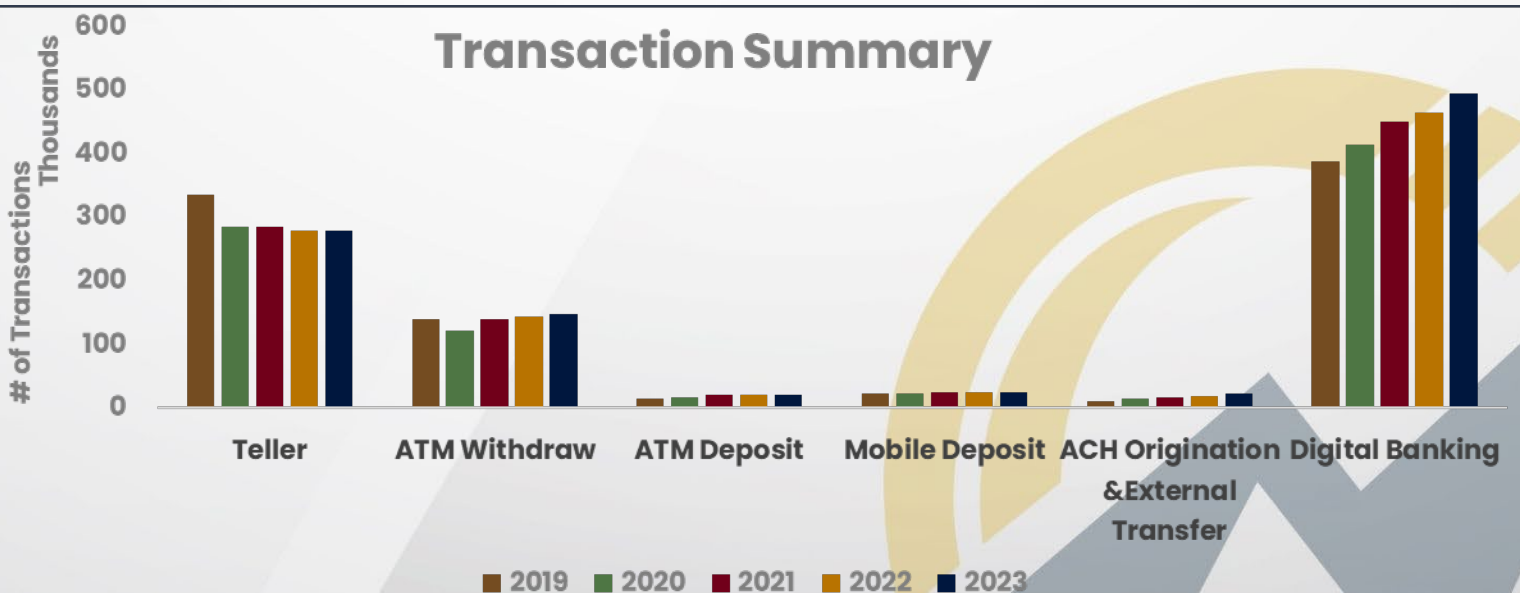
## Share Portfolio



## 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

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  
Student Loan Seminar  
Santa Claus Lane Parade

## DONATIONS

The Credit Union made donations of more than \$38,000 in 2023 to support local community efforts and organizations in our field of membership.





# OUR MISSION

To provide our members personal service and affordable products that meet their financial needs throughout life's journey.

## Board of Directors



Michele Pancio  
Board Chair



Jason Crisafulli  
Vice Chair



Ronald Kent  
Treasurer



Lola Stoughton  
Secretary



Lucy Benson  
Board Member



Mary Palumbo  
Board Member

## Supervisory Committee



Mary Palumbo



Robert Elmore



Carol Mahoney-Katzenstein



Aimee Siperek

## Senior Management



Rich Yeager  
CEO



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  
Allegany Branch  
Manager



Melissa Pawlowski  
Retail Lending  
Manager



Jacob Piatko  
IT Security  
Manager



Sandra Plants  
Manager of  
Loan Operations



Jessica Rogosienki  
Clark Street  
Branch Manager



## **MAIN OFFICE:**

1201 Wayne St. | Olean, NY 14760

## **CLARK STREET BRANCH:**

206 N. Clark St. | Olean, NY 14760



## **ALLEGANY BRANCH:**

180 W. Main St. | Allegany, NY 14706



## **PORTVILLE BRANCH:**

160 S. Main St. | Portville, NY 14770



## **OPERATIONS CENTER:**

234 Homer St. | Olean, NY 14760



**800.854.6052 | [www.highpointfcu.com](http://www.highpointfcu.com)**

