

STATEMENT OF CONDITION

ASSETS	2019	2018
Total Loans	\$129,594,112	\$128,570,992
Less Allowance for Loan Losses	-\$409,390	-\$573,388
Prepaid Vehicle Loan Origination Fees	\$926,861	\$972,869
Net Loans	\$130,111,583	\$128,970,473
Cash Resources	\$1,228,553	\$1,009,072
Investments	\$109,778,318	\$94,524,629
Earned Income Accrued	\$535,173	\$462,356
Prepaid & Deferred Expenses	\$327,152	\$278,910
NCUSIF Insurance Fund	\$2,016,678	\$1,964,096
Fixed Assets	\$2,578,174	\$2,634,602
Other Assets	\$563,338	\$559,452
TOTAL ASSETS	\$247,138,969	\$230,403,590

LIABILITIES & MEMBERSHIP EQUITY	2019	2018
Current Liabilities	\$652,817	\$571,235
Certificates & Investment Accounts	\$108,212,888	\$103,805,613
Checking Accounts	\$31,632,617	\$28,019,011
IRAs	\$23,060,237	\$20,906,600
Other Member Savings	\$59,560,963	\$55,547,090
Regular Reserves	\$1,805,634	\$1,805,634
Unrealized Losses on Securities	-	-
Equity Acquired in Merger	\$119,681	\$119,681
Undivided Earnings	\$22,094,132	\$19,628,725
TOTAL LIABILITIES & MEMBERSHIP EQUITY	\$247,138,969	\$230,403,589

OPERATING INCOME	2019	2018
Interest on Loans	\$5,355,713	\$4,895,806
Income From Visa® Loans	\$477,208	\$481,033
Income From Investments	\$2,493,024	\$1,714,049
Other Operating Income	\$2,232,071	\$2,377,350
TOTAL OPERATING INCOME	\$10,558,016	\$9,468,238

OPERATING EXPENSES & PLL	2019	2018
Salaries & Employee Benefits	\$3,171,612	\$3,183,791
Travel & Conference	\$129,708	\$132,393
Association Dues	\$28,112	\$24,089
Office Occupancy	\$369,692	\$387,532
Office Operations	\$511,189	\$580,846
Education & Promotion	\$335,157	\$359,589
Loan Servicing	\$321,343	\$348,360
Professional & Outside Services	\$1,053,487	\$1,076,895
Provision for Loan Losses	\$108,000	\$262,000
Member Insurance	\$62,071	\$59,288
Operating Fees	-	-
Interest on Borrowed Money	-	-
Annual Meeting	\$24,000	\$24,000
Miscellaneous	\$39,612	\$51,332
TOTAL OPERATING EXPENSES	\$6,153,983	\$6,490,115
Net Operating Income	\$4,404,033	\$2,978,123
Total Nonoperating Gains & Losses	\$64,402	\$84,020
LESS DIVIDENDS PAID TO MEMBERS	\$2,003,028	\$1,448,425
Net Income/Loss	\$2,465,407	\$1,613,718

YOUR COMMUNITY. YOUR CREDIT UNION.

ANNUAL REPORT 2019



BEAVER BRANCH
MON., TUES., WED., FRI.
9:00 a.m. – 4:45 p.m.
THURS. 9:00 a.m. – 6:00 p.m.
SAT. 9:00 a.m. – Noon

BEAVER DRIVE-THRU
MON. – FRI.
8:30 a.m. – 6:00 p.m.
SAT. 9:00 a.m. – Noon

MOON BRANCH & DRIVE-THRU
MON., TUES., WED., FRI.
9:00 a.m. – 4:45 p.m.
THURS. 9:00 a.m. – 6:00 p.m.
SAT. 9:00 a.m. – Noon (Drive-
Thru Only)

ALIQIPPA BRANCH & DRIVE-THRU
MON. – FRI.
9:00 a.m. – 4:45 p.m.

CHAIRMAN OF THE BOARD REPORT

I'm completing my seventh year as chairman of West-Aircomm, and I'm pleased that the credit union remains strong and that we are looking forward to many more years of successful service to our members. West-Aircomm FCU was started as an alternative way to save and borrow money that would benefit a group of people who worked together. More than 70 years later, we're proud to continue that mission in our community.

As a member-owned and -operated financial cooperative, we focus on finding ways to help each and every one of our members. We continue to introduce products and services that genuinely benefit our members at an economical cost. In 2019, we used our new core processing system to improve service to our members. We continue to match much larger financial institutions with the number of products and services we offer, but with lower fees and more consumer-friendly service than the competition.

I'm proud of West-Aircomm Cares, our employee volunteer fundraising group, for taking second place in the national Dora Maxwell Social Responsibility Award competition. The award is

given annually by the Credit Union National Association for social responsibility projects within the community. The award was given for the 2018 WAC Wigs Out program, which benefited the Center Civic Women's Club and Hair Peace charities. In 2019, WAC Cares continued their good work and, with the generous support of our members, was able to raise over \$11,000 for Operation Troop Appreciation to help returning veterans establish a new home and by fulfilling wish list items for deployed troops. The employee volunteers have chosen Beaver County Association for the Blind as the 2020 spotlight charity and will be raising funds to help them purchase a much-needed van for transportation, in addition to volunteering at many different local charities and events.

I would like to thank my fellow volunteer board of directors and the supervisory committee for their unwavering commitment to our credit union, the hard-working and dedicated staff and our members that help to make all of this possible.

Phil Pietrandrea, Chairman

TREASURER'S REPORT

West-Aircomm had a very profitable year in 2019, with steady growth in savings deposits and assets.

The loan portfolio grew at a slower pace in 2019, despite lending \$1.4 million more versus 2018. The loan portfolio ended the year at \$129,594,112, an increase of just over \$1.4 million from 2018, or 1.08%. Excellent delinquency control and minimal charge-offs continued in 2019. Loan delinquency at year end was 0.35%, a decrease from 2018, and significantly lower than our peer group. Net charge-offs were a low 0.21% of our loan portfolio, also well below our peer group. These delinquency ratios reflect strong underwriting coupled with continued excellence in loan recoveries.

Assets and savings deposits grew at a 7.26% and 6.81% clip respectively in 2019; both percentages increased from 2018. These totals are comparable to our peer group. Assets ended the year at \$247.1 million, and savings deposits were \$222.5 million at the end of

2019. West-Aircomm is the third-largest credit union based on assets and deposits in the Metro Pittsburgh area at year-end 2019.

Our net income for the year was more than \$2.4 million, an increase of 50% from 2018. The federal reserve increased interest rates seven times in 2017 and 2018, followed by three rate cuts in 2019. We were able to position our investment and loan portfolios to take advantage of the rising interest rate environment. Investment interest income increased \$779,000 and loan interest income increased \$456,000 respectively in 2019 over 2018. The good news for our members was that we paid \$555,000 more in dividend/interest to our members on their savings accounts! Our net worth increased to 9.72% in 2019, which reflects a strong financial position.

Raymond Brunner, Treasurer

CEO REPORT

The financial industry has operated during a rollercoaster of interest rates and new regulations over the past several years. In spite of the rate cuts in 2019, West-Aircomm was still benefiting from the rate increases in 2017 and 2018. We've grown to be the third-largest credit union by assets in the Pittsburgh area, at over \$247 million in assets and over 20,000 members. We take pride in having grown and succeeded while continuing to offer better loan and investment rates than our competition in order to help our members achieve financial success.

As mentioned in the Chairman's report, we've used our new core processing system to strengthen and enhance our products and services to meet the changing needs of our members as we continue to grow. The treasurer's report highlights the 2019 increase in income and the performance of our loan department. We've seen growth in business loans, mostly to small business owners, and our indirect lending company, Keystone Lending Alliance, LLC, in 2019, again loaned over \$20 million to help our existing and new members buy 932 new and used vehicles. Fast, convenient, low-cost loans, combined with free checking, a great new mobile app and Best of the Valley member service in the

branches, are how we focus on offering products and services that meet our member's needs. And we do this all while maintaining excellent reports from our examiners and auditors.

Demonstrating the credit union philosophy of "People Helping People," in 2019, we presented a total of \$15,000 in scholarships to graduating seniors. We continue to approach area schools and organizations to increase our scholarship program and look forward to helping more local students. West-Aircomm employees again generously volunteered their time at local community events and to our WAC Cares program. We are very proud of our third consecutive, first place Dora Maxwell award and our second place national Dora Maxwell award. We're even happier to be able to make a positive difference in the lives of our members and the people in our communities who are experiencing hardship. I would like to thank our members, the board of directors, the supervisory committee volunteers and our employees for helping to make West-Aircomm so successful.

Lynn Stephenson, President/CEO

SUPERVISORY COMMITTEE REPORT

The supervisory committee met monthly in 2019. Our basic responsibilities are to ensure that the board of directors and management of the credit union meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets.

We contracted with the accounting firm S.R. Snodgrass, PC, to conduct the annual supervisory committee audit along with ACH and Bank Secrecy audits. S.R. Snodgrass issued an unqualified opinion that "the financial statements present fairly, in all material respects, the financial position of West-Aircomm Federal Credit Union as of September 30, 2019 and 2018, and the results of its operations and its cash flows for the twelve months then ended,

in conformity with accounting principles generally accepted in the United States of America."

The annual audits performed by S.R. Snodgrass, along with the National Credit Union Association's annual examination and the supervisory committee's monthly audits, confirm that West-Aircomm is operating in accordance with federal and state regulations.

In closing, I'd like to thank my dedicated volunteer committee of Tom Miller and Ron Vivian for their time and efforts to benefit West-Aircomm.

Dr. Robert Monit, Chairman

BOARD OF DIRECTORS

Phil Pietrandrea, Chairman
Larry McDaniels, Vice Chairman
Ray Brunner, Treasurer
Logan Little, Secretary
Rod Bear, Director
Renee Csoman, Director
Dave Hodge, Director
Mike Spanik, Director
Sam Wagner, Director

SUPERVISORY COMMITTEE

Dr. Robert Monit, Chairman
Tom Miller
Ron Vivian

MANAGEMENT STAFF

Lynn Stephenson, President/Chief Executive Officer
Scott Brunner, Senior VP/Chief Operations Officer
Ashley Grove, VP of Lending
Tiffany Walenchok, Director of Marketing/Community Relations
Terri Hupp, Joanne Lindner and Joyce Jumper, Branch Managers
Jim Rowse, Chief Financial Officer
Kristen Shoaff, Director of Administration

DEPARTMENT COORDINATORS

Corinne D'Alessandro, Mortgage Coordinator
Cheryl Freeman, ACH/Coordinator
Renee Hubbard, IRA & Payroll Coordinator
Kris Hurley, Debit Cards/Electronic Payments Coordinator
Carol Olson, Assistant Branch Manager
Sarah Pate, Assistant Branch Manager
Tina Petrik, Senior Staff Accountant
Daniel Rutkowski, IT Administrator
Laura Schnellbach, Visa Coordinator
Janet Toohey, Collections Coordinator
Fred Toth, Assistant Director of Lending
Lanie Trent, Head Teller

STAFF

Joyce Baker
Morgan Hodge
Kaitlyn Hoenig
Jeff Hredzak
Melissa Jackson
Danielle Jarret-Flickner
Debra Jena
Susan Lorenz
Cindy Mangold
Skylar Miller
Kara Moore
Cayla Nesmith
Lisa Osegueda
Ashley Peters
Daeneen Powers
Debra Rambo

Shannon Shearer
Sarah Simmons
Bethany Smith
Shyloh Snowden
John Strother
Lanie Trent
Sue-Ellen Wagner
Iovanka Wyberg
Melissa Yeager