

Annual Report 2020

Letter from the CEO

Dear Member of Pheple Federal Credit Union:

I would like to thank you for joining our 69th Annual Meeting. I appreciate all of your support and dedication to Pheple Federal Credit Union.

Two-thousand and nineteen was the year of branch transformation for the credit union. We relocated two branches to smaller but more modern storefronts. The new branches introduced new technology that interfaced with traditional branch equipment. The ATMs at both new locations are deposit-enabled. The Eastgate Branch displays a timeline dedicated to the Founders of the credit union. The Penn Valley Branch has a conference room that is utilized to conduct virtual meetings and team trainings. The branch focus for 2020 is the Willow Crossing branch. Renovations were completed and the branch opened July 13 to a great response. There is also now a deposit-enabled ATM installed in the drive-thru.

The credit union has become an owner of our first Credit Union Servicing Organization- rkGOBig. The organization is owned by nine small credit union with a combined asset size of \$1 billion. The benefit to your credit union is the combined resources, shared back office staff and the contract negotiating strength of a \$1 billion credit union. As part of this partnership, the credit union will convert to a more robust and adaptable core system in 2023. At that time, we will have introduce new online banking, mobile APP and bill payment platforms. The new platforms will bring more capabilities for the present and future member digital experience.

As our name states we are dedicated to People Helping People - it's who we are - it's what we do. Throughout the past year, we have worked hard and stayed focused on improving the lives of our members. We also participated and contributed to the community we call home. We volunteered at the Food Bank and Dress for Success. The credit union collected toys for Toys for Tots, stocking stuffers for Santa for Seniors and Prom Dresses for Angela Angels. The credit union team participated in several financial reality fairs in local high schools. The Community Relations Team initiated Random Acts of Kindness throughout Westmoreland County. I displayed my dance skills by participating in Dancing with the Celebrities to raise money for United Way's Open Your Heart to a Senior. We will continue our commitment to be a community partner throughout 2020.

I would like to acknowledge the entire team at Pheple Federal Credit Union. The Board of Directors, Supervisory Committee and the staff; all of you together make this credit union a strong and vital organization. I thank you all for everything you do, each and every day.

Again, I thank you all for joining us this evening.

Sincerely,

Maria A. LaVelle, CEO

pheple

People Helping People
we are what we do

CEO Maria Lavelle presenting the
Cash Stash Student Scholarship

Date: June 4, 2020

\$1,000

Letter from the Board Chairman

Dear Fellow Credit Union Members,

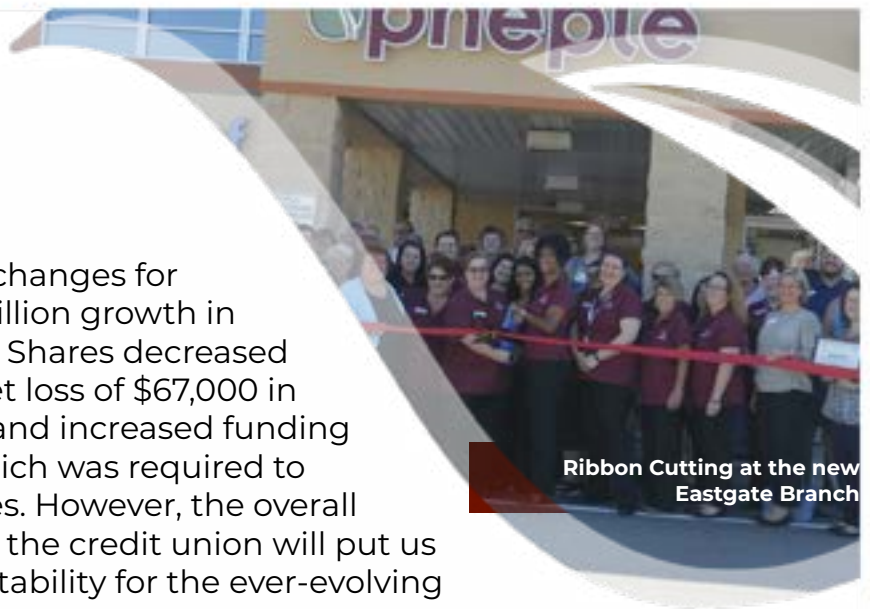
The past year was full of challenges and changes for the credit union. We experienced \$3.8 million growth in loans and \$3.9 million decrease in assets. Shares decreased by \$3.4 million. The credit union had a net loss of \$67,000 in 2019 due to the branch transformations and increased funding to Allowance for Loan & Lease Losses, which was required to comply with current accounting practices. However, the overall long-term strategic plan and priorities of the credit union will put us in a position of future strength and adaptability for the ever-evolving changes in the financial industry.

I would like to thank my fellow Directors and Supervisory Committee. They willingly volunteer their time and knowledge, and are deeply committed to the success of the credit union. We will continue to remain diligent and focused on making decisions that will position our credit union for ongoing profitability and stability in the future.

I would especially like to thank Maria and our staff for everything they do on a regular basis and their extraordinary efforts in this past year. We could not have done it without their dedication. Thanks also to you, the members, for joining us today and for your ongoing support of the credit union.

Sincerely,

Kim Stawicki, Chairman



Ribbon Cutting at the new Eastgate Branch

Supervisory Committee Report

McKeever Varga and Senko performed an independent full financial audit of PHEPLE Federal Credit Union. The scope of this review was the period of January 1, 2019 through December 31, 2019. The agreed upon procedures were conducted in accordance with the guidelines established by the American Institute of Certified Public Accountants and the Supervisory Committee Manual for Federal Credit Unions, as set forth on Form FCU 701, Supervisory Committee Annual Audit Report.

Findings and recommendations made by McKeever Varga and Senko have been evaluated and implemented. Loan documentation and meeting minutes of the board and loan officers were also examined.

Respectfully submitted,
Cindy Loughran, Chairperson
Kathy Rittenour, Member
Ronald Hasnauer, Member
Karol Hartman, Member



Annual Breakfast with the Easter Bunny and Egg Hunt

Annual Meeting Minutes

*Pheple Federal Credit Union
The 68th Annual Meeting was held at Gianilli's II on March 27, 2019.*

Call to Order: The meeting was brought to order at 6:45pm. Board President Kim Stawicki conducted the meeting.

Roll Call: It was ascertained that a quorum was present. There were 220 in attendance.

Reading of Minutes: Copies of the annual reports were distributed to all members present. A motion was made to approve the Minutes of last year's Annual Meeting. Motion seconded and approved.

Annual Reports: During the last year, the Board of Directors held twelve regular monthly meetings to conduct the business of the credit union. Board/Committee members and staff attended various Chapter meetings and seminars to remain current with the industry. Copies of the following reports were given to all meeting attendees: Director, Treasurer, Loan Review Committee, and Supervisory Committee.

- A motion was made, seconded, and approved to dispense with the reading of the Director's Report, the Treasurer's Report, the Loan Review Committee Report, and the Supervisory Committee Report.

Old Business: There was no old business.

New Business:

- A motion to pay the annual meeting expenses was made, followed by a second, approved by all.
- Maria A. LaVelle, CEO, recapped upcoming events: sale of branches, name change, and spoke from 6:50pm – 7:25pm.
 - Maria thanked her staff for their efforts and dedication.
- Don Saddler announced the nominees for the Board. He reminded everyone that the Bylaws eliminate nominations from the floor when there is one nominee for each position to be filled. The unopposed nominees were:

Jim Antoniono	Board Member	3 Years	Returning Member
Dan Stevens	Board Member	3 Years	Returning Member

Don declared each nominee elected by general consent. Anyone interested in running for a Board or Committee position in the future should contact the credit union or any Board or Supervisory Committee member.

Other Business: There was no other business.

Adjournment: There was a motion from the floor to adjourn at 7:25pm., seconded, motion carried.

Respectfully submitted,

Kathy Ritenour, Board Secretary

Eastgate Plaza

5142 ROUTE 30 SUITE 105
GREENSBURG, PA 15601

Penn Valley Plaza

1075 HARRISON CITY EXPORT RD
JEANNETTE, PA 15644

Willow Crossing

708 STATE ROUTE 119
GREENSBURG, PA 15601

Branch Locations

The Vault by Pheple FCU

WCCC STUDENT
ACHIEVEMENT CENTER
145 PAVILION LANE
YOUNGWOOD, PA 15697

Administration Office

2900 SEMINARY DRIVE
BUILDING G
GREENSBURG, PA 15601

Financial Reality Fair at Penn-Trafford High School

Author Floyd Stokes visits 3rd graders to read "Save Day"

2019 Report of Operations

Report of Operations of Pheple Federal Credit Union
Statement of Financial Condition As of December 31, 2019

Assets	End of this Period
Total Loans	\$70,177,452.15
Merger amort adj	(26,748.65)
Less: Allow for Loan Loss	(464,021.91)
Net Loans	69,686,681.59

Cash at Financial Institutions 4,283,947.31

Investments:

Held To Maturity

U.S. Treasuries	-
Federal Securities	24,049.23

Available to Sale

U.S. Treasuries	-
Federal Securities	-

Other Investments 3,996,000.00

Total Investments: 4,020,049.23

Accrued Income	153,919.58
Prepaid & Deferred Exp	191,826.20
NCUSIF Deposit	738,522.10
Fixed Assets	1,073,822.31
Other Assets	2,738,735.32

Total Assets \$82,887,503.64

Liabilities & Equity	End of this Period
Accounts Payable	\$117,197.05
Dividends Payable	33,721.55
Taxes Payable	9,515.44
Other Liabilities	97,676.89
Total Liabilities	258,110.93

Shares 74,412,090.07

Regular Reserves	802,346.69
Equity acquired in merger	3,336,345.86
Undivided Earnings	4,091,260.21
Merger contra-equity	(12,650.12)
Net Income (Loss)	-
Prior Period Adjustments	-
Accumulated Unrealized Gain/Loss	-

Total Equity 82,629,392.71

Total Liabilities & Equity \$82,887,503.64

Statistical Report as of December 31, 2019

	#	Amount
1. Delinquent Loans:		
a. 2 to less than 6 mo.	55	\$286,313.54
b. 6 to less than 12 mo.	15	56,060.84
c. 12 months and over	5	25,878.69
d. Subtotal	75	368,253.07
2. Current and less than 2 months delinquent	5,314	69,809,199.08

3. Total Loans 5,389 \$70,177,452.15

	#	Amount
4. Loans Made:		
a. Loans made YTD	2,099	\$29,197,610.61
b. Loans made-Orig.	54,910	\$396,459,890.34
5. # Member accts. at end of period	16,189	
6. # of Potential Mbrs.		355,458
7. Lns Charged off Since Org.		\$3,526,342.71
8. Recoveries on Lns Since Org.		\$376,199.49



Board and Staff

Board of Directors

Kim Stawicki, *Chairperson*
Carl Bartolomucci, *Vice Chairman*
Kathleen Ritenour, *Secretary*

Directors

James Antoniono
Andrew Reese
Don Saddler
Dan Stevens

Supervisory Committee

Cindy Loughran, *Chairperson*
Kathleen Ritenour
Ronald Hasnauer
Karol Hartman

Eastgate Plaza Branch

Kathy, *Culture/Branch Support Officer*
Denise, *Member Service Rep. II*
Ciara, *Member Service Rep. II*
Heather, *Member Service Rep.*
Nicholas, *Member Service Rep.*
Ryan, *Teller*

Senior Leadership

Maria LaVelle, *Chief Executive Officer*
Dennis McGowan, *Chief Operations Officer*
Linda Stein, *Sr. Vice Pres.—Community Relations & Marketing*

Penn Valley Plaza Branch

Dee, *Branch Support Officer*
Cheryl, *Member Service Rep.*
Dawn, *Member Service Rep.*
Kristopher, *Teller*

Willow Crossing Branch

Stephanie, *Branch Support Officer*
Mary Beth, *Member Service Rep. II*
Chelsea, *Member Service Rep.*
Jamie, *Member Service Rep.*
Kaylene, *Teller*

The Vault by Pheple FCU at WCCC

Samantha, *Branch Support Officer Intern*
Conner, *Marketing Student Ambassador Intern*
MaryAnn, *Member Service Rep.*

Warrior Cash Stash Student Branch

Andrew, *Student Teller*
Anthony, *Student Teller*

Statement of Income For the Period Ending December 31, 2019

Charter Number # 7297	
Operating Income	
Interest on Loans	\$3,228,630.71
Inc. from Lns. of Liq Cr. Unions	-
Total	3,228,630.71
Income from Investments	208,108.08
Fees and Charges	957,451.70
Miscellaneous Operating Income	641,004.16

Total Operating Income \$5,035,194.65

Operating Expenses

Compensation	1,511,401.39
Employee Benefits	308,199.38
Travel and Conference	58,401.92
Association Dues	16,177.00
Office Occupancy Expenses	246,348.66
Office Operations Expenses	1,212,240.36
Educational & Promotion Exp.	92,944.04
Loan Servicing Expenses	173,265.58
Professional & Outside Services	815,642.71
Provision for Loan Losses	525,606.09
Members Insurance	-
Fed'l Supv./Exam Expenses	22,886.77
Cash Over & Short	97.66
Interest on Borrowed Money	216.03
Annual Meeting Expense	6,518.35
Misc. Operating Expenses	31,003.40
*NCUSIF Stabilization Expense	(10,108.13)

Total Operating Expenses 5,010,841.21

**Non-Operating Gain (Losses):

Gain (Loss) on Investments	162.08
Gain (Loss) on Disp. of Assets	136,298.70

Total Non-Operating Gains/Loss 136,460.78

Income (Loss) Before Dividends 160,814.22

Dividends 228,521.60

Net Income (Loss) \$(67,707.38)

Office Administration

Gretchen, *Assist. Vice Pres.—Deposit Operations*
Sherri, *Lending Manager*
Eric, *Director of Information Systems*
Amanda, *Human Resources Manager*
Patty, *Member Solution Specialist*
Matt, *Controller*
Donna, *Finance Specialist*
Susan, *Director of Community Relations*
Kristi, *Financial Literacy Advocate*
Lisa, *Director of Marketing*
Blanche, *Call Center Rep.*
Elaine, *Call Center Rep.*
Christi, *Sr. Deposit Operations Specialist*
Tracy, *Deposit Operations Specialist*
Amber, *Sr. Loan Officer*
Vicki, *Sr. Loan Officer*
Karen, *Sr. Loan Officer*
Kirsten, *Team Training Officer*