



**Mercer County
Community**
Federal Credit Union

10,000+

**MEMBERS
STRONG**



2019 ANNUAL REPORT



BOARD OF DIRECTORS



SUPERVISORY COMMITTEE



ADMINISTRATIVE STAFF

BOARD OF DIRECTORS

Ed Zipay - *Chairman of the Board*

Cliff Toth - *Vice Chairman*

Donna Oliver - *Secretary*

Laura Kubyako - *Treasurer*

David Burich - *Director*

Robert Lucas - *Director*

Richard Titus - *Director*

SUPERVISORY COMMITTEE

Ruth Leone - *Supervisory Chair*

Richard Titus

Sylvester Enos

Karen Davis

Delnora Taylor

ADMINISTRATIVE STAFF

Sandi Carangi - *CEO*

Suzanne Taylor - *Loan Manager*

Cheryl Parola - *Hermitage Office Supervisor*

Pamela O'Neill - *Sharon Office Supervisor*

Cheri Rosa - *Assistant Office Supervisor/Special Projects*

Michelle Buell - *Assistant Office Supervisor/
BSA Compliance & Security Officer*

Elaine Patton - *HR Training & Operations Manager*

Tammy Calderwood - *Marketing Specialist*

LOAN DEPARTMENT

Kande Darling - *Loan Officer*

Cynthia Saluga - *Loan Officer*

Cheryl Deschand - *CUDL Indirect Lending Manager*

Jessica Phipps - *Loan Officer*

Maria Clyde - *Visa Card Coordinator & Loan Assistant*

Nancy Leo - *Loan Assistant*

MEMBER SERVICES

Colleen Alfredo

Heather Crevar

Rita Evans

ThomAnn Kiser

Tammy Knox

Colleen Mazzocca

Ann Sever

ACCOUNTING

Beverly Bailey – *Accounts Payable Manager*

Sandy Fleck – *Accounting Manager*

CUSTODIANS

Barbara Jones

Robert Jones

PROGRAM

Welcome..... Ed Zipay
Invocation Karen Davis
Pledge of Allegiance.....Cliff Toth

ADOPTION OF REPORTS

Report of the Chairman of the Board and CEOEd Zipay and Sandi Carangi
Report of the Secretary.....Donna Oliver
Report of the Treasurer Laura Kubylko
Report of the Supervisory Chair.....Ruth Leone
Election Results.....Ed Zipay and Ruth Leone
20th Annual Continuing Education Awards Sandi Carangi
Final RemarksEd Zipay and Sandi Carangi



CHAIRMAN OF THE BOARD & CEO REPORT



Preparing for the Future. This statement has never been more powerful than it is right now. Although this report is a reflection of the past year, it's hard not to reflect on the current health crisis related to the coronavirus (COVID-19) that has impacted our world and our nation during the first few months of 2020.

People across our country, and here in our communities, are all working together in the fight to stop this pandemic that has tragically taken thousands of lives – and is now impacting the financial well-being of millions of people. As we watch businesses close and unemployment rise, we want to assure our members that we are here to help. Our consistent financial strength, and prudent investments over the years, have allowed us to prepare for hard times.

Looking back over the past year, significant improvements were made to advance our credit union into the future. In 2019, we completed our Sharon office renovations which involved major technological upgrades. These upgrades also extended to our Hermitage office and included a new security system, video conferencing capabilities, and updates to our ATMs.

2019 also marked the fifth time in a row that our credit union was voted “Best of the Best Credit Union” in our area. In addition, we were once again recognized by Junior Achievement for our financial literacy initiatives – teaching personal finance classes to hundreds of students in Mercer County.

Our commitment to our community continues as we provide support to numerous organizations through charitable giving and by volunteering. In this report you'll find a list of some of the organizations we've supported over the past year.

As we prepare for 2020 and beyond, we continue to make investments that not only benefit our members, but ensure our credit union remains financially strong and stable. Plans for the coming year include: the ability to use electronic eDoc signatures; a new core processing system; online account opening; and enhanced debit card processing.

As our credit union continues to grow, we're also making sure that we keep up with the latest financial technologies that provide you with secure and efficient access to your accounts. Our mobile banking and mobile check deposit services have become vital for members to stay connected – with nearly 20,000 logins and over 4,000 transactions happening on our mobile app every month.

Your board of directors, Ed Zipay, Cliff Toth, Donna Oliver, Laura Kubyako, Dave Burich, Bob Lucas and Richard Titus are a dedicated volunteer group of experienced leaders who work hard to ensure the credit union is operated in the best interest of our members. Our supervisory committee, consisting of Ruth Leone, Karen Davis, Delnora Taylor, Richard Titus and Sylvester “Buzz” Enos, are responsible for monitoring the credit union's financial safety and soundness in accordance with regulatory requirements.

We're extremely grateful to our volunteer members of the board and supervisory committee for their countless volunteer hours and dedication to our credit union. On behalf of the board of directors, supervisory committee and employees, we thank you for your membership and your continued support. As we prepare for the future, we want you to know that you can always count on us to be here when you need us.

Respectfully submitted,

A handwritten signature in black ink that reads "Ed Zipay".

Ed Zipay, *Chairman of the Board*

A handwritten signature in black ink that reads "Sandi Carangi".

Sandi Carangi, *CEO*

TREASURER'S REPORT



In 2019, the Mercer County Community Federal Credit Union had an impressive record of performance in assets, loans, and net income growth. Our credit union continues to be strong.

As we prepare for the future, we focus on development, marketing, and the implementation of new strategies to maintain the highest standards of safety, soundness and service for our members.

For the year ending December 31, 2019, our credit union had an overall net income of \$683,980.15. Dividends to members amounted to \$253,944.40. Total gross revenue for the year was \$2,910,030.77 and operating expenses were \$2,174,217.75.

Our assets have grown from \$500.00 in 1957 to \$79,676,061.88 as of year-end 2019. We are excited to announce that membership has grown to 10,014 with new members joining each month.

The credit union proudly supports continuing education for youth in our community. Congratulations to this year's Continuing Education award winners. Many thanks to all who helped with this program.

Special thanks to our CEO, the board of directors, supervisory committee, and the entire staff as we continue to grow and expand our credit union. I'm very proud to be a part of such a great team.

Thank you for using all the services our credit union has to offer. We are the place for all your financial needs. I would love to thank all of our members for their steadfast support and loyalty in 2019.

Respectfully submitted,

Laura Kubyako

Laura Kubyako, Board Treasurer



SECRETARY'S REPORT

2019 ANNUAL MEETING MINUTES



The 62nd annual meeting of the Mercer County Community Federal Credit Union was held on April 13, 2019 at the Park Inn by Radisson. Each member was given a copy of the 2018 Annual Report.

Ed Zipay, Chairman of the Board, welcomed 135 members and guests in attendance. Karen Davis led the invocation, Cliff Toth led the pledge of allegiance and Tim Caughey sang "What a Wonderful World". Mr. Zipay asked members to take note of the evening's program printed on page 2 of the Annual Report and review the reports and financial statements on pages 3-6 and 8-9.

Following dinner, Board Chairman, Mr. Zipay, called the meeting to order and asked the Secretary if there was a quorum present. The Secretary indicated that there was a quorum. Mr. Zipay also complimented the Park Inn staff on the excellent dinner and service.

Mr. Zipay introduced board members, their guests and spouses, and supervisory committee members, their guests and spouses. Mr. Zipay thanked the credit union staff for all their hard work during the Sharon office renovation. He also recognized past director Delores Toth, who was attending the annual meeting and Alex Krotenak, a past board member, who recently passed away.

CEO, Ms. Sandi Carangi, was then introduced and recognized all board of director members, supervisory committee members and credit union staff who made the Sharon office renovation such a success. Ms. Carangi reviewed the conditions of the Sharon office which in turn led to the decision to renovate. Ms. Carangi described the physical and technological upgrades in the new office. Cheryl Parola and Elaine Patton were then thanked for organizing the annual dinner meeting. Three credit union employees were recognized for their years of service: Suzanne Taylor (30 years), Pamela O'Neill (15 years) and Barbara Clark (retiring in this month). All were acknowledged for their work on behalf of the credit union.

Ms. Carangi directed all to note the list of organizations supported by the credit union on page 11 and "Special Thanks" on page 12. Our credit union was once again voted "Best of the Best Credit Union" for 2019 by readers of The Sharon Herald newspaper.

A motion was made by Shawna Lucas, and seconded by Jim Leone, to approve the reports on pages 3-6 and the Statement of Financial Condition and Income Expenses on pages 8-9. The motion passed.

Board member Laura Kubyako introduced the 19th annual credit union Continuing Education Awards. The scholarship program began in 2000 and has since awarded over \$83,000. Ms. Kubyako reviewed the procedure for recipient selection. Thanks was extended to Donna Oliver, Ruth Leone, Elaine Patton and Jessica Phipps for reading and evaluating all 17 applications, and to Suzanne Taylor and staff for coordinating the applications. Those applying responded to the question, "As a whole, credit unions have recently celebrated over 118 million members across the U.S. While this is a significant accomplishment, it still constitutes approximately 10% of the nation's banking relationships. Compare and contrast banks versus credit unions." Excerpts from each essay were read as each award winner was recognized and presented their \$1,000 check.

High School

College

Emily M. Drda	West Middlesex High School	Gabrielle Lucas	Westminster College
Gavin Eberlin	NW Collegiate Academy	Jordan Peidle	University of Akron
Claire Marie Toth	Kennedy Catholic High School (<i>Scholarship in Past Chair, Connie George's Honor</i>)		

Mr. Zipay announced the nominees for the three open board seats each for three-year terms. The three nominees are Rick Titus, Cliff Toth and Donna Oliver. These individuals are presently on the credit union board and have agreed to continue to serve if elected. There were no other nominees. Ed Zipay, board chair, declared all nominees as elected to the MCCFCU Board of Directors.

Ed Zipay called ticket numbers for the surprise giveaway envelopes. Three members won 50/50 raffle prizes with the remaining money benefitting the scholarship fund.

Mr. Zipay thanked members and guests for attending. A motion to adjourn was made by Tom Zipay, and seconded by Dick Mershimer. The meeting adjourned at 8:30 pm.

Respectfully submitted,

Donna Oliver, Board Secretary

SUPERVISORY COMMITTEE REPORT



The supervisory committee of the Mercer County Community Federal Credit Union would like to report to you, the credit union members, that in our opinion, the credit union continues to be financially strong.

We find it to be well managed through sound policies and programs, and in compliance with applicable state and federal laws and regulations.

Our opinion is based on the annual external audit conducted by the Pennsylvania Credit Union Association and the examinations by the National Credit Union Administration.

Your supervisory committee consists of five experienced volunteers who are appointed by the board of directors. The committee members are Karen Davis, Sylvester Enos, Ruth Leone, Delnora Taylor, and Richard Titus. As “guardians” of your credit union, the committee members meet monthly to review various reports, policies, and internal controls, attend training sessions, conduct semi-annual audits at each branch, and meet regularly with the CEO, Sandi Carangi. In 2019, the supervisory committee also conducted special audits at the Sharon branch location, immediately before, and again after, the move from the mobile branch to the newly renovated Sharon office.

As required, the committee performed a verification of member accounts and Visa accounts at the end of 2019 and submitted the results to the NCUA federal examiner. Looking forward to 2020, we will be asking members to please review their 2020 year-end member accounts and Visa statements. Any discrepancies or questions should be brought to the attention of the supervisory committee. Of course, all members are encouraged to do their own self-audits on a regular basis.

In 2019, we saw our membership grow to over 10,000, with 1,030 new accounts opened. The majority of new accounts were referred by a family member, friend, or co-worker. In addition, we have gained many new members through our relationship with area car dealerships and the CUDL auto loan program.

On behalf of the supervisory committee, I would like to thank the staff and board of directors for another good year and express our appreciation to our members for your support in making our credit union a financially strong institution.

Respectfully submitted,

A handwritten signature in cursive script that reads "Ruth Leone".

Ruth Leone, *Chair*
Supervisory Committee



63 YEARS OF CELEBRATION 1957-2020

BOARD CHAIRS

Thomas Lally 1957 - 1960

Albert Bigenho 1961

John Frank 1961 - 1963

Esther Ebert 1963

Wallace Heiges 1964

Stanley Schubel 1965

Frances Sloan 1966 - 1968

Nell Bobish 1969 - 1977

Richard Fischer 1978 - 1979

Ed Zorek 1980 - 1984

Joan Walker 1984 - 1986

Angelo Piccirilli 1987 - 2002

Ed Zipay 2002 - 2014

Connie George 2014 - 2018

Ed Zipay 2018 - Present

MANAGERS/CEOs

Phyllis Magargee 1957 - 1959

Roger Lewis 1960 - 1965

Ronald Simkins 1965 - 1969

Charles Black 1969 - 1988

David Killa 1988 - 2015

Sandi Carangi 2015 - Present

63 YEARS OF SHENANGO VALLEY TEACHERS FCU & MERCER COUNTY COMMUNITY FCU DIRECTORS

Thomas Lally

John Cunningham

Phyllis Magargee

Gerald Tallarico

Ruth Robins

Scott Lewis

Al Bigenho

John Frank

Alex Krotenak

Marie Anderson

Annabelle Mitchell

Dolores Toth

Blair Stewart

Wallace Heiges

Ed Bortner

Eunice Adams

Pauline Lombardi

Emma Young

Esther Ebert

Al White

Nell Bobish

Frances Sloan

Ron Simkins

James Marcolnio

Harold Hogue

Christ Hodges

John Young

George DeMark

Ronald Snyder

Jack Hudson

Stanley Schubel

Richard Fischer

Richard Boyles

Gary Jones

William Dunsmore

Angelo Piccirilli

Winnie Eichelberger

Joan Walker

Ed Zorek

Lorraine Kudelko Amos

John Pelsh

David Moses

Larry Perna

Frank Gargiulo

Michael Gonsalves

Connie George

Ed Zipay

Bob Lucas

David Burich

Laura Kubyako

Donna Oliver

Cliff Toth

Richard Titus

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2019

ASSETS

Loans	\$42,030,468.52
Less: Allowance for Loan Loss	(111,556.50)
Less: Allowance for ODP Loss	(982.82)
Cash on Hand	1,076,392.97
Investments	33,502,166.37
Prepaid & Deferred Expenses	264,656.55
Land & Building – Sharon (net)	791,240.72
Land & Building – Hermitage (net)	367,922.00
Furniture & Equipment (net)	186,942.57
Accrued Interest on Loans	82,269.81
Share Insurance	730,017.23
Other Assets	756,524.46
TOTAL ASSETS	\$79,676,061.88

LIABILITIES

Accounts Payable	\$89,162.50
Dividends Payable	54,424.41
TOTAL LIABILITIES	\$143,586.91

Regular Shares	\$53,738,545.40
IRA Shares	4,676,431.84
Vacation Club Accounts	451,402.66
Christmas Club Accounts	151,824.46
Share Certificates	3,901,588.83
Checking Accounts	9,102,759.83
Regular Reserves	1,202,911.53
Undivided Earnings	6,087,840.96
Equity Acquired in Merger	219,169.46
TOTAL EQUITY	\$79,532,474.97
TOTAL LIABILITIES AND EQUITY	\$79,676,061.88

STATEMENT OF INCOME & EXPENSES

As of December 31, 2019

OPERATING INCOME

Interest on Loans	\$1,726,471.51
Income from Investments	698,319.88
Other Income	485,239.38

TOTAL GROSS INCOME	\$2,910,030.77
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OPERATING EXPENSES

Compensation	\$738,411.65
Benefits/Insurance	153,929.39
Employer Tax Expenses	67,853.26
Travel & Conferences	23,207.30
Association Dues	15,351.00
Sharon Office Occupancy	34,366.05
Hermitage Office Occupancy	29,988.70
Sharon Office Operations	208,511.46
Hermitage Office Operations	200,174.52
CDA Donations & Fees	4,339.97
Education & Promotions	93,659.39
Scholarship Fund	7,875.00
Loan Servicing	59,244.06
ODP Expenses	98,945.31
Visa Loan Servicing	94,305.85
Indirect Loan Servicing	180,038.46
Professional & Outside Services	8,091.61
Provision for Loan Loss	115,620.88
Provision for ODP Loss	14,437.48
Supervision & Examination	20,974.29
Cash Over & Short	(104.88)
Annual Meeting	4,997.00

TOTAL OPERATING EXPENSES	\$2,174,217.75
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Non-Operating Gain (Loss)	202,111.53
Less Dividends to Members	253,944.40

NET INCOME TRANSFER TO UNDIVIDED EARNINGS	\$683,980.15
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2019 REVIEW

10,014
VALUED MEMBERS



We're helping more families achieve their dreams

\$79+
MILLION



Growing stronger – our total assets as of 2019 year-end

500+
STUDENTS



We're providing financial education to students in Mercer County

50+
CHARITABLE ORGANIZATIONS



Community outreach – we're enriching the lives of our members and the community

5 YEAR REVIEW

YEAR END	TOTAL ASSETS	TOTAL LOANS	TOTAL SAVINGS	TOTAL CAPITAL
2015	\$72,242,592.03	\$33,084,896.62	\$66,082,780.50	\$6,114,164.33
2016	\$75,058,561.97	\$32,110,943.75	\$68,755,498.73	\$6,245,952.87
2017	\$76,058,237.62	\$33,616,814.75	\$69,462,107.27	\$6,495,961.44
2018	\$77,821,005.63	\$36,126,137.93	\$70,865,620.73	\$6,825,941.80
2019	\$79,676,061.88	\$42,030,468.52	\$72,022,553.02	\$7,509,921.95



COMMUNITY IMPACT

Mercer County Community Federal Credit Union continues to make a difference in our community by supporting the following organizations and events:

- Hermitage Volunteer Fire Department
- Clark Volunteer Fire Department
- Shenango Valley Chamber of Commerce
- Mercer County Hall of Fame
- United Way of Mercer County
- Akron Children's Hospital – Mahoning Valley
- American Cancer Society
- Shenango Valley Chapter of Pennsylvania Credit Unions Scholarship Fund
- Community Food Warehouse of Mercer County
- PA Credit Union Financial Fitness Day
- Credit Unions for Kids Children's Miracle Network
- Mercer Community Band Concert Series
- United Way of Beaver County
- Junior Achievement of Western Pennsylvania
- Pennsylvania Business Week - Hermitage School District
- Prince of Peace Center
- Penn State Shenango Basketball
- Keystone Blind Association
- Buhl Park Winter Fest
- Farrell Alumni Hall of Fame
- Pennsylvania Business Week – Sharpsville School District
- Shenango Valley Animal Shelter
- Mercer County Business & Industry Career Fair
- Sharon High School Financial Literacy Class
- Sharpsville High School Financial Literacy Class
- Hermitage High School Financial Literacy Class
- Joshua's Haven City Mission
- Buhl Park Summer Concert Series
- Hermitage Holiday Light Parade
- Arc of Mercer County
- Whole Life Services, Inc.
- Mercer County Senior Follies
- Sharpsville Baseball Boosters
- Reynolds HS Baseball/Softball Boosters
- Business & Professional Women of New Castle
- Reynolds High School Spanish Class
- Quota International of Hermitage
- Farrell Dolphin Aquatics Class
- Community Events, LLC
- PA Credit Union Foundation
- American Heart Association
- Penn State Shenango Athletics
- Area Community Theater of Sharpsville
- Hickory High School Sports
- AWARE
- Community Library of the Shenango Valley
- Greater Sharon Associates Foundation
- Shenango Valley Meals on Wheels
- 'Think Big' Pediatric Cancer Fund
- American Legion Post #40 Veteran's Emergency Fund



SPECIAL THANKS

- Mercer County School District Superintendents & Administrators for their assistance and support.
- To the business offices and staff at Mercer County Area School Districts, City, Borough, and sponsor payroll departments.
- Thank you to our credit union staff. Their dedication and service to our members is greatly appreciated by the Board of Directors, Supervisory Committee and CEO.
- To you, our valued members, for your loyalty and support throughout our 63 years of "People Helping People."

IN ADDITION, WE WOULD LIKE TO THANK THE FOLLOWING SCHOOL DISTRICTS AND ORGANIZATIONS:

Blissed Out Designs	Mercer County Council of Governments
Borough of Sharpsville	North Sharon Volunteer Fire Co.
City of Farrell	Our Area First Responders
City of Hermitage	Premier Electric
City of Sharon	Retail Grocery Services, Inc.
Commodore Perry School District	Reynolds School District
Farrell School District	Sharon School District
Greenville School District	SCP Group (Sharon Commercial Printing)
Grove City School District	Sharon Regional Medical Center
Halo Branded Solutions (On Your Way, LLC.)	Sharpsville School District
Sharon Herald	Shenango Valley Chamber of Commerce
Hermitage School District	South Pymatuning Township
Jamestown School District	The Arc of Mercer County
JCL Development	Thiel College
Kennedy Catholic High School	Thompson Fabricating
Lakeview School District	West Middlesex School District
Mercer Area School District	Whole Life Services, Inc.
Mercer County Area on Aging	Winner Steel (Sharon Coating)
Mercer County Behavioral Health	

Congratulations
**TO THIS YEAR'S CONTINUING
EDUCATION AWARD RECIPIENTS**

SERVICES FOR OUR MEMBERS

SAVINGS ACCOUNTS

- Regular Savings (Shares)
- Share Certificates
- Holiday Club
- Vacation Club
- IRA Shares

LOANS

- Personal
- Home Equity
- Home Equity Line of Credit
- First Mortgages
- Share Secured
- New & Used Automobiles
- Recreational Vehicles
- Visa Credit Cards
- Student Loans Through Sallie Mae®
- Auto Smart Online Auto Loans/Preapprovals
- CU Direct Auto Lending

Participating dealers:

Apostolakis Honda
Bill McCandless Ford
Gordon's Auto Sales
Greenwood Hubbard Chevrolet
Lakeland Chrysler Jeep Dodge
Montrose Buick GMC Cadillac
Phil Fitts Ford, New Castle
Preston Ford
Preston Toyota of Hermitage
Shenango Honda
Taylor Chevrolet Toyota of Hermitage
Taylor Kia of Boardman & Hermitage
Team Lake Road Auto Sales

DIRECT DEPOSIT

- Government Checks
- Payroll
- ACH
- Social Security

INSURANCE

- GAP Auto Protection
- CDI & Credit Life Insurance
- TruStage Insurance Program
- Deposits Federally Insured by NCUA

CHECKING ACCOUNTS

- No Minimum Balance
- Visa Debit Card
- Overdraft Protection/Courtesy Pay

OTHER SERVICES

- Family Memberships
- Junior Ship Ahoy Kid's Club
- Drive-Thru ATM
- Night Depository
- Money Orders
- Cashier's Checks
- Visa Gift Cards
- Free Notary
- Medallion Signature Guarantee
- Wire Transfers
- Online Banking
- Online Bill Payment
- Mobile Banking
- Mobile Check Deposit
- E-Statements
- LifeLock

OFFICE HOURS

Monday - Friday: 9:00 AM - 5:00 PM - Lobby Hermitage & Sharon
Friday: 9:00 AM - 5:30 PM - Drive-Thru Hermitage & Sharon
Saturday: 9:00 AM - Noon - Drive-Thru Hermitage

Phone Numbers: (724) 981-9410 - Hermitage Office
(724) 342-2246 - Sharon Office

Fax Numbers: (724) 981-9412 - Hermitage Office
(724) 342-1670 - Sharon Office

E-mail: contact@mercomfcu.org

Website: www.mercomfcu.org

Mobile App: Mercer County Community FCU



