

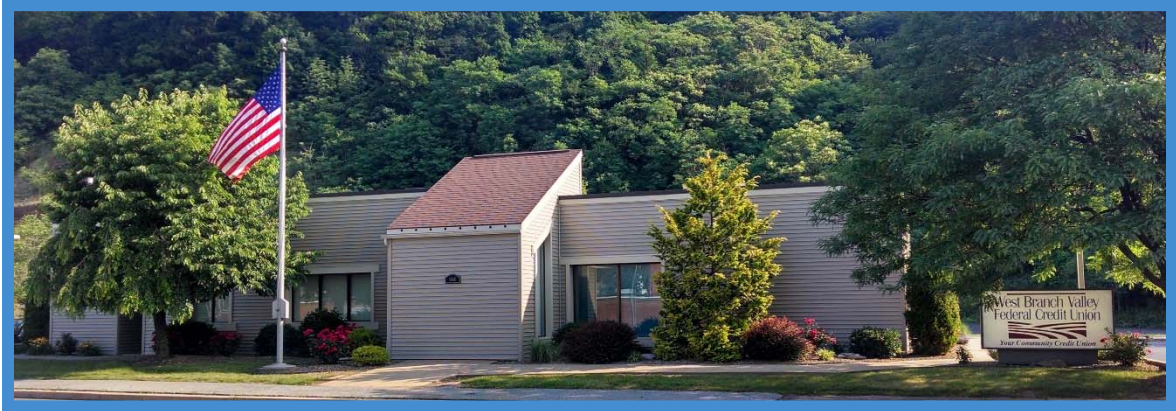
Helping
YOU
Live Your Life in
FULL COLOR

West Branch Valley
Federal Credit Union



Your Community Credit Union

Annual Report
2016



Our Mission

To provide exceptional member service.

Our Vision

To be our members first and foremost choice.



Thank you!

As you walk through the credit union doors on the wall to the right side is a sign that reads “Thank you for your business”. Thank you, two little words that mean so much. Webster’s dictionary description of thanks is “an expression of gratitude” and you as “the person or persons spoken to”.

Your loyalty and trust, whether you are a new or a long time member, is greatly appreciated. Thank you for being a part of West Branch Valley Federal Credit Union. You, our members, are the reason for our success and growth.

On behalf of the Board of Directors, I would like to express to our President/CEO, Robert Horner, Jr., the staff and employees our thanks for their commitment to the credit union and the professionalism they display every day to our members.

Sincerely,



Mary L. Southward

Board Chairwoman

April 8, 2017



In recognition of the 2017 Annual Meeting, we have been in existence and proudly providing financial services as your credit union for 65 years.


Through these many years, you and your Credit Union have experienced many changes. Some of the changes experienced in 2016 were quite substantial. After twenty years, sadly we permanently closed our Third Street office due to declining activity. Secondly, during the November elections, the country voted for change. And thirdly, the Federal Reserve Bank (“FRB”) increased interest rates for the second December in a row. Going into 2017, more changes continue to take place. It’s premature to know what specific changes will actually take place or what will be their true impact.

When the branch closed, we added additional staff at the Main Office to handle the increased traffic flow. While the decision to close that office was not well received by all of our members, the vast majority of our loyal membership has accepted the change. Going forward, we continue to investigate new products and services that will enhance our members’ experiences.

The promised repeal and replacement of the health care program is on everyone’s radar. Will the potential changes and costs be fair to all? The promise of more jobs, especially for the American working class, should help to stimulate the economy and improve hope and pride. Will we see substantial tax reform? Will it provide the promised economic benefits and stimulus?

At their February 2017 meeting, the FRB increased interest rates again. In addition, they indicated the likelihood there will be more increases in 2017. Their explanation for the increase(s) is a strengthening economy and U.S. dollar. In addition, they stated that inflation, wages and employment are all increasing and are nearly reaching the upward limits of their goals. In my humble opinion, I haven’t seen that the rate increases have had an impact on our local economy. Yes, our living costs are increasing, but they have been consistently rising.

What impact has the FRB’s increasing interest rates had on us? For most, no substantial benefits have been derived from these increases. Yes, variable rate loan products which are tied to an underlying index will incrementally increase. While, fixed rate loan products (except mortgage rates) have remained substantially unchanged. And, most of the savings rates have yet to move. I believe more substantial increases must come before they have an effect on local interest rates.

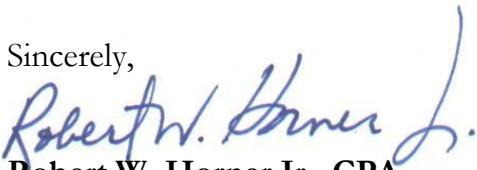


Recently enacted rules and regulations that impacted most industries, including your Credit Union, have been costly and burdensome to institute. The new Administration has promised to lessen their impact and stimulate the market.

All of us accept or reject changes and their effects differently. It is my hope the changes we are confronted with will be mutually beneficial and make our lives better.

I would like to express my appreciation to the Board of Directors, Committee Members, Management and Staff of your Credit Union for their continued support.

Sincerely,



Robert W. Horner Jr., CPA
President / CEO

**People
Helping
People**

Financial Report: Statement of Financial Condition

	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
<i>Assets</i>		
Cash and cash equivalents	\$ 2,375,304	\$ 2,892,674
Certificates of deposit	11,353,834	10,107,199
Investments available-for-sale	4,402,563	4,114,348
Loans to members	18,020,813	18,556,270
Accrued income receivable	168,102	133,776
Property and equipment	352,626	382,076
Other assets:		
Deposit - NCUSIF	335,778	322,195
Mid-Atlantic capital share deposit	189,143	189,143
Investment in CUSO	57,500	57,500
Other	<u>89,685</u>	<u>111,615</u>
TOTAL ASSETS	<u>\$ 37,345,348</u>	<u>\$ 36,866,796</u>
<i>Liabilities and Members' Equity</i>		
Liabilities:		
Members' shares	\$ 34,499,827	\$ 34,062,937
Accounts and withholdings payable	69,777	76,210
Accrued payroll and benefits	36,246	39,652
Accrued interest and dividends payable	<u>1,503</u>	<u>1,947</u>
TOTAL LIABILITIES	<u>34,607,353</u>	<u>34,180,746</u>
Members' Equity:		
Regular reserve	1,040,710	1,040,710
Retained earnings	1,725,433	1,671,611
Accumulated other comprehensive income/(expense)	<u>(28,148)</u>	<u>(26,271)</u>
TOTAL MEMBERS' EQUITY	<u>2,737,995</u>	<u>2,686,050</u>
TOTAL LIABILITIES AND MEMBERS' EQUITY	<u>\$ 37,345,348</u>	<u>\$ 36,866,796</u>

Financial Report: Statement of Income

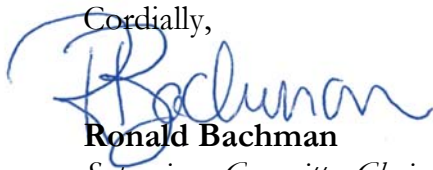
	<u>December 31,</u>	
	<u>2016</u>	<u>2015</u>
Interest Income:		
Members' loans	\$ 903,437	\$ 858,076
Investments	<u>253,932</u>	<u>235,586</u>
TOTAL INTEREST INCOME	<u>1,157,369</u>	<u>1,093,662</u>
Interest Expense:		
Members' dividends	67,075	81,319
Other interest expense	<u>- 0 -</u>	<u>76</u>
TOTAL INTEREST EXPENSE	<u>67,075</u>	<u>81,395</u>
Net Interest Income Before Provision for Loan Losses	1,090,294	1,012,267
Provision for Loan Losses	<u>35,550</u>	<u>14,706</u>
Net Interest Income After Provision for Loan Losses	<u>1,054,744</u>	<u>997,561</u>
Non-Interest Income:		
Electronic card services	97,899	99,452
Fees and charges	242,421	231,075
Gain/(Loss) on investments	18,194	5,063
Gain/(Loss) on disposal of assets	(698)	- 0 -
Miscellaneous	<u>16,247</u>	<u>15,733</u>
TOTAL NON-INTEREST INCOME	<u>374,063</u>	<u>351,323</u>
Non-Interest Expense:		
Employee compensation	621,938	712,264
Employee benefits	153,868	160,324
Travel and conferences	7,772	8,724
Association dues	8,026	8,500
Office occupancy	119,599	129,248
Office operations	186,241	212,457
Marketing and education	16,277	23,672
Electronic card services	13,923	10,702
Loan servicing	54,943	38,813
Professional and outside service	128,960	80,363
NCUA operating fee	6,710	6,473
Share draft losses	2,725	1,528
Miscellaneous	<u>14,397</u>	<u>10,266</u>
TOTAL NON-INTEREST EXPENSE	<u>1,335,379</u>	<u>1,403,334</u>
NET (LOSS) / INCOME	<u>\$ 93,428</u>	<u>\$ (54,450)</u>

We, the Supervisory Committee, engaged the services of Padden, Guerrini, & Associates P.C. to audit the financial statements of West Branch Valley Federal Credit Union for the period ending December 31, 2016. The examination was a study and evaluation of the Credit Union's system of internal accounting control to the extent considered necessary to evaluate the system as required by generally accepted accounting standards.

In their observation, the Credit Union's financial statements are free of any material misstatement and represent an accurate statement of position.

We would like to thank the Credit Union staff and management for their cooperation, hard work and dedication during 2016.

Cordially,



Ronald Bachman

Supervisory Committee Chairman

Supervisory Committee Members



Ronald L. Bachman
*Supervisory
Committee Chairman*



Lori A. Miller
*Supervisory
Committee Member*



Jennie R. Melloy
*Supervisory
Committee Member*



We would like to thank the following employers for joining the credit union and providing a wonderful benefit to their employees.

Alexander Subaru
American Drug & Alcohol Diagnostics
Ardenlee Concrete
Products Company, Inc.
Bastian Tire & Auto Centers
Best Buy Store #1039
Cable Services Company, Inc.
Ceraln Corporation
Coastal (JW Aluminum)
Coldwell Banker – Kimble Realty
Dynamats Gymnastic Center
Echo Flooring
Equinox Ltd.
Faxon Cleaners
FD Muncy Corp. d.b.a. McDonald's
Fifth Avenue Tavern
First Church of Christ (Disciples)
First Quality Products
Flowback Wastewater Treatment
Development Group, Inc.
Gary's Garage
Grand Rental of Williamsport, Inc.
d.b.a. Grand Rental Station
R. G. Heller, Inc.
Hoeganaes Corp.
Home Instead Senior Care
HRI, Inc.
I.B.E.W. Local #812
J.C. Ehrlich Pest Control
K.C. Larson, Inc.
Kaufman Funeral Home, Inc.
Keller and Young, CPA
Lycoming Beverage Company
Lycoming College
MAS Printing
Mathers, Dincher and Stapp, P.C.

Micro One Computer Center, Inc.
Mr. Sticky
North Central PA Chapter
of the American Red Cross
North Central Dialysis Clinics, LLC
North Central Sight Services, Inc.
OHD Thermacore, Inc.
Pepsi Bottling Group
Perciballi & Williams LLC
Red Rock Job Corp.
Rick Horner Painting
Rolling Wheels
Saint Ann's School
Segraves Construction Company
Sentry Security & Detective Agency
Shane Scaping Landscaping
and Lawn Care
Smurfit Stone Container Corporation
Spencer Mechanical, Inc.
STEP, Inc.
Susquehanna Drifters Chapter #8
Susquehanna Health System
Sweet Ventures, Inc. d.b.a. Bruster's
Sycamore Manor Health Center
Thompson Custom Veneers, Inc.
Tebbs Brothers Landscaping
Textron Lycoming
VT Hackney Kidron Division
West End Food Bank
Wheels of Williamsport
Willard Battery Outlet
Williamsport Municipal Water &
Sanitary Authority
Williamsport Presbyterian Home
YMCA
YWCA

Anyone who lives, works, regularly conducts business, worships, volunteers, attends school in, as well as businesses and other legal entities located in Lycoming County, Pennsylvania.

Board of Directors



Mary L. Southward
Chairwoman



Ronald J. Hamm
First Vice Chairman



John F. Aderhold
Second Vice Chairman



John F. Bubb
Secretary/Treasurer



Larry J. Biacchi
Board Director



Ronald L. Bachman
Board Director



John C. Lauchle
Board Director

Management & Staff



Back Row: Robert W. Horner Jr., Arlene D. Plocinski, & Darla M. Doebler

Front Row: Susan L. Powell, Kendra M. Long, & Diane M. Fleeger

Robert W. Horner Jr., CPA
President/CEO

Diane M. Fleeger
Executive Vice President

Susan L. Powell, CPA
Director of Accounting

Darla M. Doebler
MSR Supervisor

Kendra M. Long
Executive Secretary/Marketing

Arlene D. Plocinski
Head Teller

Sabrina M. Breen
MSR

Kristen Brown
MSR

Shanean L. Edmonds
MSR

Carol A. Evans
Receptionist

Tammy L. Harvey
MSR

Joanita C. Keller
MSR

Diane S. Pysher
Accounting Supervisor

Patty M. Raino
MSR

Lindsay E. Sauers
Accounting Clerk

Feed-A-Family Fundraising

Through various fundraisers including basket raffles, a paper ornament sale and generous donations from members our West Branch Valley Federal Credit Union Events Committee raised approximately \$175 for the Central PA Food Bank.



Relay for Life Fundraising

Through various fundraisers including bake sales, basket raffles, candy sales, Easter flowers, Fall Mums, and Poinsettia flower sales our West Branch Valley Federal Credit Union Relay for Life Committee raised approximately \$2,137 for this worthy cause.

This is the 23rd year we have participated in this program.

West Branch Susquehanna Builder Association's Home Show

West Branch Valley Federal Credit Union participated in the West Branch Susquehanna Builder Association's 2016 Home Show.

This was our 12th year participating in this exciting event held at Lycoming College's Recreation Center.





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Website: www.wbvfcu.org
Facebook: www.facebook.com/wbvfcu

