

ANNUAL REPORT 2019

81st Annual Shareholders'
Meeting and Report of Condition
as of December 31, 2019

CEO REPORT **Cindy Dickey**

I am pleased to report that 2019 was another successful year for your credit union. During the year our assets grew by \$12,440,423 to a total of \$357,547,197, total loans to members grew \$2,586,023 to a total of \$265,261,280, and total member shares grew \$10,442,994 to a total of \$320,148,819. Our total member accounts remain strong coming in over 41,000. Your credit union remains extremely strong with our capital ratio coming in at 10.41% as of the end of the year and our loan to share ratio remains strong at 83.04%.

During 2019, we celebrated our 80th anniversary by donating \$1,939, in recognition of the year we were founded, to an organization in each of the four counties we serve. In Monongalia County we donated to the Ronald McDonald House Charities by purchasing 80 items on their Wish List and supplied dinner to the residents. In the second quarter, we donated \$1,939 to the newly expanded United Way of Marion and Taylor Counties designated for the new campaign in Taylor County. Fairmont State University's The Nest-Student Food Bank was the recipient of the \$1,939 in the third quarter. In the fourth quarter, a check was presented to the Louis A. Johnson Medical Center Social Work Fund in Harrison County that supplies emergency items for Veterans. In addition, to our donations we showed our appreciation to those that worked at Owens Illinois by buying breakfast for the group of retired Owens Illinois employees that gather each month to have breakfast.

In 2019, we were pleased to offer a Youth Saving Challenge Club with a high yield tier to further our efforts to encourage youth savings and we made significant strides in the second half of the year by expanding on our business continuity efforts to have dynamic high availability of our member facing systems such as digital banking and debit card systems.

We continue to be blessed by the strong support of our ever growing membership base, and are grateful to our members for their continued confidence in our ability to meet their financial needs. We look forward to serving our members and the communities we serve in 2020. Thank you for continuing to allow us to work together to help you achieve your financial goals.

SUPERVISORY COMMITTEE REPORT **Ryan Campione, Chairperson**

The Supervisory Committee's role is to maintain oversight of the safety and reliability of Fairmont Federal Credit Union members' assets, by ensuring financial reporting objectives are met and that the Credit Union establishes and upholds appropriate policies and procedures. Our committee membership serves as vigilant representatives of our members' interests and financial security.

This past year the committee was tasked with obtaining an independent licensed auditing firm to evaluate accounting controls, financial statements, and verification of members accounts. After a thorough bidding process, the committee chose GBQ Partners, a Certified Public Accounting Firm, to complete this task.

Fairmont Federal Credit Union has also recently gone through its regular NCUA exam process. The Supervisory Committee was delighted by the outstanding professionalism and diligence shown by the Credit Union's leadership team throughout this process.

After another year of favorable independent and internal audit findings, the Supervisory Committee can confidently report that Fairmont Federal Credit Union continues to maintain top marks and stands as a model institution in which its members and the community can reliably depend on. The committee would like to thank the Credit Union's leadership team and employees for another exemplary year of service. We are all proud to be volunteers of such a vibrant and growing organization that strives to serve its members, employees, and community as family.

CHAIRMAN'S REPORT George Levitsky Jr.

The Board of Directors of the Fairmont Federal Credit Union remains committed to helping members achieve their financial goals by providing mutually beneficial member services, convenient locations, and programs that meet your financial needs. The Board believes the Fairmont Federal Credit Union continues to be a viable member-owned financial alternative and desires always to put our members first and maintain the quality of service that every member deserves.

From a financial perspective, 2019 was another successful year for Fairmont Federal Credit Union. Just as important, I am very proud of the time our employees gave back to our community. Be it the United Way, Robes for Recovery, WVU Medicine Children's Hospital or countless other organizations, our employees continued to serve and were committed to improving where we live and how we live. Additionally, the coming years will be a challenge on continuing our philosophy of People Helping People.

The future is bound to bring new ideas, new technologies, and new avenues of service to our financial institution. But as we grow and evolve, we will keep our focus right where it belongs — on you, our valued members. Fairmont Federal Credit Union will continue to be your trusted financial partner, listening to your needs and responding with products and services designed to help you reach your goals.

In summary, the Board, Supervisory Committee, and I extend our thanks to Fairmont Federal Credit Union's loyal and recently joined members for patronage and to the staff and management for all their hard work and contributions over the past year. Your combined support continues to ensure Fairmont Federal Credit Union will position itself to meet its objectives and the challenges and opportunities of the future.

STATEMENT OF CONDITION AS OF DECEMBER 31, 2019

ASSETS

Total Net Loans	\$ 265,261,280
Liquid Assets	8,806,658
Investments	59,101,557
Receivables	909,107
Prepaid & Deferred Expenses	2,494,026
Fixed Assets	16,870,795
Accrued Income	713,795
Other Assets	3,389,979
Total Assets	\$357,547,197

LIABILITIES & EQUITY

Account & Notes Payable	\$3,045,748
Accrued Expenses	1,118,292
Other Liabilities	66,749
Total Shares	320,148,819
Total Equity	33,167,589
Total Liabilities & Equity	\$357,547,197

STATEMENT OF INCOME AND EXPENSES AS OF DECEMBER 31, 2019

INCOME

Loans	\$10,797,291
Investments	1,367,604
Other Income	<u>5,892,867</u>
Gross Income	\$18,057,762

EXPENSES

Operating	\$14,973,942
Dividends	1,263,466
Non-Operating	(652,033)
Gross Expenses	<u>\$15,585,375</u>
Net Income	\$2,472,387

Number of Member Accounts	41,401
Net Worth Ratio	10.41%

BOARD OF DIRECTORS

George Levitsky Jr., Chairman
 Brenda White, First Vice-Chairman
 Joyce E. Keefover, Second Vice-Chairman
 Stanley A. Rittenhouse, Secretary/Treasurer
 Guy E. Baroni, Director
 Richard N. Toothman, Director
 C. Allan Keener, Director

SUPERVISORY COMMITTEE

Ryan Campione, Chairperson
 Jane Campbell, Secretary
 Kim Wells-Johnson, Member
 Gloria Cunningham, Member
 Mary Jo Thomas, Member

EXECUTIVE PERSONNEL

Cindy Dickey, Chief Executive Officer
 Nancy Lopez, Executive VP, CFO
 Beth Bilotta, Executive VP, Operations
 Stacia Martin, Executive VP, Administration