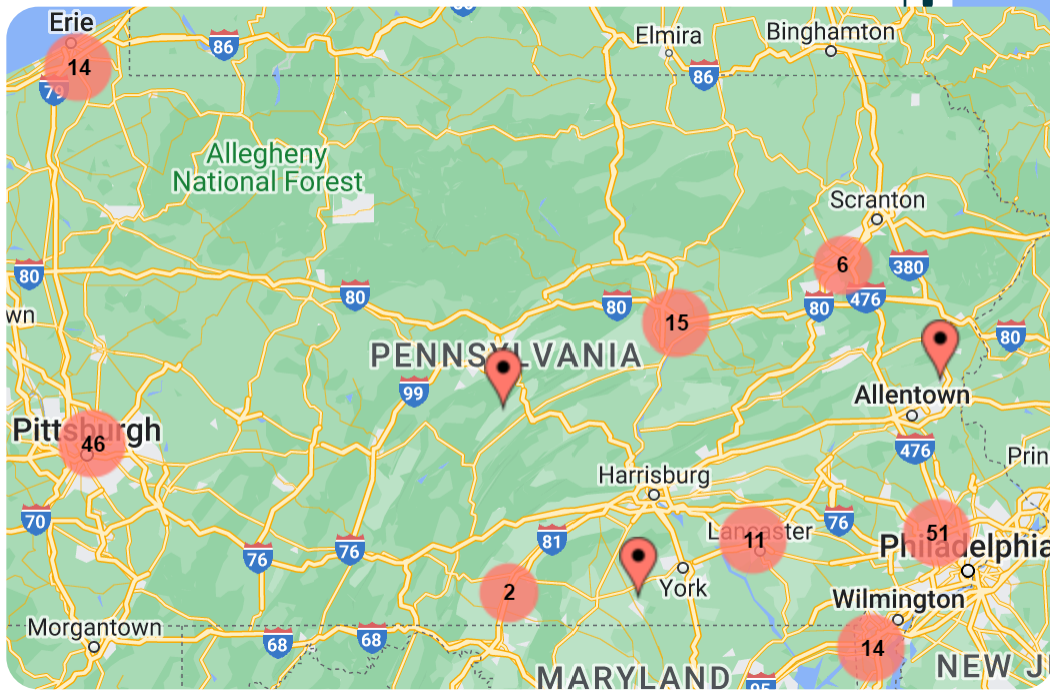
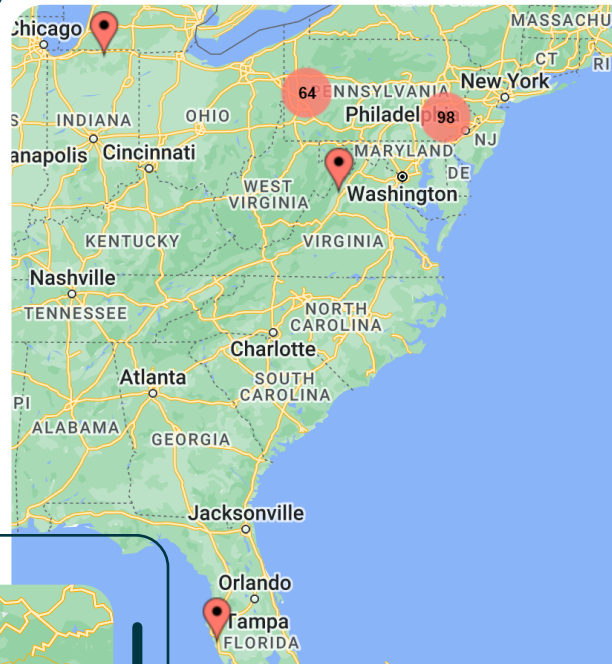


2023 PaCUSC Annual Report



PaCUSC

powered by: 

CHAIR'S REPORT



Brian Hahn

Since its establishment in 1994, Pennsylvania Credit Union Services Centers, Inc. (PaCUSC) has been a leader in providing shared branch access to Pennsylvania and Delaware Credit Unions. In 2023, PaCUSC proudly served 64 credit unions through shared branching, granting nationwide account access to over 1.6 million members. Moreover, the PaCUSC network expanded with the addition of 13 new acquiring locations. Within our network, PaCUSC facilitated over 2.6 million issuer transactions, highlighting the significant impact on credit union members throughout the past year.

While there was a slight decrease in local member verifications compared to 2022 volumes, there was an increase in transactions conducted by out-of-state members within our network. It's important to note that cash transactions continue to dominate overall shared branch transactions.

In recent years, the financial services industry has undergone significant changes, driven by higher member

expectations and a stronger focus on digital convenience, personalized experiences, and immediate access. Despite varying branch usage preferences among members, credit unions participating in shared branching are well-positioned to compete with even the largest financial institutions nationwide, thanks to the Co-op Shared Branch network, which encompasses over 5,400 locations.

As we recognize our financial achievements, we also acknowledge the persistent challenges facing shared branching, such as the necessity of digital transformation and the ongoing threat of fraud. As we move forward, PaCUSC is guided by a clear vision and strategic priorities, viewing these challenges as opportunities for growth and network enhancement.

I extend sincere appreciation to our shareholders, credit union participants, esteemed Board members, and dedicated management team for their unwavering support and commitment. Through our collective efforts, we make a meaningful impact on the financial well-being of the credit union members we are privileged to serve.

Sincerely,
Brian Hahn
Board Chair

TREASURER'S REPORT



Brian J. Waugaman

I am pleased to present the Treasurer's Report for the fiscal year ending December 31, 2023. Throughout the year, our organization remained committed to its mission of establishing a network of shared branches, leveraging technology and convenient locations to extend delivery services to credit unions. Despite facing challenges posed by digital transformation and fraud, we have continued to grow and provide a valuable service for credit union members.

As the digital landscape continues to evolve, shared branching remains a reliable delivery channel for credit unions, distinguishing them from major players in the financial services industry. In 2023, members of Pennsylvania Credit Union Service Centers, Inc. (PaCUSC) conducted over 2.6 million issuer transactions. Our network has expanded to include 165 branches, further enhancing accessibility for our members. We are optimistic about the efficacy of the shared branching model as a cooperative strategy, ensuring nationwide account access for credit union members both presently and in the years to come.

For the year ending December 31, 2023, RKL LLP completed the audit and issued an unqualified opinion, which is the best opinion granted. PaCUSC had a net income of \$82,700. Interest income rose in 2023, as we moved assets to more attractive rates. PaCUSC is well capitalized with approximately \$2.2 million in cash equivalents.

I would like to extend my gratitude to the management staff, board, shareholders and network participants who have contributed to our financial success and the realization of our mission. Your continued support is invaluable and instrumental in driving PaCUSC forward.

I am confident that our organization is well-positioned to tackle the challenges and opportunities that lie ahead. We remain committed to our mission and look forward to continuing our efforts to create positive change in our community.

Thank you for your trust and support.

Respectfully submitted,
Brian J. Waugaman
Treasurer/Secretary

MANAGEMENT REPORT

The PaCUSC Management Team is dedicated to sustaining the shared branch network in Pennsylvania and Delaware. In 2023, PaCUSC collaborated in a cooperative marketing campaign with other state networks nationwide, aiming to enhance awareness and highlight the advantages of shared branching. To foster deeper engagement among participating credit unions, we host monthly chat sessions, providing a platform for consistent and relevant information sharing.

Furthermore, in partnership with Co-op Shared Branch, we introduced enhanced reporting capabilities through the Insight Center. These reports offer transactional-level data, empowering credit unions with invaluable insights by type, dollar amount, branch, and interchange, to help facilitate informed decision-making.

Looking forward, we're thrilled to announce the launch of IDCheck by Co-op, an innovative ID authentication solution designed to modernize the member verification process and mitigate identity fraud risks. We appreciate the participation of our five network participants in the beta test for IDCheck; they are at the forefront of the fight against fraud. Credit unions participating in shared branching will have access to IDCheck for both shared branching transactions and verifying their members' IDs.

As a reminder, shareholders can access PaCUSC information and resources through pacusc.org. To obtain your secure login credentials, email sb@pacusc.org.

We extend our heartfelt thanks to the PaCUSC Board, shareholders, and participating credit unions for their ongoing dedication to PaCUSC and the Co-op Shared Branch network. If your credit union is not yet a shared branch participant but is interested in joining the Co-op Shared Branch network, please reach out to Monika Edlis at medlis@crossstate.org.

Sincerely,

PaCUSC Management Team

PaCUSC Management Team

Patrick Conway, President/CEO

Robin Brunner, SVP Revenue & Solutions

Monika Edlis, Director, Solutions Engagement

Carol Romig, Administrative Assistant

Bradford Simpson, Chief Financial Officer

BOARD OF DIRECTORS



Brian Hahn, Board Chair
American Heritage Credit Union



Linda Brown, Vice Chair
Service 1st Federal Credit Union



Brian J. Waugaman,
Secretary/ Treasurer
Erie Federal Credit Union



Troy Garvin
Omega Federal
Credit Union



Thomas Gosling
First Commonwealth
Federal Credit Union



Janet Preteroti
Clearview
Federal Credit Union



Thomas Smith
Choice One
Federal Credit Union

BALANCE SHEET (AS OF DECEMBER 31, 2023)

CURRENT ASSETS

Cash Equivalents	2,254,387
Accounts Receivable	46,418
Prepaid Expenses	599
TOTAL CURRENT ASSETS	2,301,404
TOTAL ASSETS	2,301,404

CURRENT LIABILITIES

Accounts Payable	56,338
TOTAL CURRENT LIABILITIES	56,338

STOCKHOLDER'S EQUITY

Common Stock - PaCUSC	90
Paid In Capital	2,249,910
Treasury Stock	(20,000)
Retained Earnings	(67,638)
TOTAL STOCKHOLDER'S EQUITY	2,162,362

CURRENT YEAR NET INCOME (LOSS) 82,705

TOTAL LIABILITIES & STOCKHOLDER'S EQUITY 2,301,404

INCOME STATEMENT

	2023 Actual	2023 Budget	Variance to 2023 Budget	2022 Actual	Variance to 2022 Budget	Change from Prior Year
REVENUE						
PA In-State Revenue	76,852	82,200	(5,348)	79,926	(7,074)	(3,074)
DE In-State Revenue	6,051	6,000	51	5,999	699	52
Out of State Revenue	89,976	93,200	3,224	91,448	7,048	(1,472)
Other Operating Income	191,740	198,100	(6,360)	178,414	(20,286)	13,326
Program Revenue	364,618	379,500	(14,882)	355,787	19,613	8,832
Interest Income	99,623	21,900	77,723	25,107	23,707	74,516
Total Revenue from Other Sources	99,623	21,900	77,723	25,107	23,707	74,516
TOTAL REVENUE	464,242	401,400	62,842	380,894	4,094	83,348
OPERATING EXPENSES						
Travel	1,436	2,800	(1,364)	1,429	571	6
Training	2,704	2,600	104	0	0	2,704
Board Expense	9,561	14,100	(4,539)	1,633	(3,667)	7,929
Professional Fees	10,298	8,100	2,198	10,897	2,897	(600)
Telephone & Network Services	1,774	1,700	74	1,718	18	56
Supplies, Services, & Postage	625	1,000	(375)	644	(256)	(20)
Insurance	2,170	2,200	(30)	2,170	(30)	0
Operational Expense	126,238	129,600	(3,362)	126,892	(25,608)	(653)
Marketing, Promotions, & PR	10,101	17,700	(7,599)	10,726	(4,674)	(625)
Miscellaneous Expenses	107	1,200	(1,093)	592	(408)	(485)
TOTAL OPERATING EXPENSE	165,013	181,000	(15,987)	156,701	(32,299)	8,312
OPERATING INCOME/(LOSS)	299,228	220,400	78,828	224,192	36,392	75,036
NON-OPERATING EXPENSE						
Management Service Fee	184,576	185,300	(1,724)	185,476	176	(900)
Certification Assistance	0	15,000	(15,000)	16,500	(8,500)	(16,500)
Revenue Rebate	0	0	0	0	0	0
TOTAL NON-OPERATING EXPENSE	184,576	201,300	(16,724)	201,976	(8,324)	(17,400)
Income/(Loss) Before Taxes	114,653	19,100	95,553	22,217	44,717	92,436
Corporate Taxes	31,948	6,500	25,448	3,019	3,019	28,929
NET INCOME/(LOSS)	82,705	12,600	70,105	19,198	41,698	63,507



5,414 CO-OP SHARED
BRANCH LOCATIONS
NATIONWIDE



2.6+ MILLION
ISSUER
TRANSACTIONS



2023 Highlights



64 PARTICIPANTS
165 ACQUIRER
BRANCH LOCATIONS



SERVING
1,619,080
MEMBERS

PacUSC

powered by:



www.pacusc.org