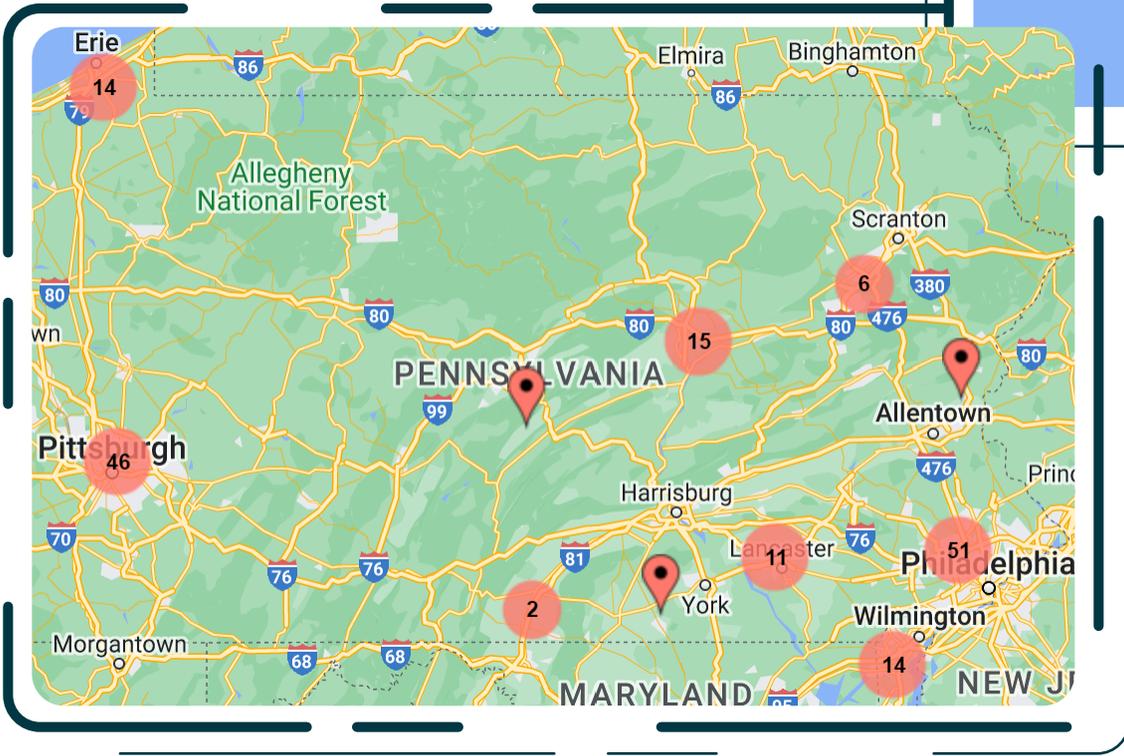
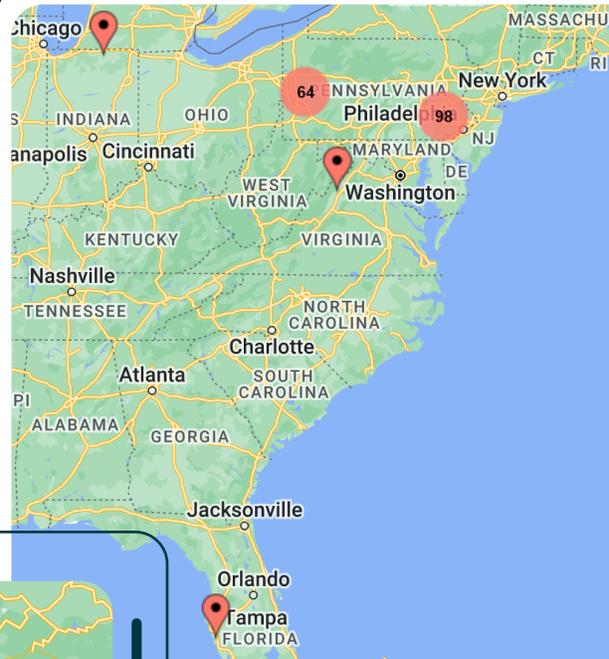


# 2023 PaCUSC Annual Report



*PaCUSC*

powered by  **PCOA**  
OF PENNSYLVANIA

# 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

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# 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](http://pacusc.org). To obtain your secure login credentials, email [sb@pacusc.org](mailto: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](mailto: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
<b>TOTAL CURRENT ASSETS</b>	<u>2,301,404</u>
<b>TOTAL ASSETS</b>	<u><u>2,301,404</u></u>

**CURRENT LIABILITIES**

Accounts Payable	56,338
<b>TOTAL CURRENT LIABILITIES</b>	<u>56,338</u>

**STOCKHOLDER'S EQUITY**

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

**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
<b>REVENUE</b>						
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
<b>TOTAL REVENUE</b>	<u>464,242</u>	<u>401,400</u>	<u>62,842</u>	<u>380,894</u>	<u>4,094</u>	<u>83,348</u>
<b>OPERATING EXPENSES</b>						
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)
<b>TOTAL OPERATING EXPENSE</b>	<u>165,013</u>	<u>181,000</u>	<u>(15,987)</u>	<u>156,701</u>	<u>(32,299)</u>	<u>8,312</u>
<b>OPERATING INCOME/(LOSS)</b>	<u>299,228</u>	<u>220,400</u>	<u>78,828</u>	<u>224,192</u>	<u>36,392</u>	<u>75,036</u>
<b>NON-OPERATING EXPENSE</b>						
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
<b>TOTAL NON-OPERATING EXPENSE</b>	<u>184,576</u>	<u>201,300</u>	<u>(16,724)</u>	<u>201,976</u>	<u>(8,324)</u>	<u>(17,400)</u>
<b>Income/(Loss) Before Taxes</b>	<u>114,653</u>	<u>19,100</u>	<u>95,553</u>	<u>22,217</u>	<u>44,717</u>	<u>92,436</u>
Corporate Taxes	31,948	6,500	25,448	3,019	3,019	28,929
<b>NET INCOME/(LOSS)</b>	<u><u>82,705</u></u>	<u><u>12,600</u></u>	<u><u>70,105</u></u>	<u><u>19,198</u></u>	<u><u>41,698</u></u>	<u><u>63,507</u></u>

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  CO-OP  
SHARED  
BRANCH

[www.pacusc.org](http://www.pacusc.org)