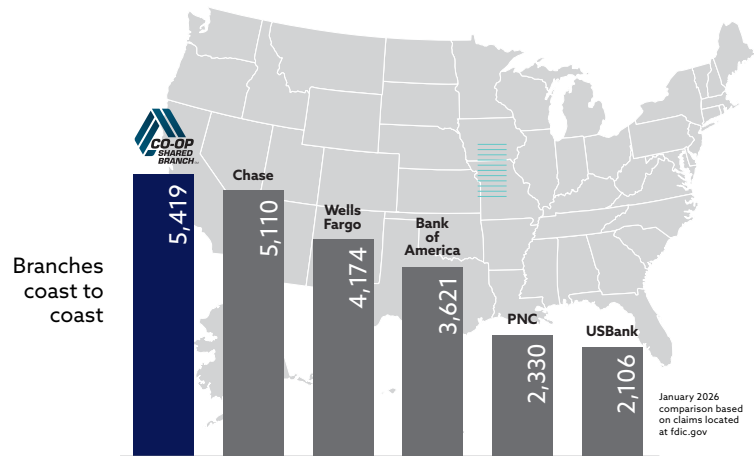


PacUSC

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velera

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2025 ANNUAL REPORT

www.pacusc.org

CHAIR'S REPORT



Brian Hahn

Dear Shareholders,

As we reflect on 2025, Pennsylvania Credit Union Service Centers, Inc. (PaCUSC) continues to demonstrate the strength of collaboration and shared purpose. For over three decades, PaCUSC has supported shared branching across Pennsylvania and Delaware, expanding access through a reliable network of locations and services. Through Velera, which powers the Co-op Shared Branch Network and shared branching capabilities, we continue to extend convenient, in-person service well beyond individual branch footprints.

In 2025, Pennsylvania Credit Union Service Centers, Inc. delivered measurable scale and impact, supporting 60 participating credit unions and providing more than 1.6 million members with reliable, convenient account access nationwide. Activity across our local network remained strong, accounting for over 2 million issuer transactions and underscoring sustained demand for in person financial services. Cash transaction volumes also remained strong, reaffirming the critical role branch access continues to play in meeting everyday member needs.

This year also marked a significant milestone for Velera, as the CO-OP Shared Branch Network celebrated 50 years. Even as branch strategies continue to evolve, shared branching remains one of the most enduring and meaningful differentiators of the cooperative credit union model. It enables institutions of all sizes to deliver consistent service and broad access through a national network of more than 5,400 locations.

Strengthening fraud prevention was a defining priority in 2025, marked by the introduction of IDCheck by Velera. This solution has significantly reduced account takeover fraud losses while streamlining in-branch verification, delivering clear, measurable value to both members and credit unions. As fraud threats evolve alongside rising expectations for digital convenience, innovations like IDCheck are essential to maintain trust and equipping frontline teams to respond effectively.

The Board of Directors extends its sincere thanks to our shareholders, participating credit unions, and management team for their continued support and collaboration. Your commitment enables PaCUSC to adapt, innovate, and remain a vital part of the shared branching ecosystem. Together, we are reinforcing the cooperative spirit that defines the credit union movement and ensuring shared branching remains relevant, resilient, and member focused.

With Appreciation,

A handwritten signature in black ink that reads "Brian A. Hahn". The signature is written in a cursive, flowing style.

Brian Hahn
Board Chair

TREASURER'S REPORT



Brian J. Waugaman

I am pleased to present the Treasurer's Report for the fiscal year ended December 31, 2025.

Pennsylvania Credit Union Service Centers, Inc. (PaCUSC) delivered solid financial and operational results in 2025 and continued to support shared branching as an essential service delivery channel. Shared branching activity was steady during the year, reflecting sustained member demand for convenient, in-person financial services.

PaCUSC remains in a sound financial position. Total assets at year-end were \$2,427,264, including \$2,377,246 in cash and cash equivalents. Liabilities totaled \$29,587, resulting in stockholders' equity of \$2,397,677.

Total revenue for the year was \$433,938, slightly below plan; however, interest income exceeded expectations. Operating expenses totaled \$154,981, and non-operating expenses totaled \$179,584 (both below plan), primarily due to lower activity levels.

Operating income totaled \$278,957. After taxes, net income was \$72,211, exceeding planned results and underscoring continued financial discipline.

RKL LLP conducted the independent audit of the organization's financial statements and issued an unqualified opinion, confirming the statements present fairly, in all material respects, PaCUSC's financial position and results.

As we enter the coming year, PaCUSC is well positioned, with strong liquidity and a stable financial foundation, to expand member access and convenience, help credit unions broaden their reach, and strengthen cooperative efforts.

Respectfully submitted,

A handwritten signature in black ink that reads "Brian J. Waugaman". The signature is fluid and cursive, written over a light blue horizontal line.

Brian J. Waugaman
Treasurer/Secretary

MANAGEMENT REPORT

The PaCUSC Management Team, comprised of team members from CrossState Solutions, continues to provide management and operational support for the Pennsylvania Credit Union Service Center (PaCUSC) CUSO. The team oversees day-to-day operations, billing administration, and support for participating credit unions while working closely with Velera and maintaining representation on the Co-op Shared Branch Task Force to ensure the perspectives of Pennsylvania and Delaware credit unions are represented within the national shared branching network.

In 2025, shareholder New Cumberland Federal Credit Union joined the Co-op Shared Branch network, adding six additional branch locations and further expanding member access and convenience across the region.

A major milestone in 2025 was the launch of IDCheck by Velera. Since implementation, the Co-op Shared Branch network has experienced a dramatic decline in account takeover fraud losses, with most credit unions reporting little to no related losses. While fraud attempts by bad actors continue, PaCUSC has worked with credit unions to promote vigilance, shared best practices, and supported ongoing fraud mitigation efforts across the network.

Velera also introduced Teller Concierge in 2025, an innovative self-service kiosk solution designed to enhance both member convenience and branch efficiency. Teller Concierge is a cash recycler capable of serving members and guest members while supporting a broad range of transactions, including cash withdrawals and deposits, check deposits, coin deposits, and business account transactions. This technology represents another step forward in modernizing branch service delivery while maintaining the accessibility and personalized service credit union members expect.

Shared branching capabilities also continued to expand beyond traditional branch transactions. Participating credit unions now benefit from additional integrated services, including support for Zelle transactions and access to 24-hour call center support. These enhancements provide members with greater convenience, expanded access to assistance, and improved service continuity regardless of time or location.

We appreciate the continued partnership and support of the PaCUSC Board, shareholders, and participating credit unions as we work to strengthen and evolve the shared branching network.

For network updates, resources, and secure materials, visit PaCUSC.org. Need login credentials? Contact us at sb@pacusc.org.

If your credit union is not yet part of the shared branch network and would like to explore the benefits of participation, please contact Monika Edlis at solutionsgrp@crossstate.org.

PaCUSC Management Team

Patrick Conway, President/CEO
Bradford Simpson, Chief Financial Officer

Monika Edlis, Director, Solutions Engagement
Carol Romig, Administrative Assistant

BOARD OF DIRECTORS



Brian Hahn, Board Chair
American Heritage Credit Union



Linda Brown, Vice Chair
Service 1st FCU



Brian J. Waugaman,
Secretary/ Treasurer
Erie FCU



Ronald Ferrance
New Cumberland FCU



Troy Garvin
Omega FCU



Janet Preteroti
Clearview FCU



Thomas Smith
Choice One Community
FCU

"Shared branching is not just to assist our members in finding a location to perform transactions, it's a way for us to assist other credit union members as well. We also use shared branching as a backup for disaster recovery . Shared Branching is very important to us, our members and other credit unions. The ultimate in 'people helping people.'"

- Abby Kiebach, Marketing Manager
Wheatland FCU

SHAREHOLDERS

American Heritage FCU
AmeriChoice FCU
AMERICO FCU
Belco Community CU
CACL FCU
Century Heritage FCU
Choice One Community FCU
CHROME FCU
Clearview FCU
Cross Valley FCU
CrossState CU Association
CrossState Solutions
Erie FCU
Everence FCU
FirstEnergy Choice FCU
First Commonwealth FCU
Glatco CU

Hazleton School Emp. CU
HealthCare First CU
Heritage Valley FCU
Hershey FCU
Highway FCU
Kinecta FCU
Members 1st FCU
N.F.G. #2 FCU
New Cumberland FCU
3Hill CU
North Penn FCU
Omega FCU
PALCO FCU
Patriot FCU
Penn State FCU
Pennsylvania Central FCU
Pentagon (PEN FED)

R-S Bellco FCU
Service 1st FCU
Tendto FCU
The United FCU
U\$X FCU
UFCW Community FCU
United Community FCU
VA Pittsburgh Emp. FCU
Visions FCU
Vizo Financial Corporate CU
West Branch Valley FCU
West Penn P&P FCU
West-Aircomm FCU
Wheatland FCU
White Rose CU
York Educational FCU

PARTICIPATING CREDIT UNIONS

1st Ed CU
Alcose CU
Allegent Community FCU
American Heritage FCU
American Spirit FCU
AMERICO FCU
Ardent CU
Armstrong Associates FCU
Benchmark FCU
Central Keystone FCU
Central Susquehanna Community
FCU
Century Heritage FCU
Choice One Community FCU
CHROME FCU
Clearview FCU
CommonRoots FCU
Corry FCU
Delaware State Police FCU
Dexsta FCU
Discovery FCU

Eagle One FCU
edU FCU
Erie FCU
Everence FCU
First Commonwealth FCU
Forge FCU
Franklin Mint FCU
Freedom CU
Greater Pittsburgh FCU
Greater Pittsburgh Police FCU
Jessop Community FCU
Lancaster Red Rose FCU
Lanco FCU
Louviere FCU
New Cumberland FCU
Omega FCU
PALCO FCU
Penn FCU
Penn State FCU
People First FCU
PHEPLE FCU

Pinpoint FCU
Propell CU
Reliance CU
R-S Bellco FCU
Service 1st FCU
Sun East FCU
Superior FCU
Susquehanna Valley FCU
Tendto FCU
Transit Workers FCU
Tri Boro FCU
Tri County Area FCU
TruMark Financial CU
Ukrainian Selfreliance FCU
United Community FCU
Upper Darby BellTelco FCU
Visionary FCU
West-Aircomm FCU
Wheatland FCU

FINANCIALS

BALANCE SHEET (As of December 31, 2025)

ASSETS

Cash Equivalents	\$	2,377,246
Accounts Receivable	\$	43,960
Prepaid Expense	\$	6,058
TOTAL ASSETS	\$	2,427,264

LIABILITIES

Accounts Payable	\$	29,587
TOTAL LIABILITIES	\$	29,587

STOCKHOLDER'S EQUITY

Common Stock - PaCUSC	\$	90
Paid in Capital	\$	2,249,910
Treasury Stock	\$	(20,000)
Retained Earnings	\$	95,465
TOTAL STOCKHOLDER'S EQUITY	\$	2,325,465

CURRENT YEAR NET INCOME (LOSS)	\$	72,211
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TOTAL LIABILITIES & STOCKHOLDER'S EQUITY	\$	2,427,264
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INCOME STATEMENT

	2025 Actual	2025 Budget	Variance to 2025 Budget	2024 Actual	Variance to 2024 Budget	Change from Prior Year
REVENUE						
PA In-state Revenue	\$ 62,226	\$ 72,100	\$ (9,874)	\$ 72,733	\$ (3,767)	\$ (10,507)
DE In-state Revenue	\$ 4,087	\$ 4,900	\$ (813)	\$ 4,964	\$ (1,136)	\$ (877)
Out-of-State Revenue	\$ 81,604	\$ 88,700	\$ (7,096)	\$ 89,191	\$ (1,509)	\$ (7,587)
Other Operating Income	\$ 193,111	\$ 219,500	\$ (26,389)	\$ 169,576	\$ (24,224)	\$ 23,535
Program Revenue	\$ 341,028	\$ 385,200	\$ (44,172)	\$ 336,464	\$ (30,636)	\$ 4,564
Interest Income	\$ 92,910	\$ 90,000	\$ 2,910	\$ 108,492	\$ 8,492	\$ (15,582)
Revenue from Other Sources	\$ 92,910	\$ 90,000	\$ 2,910	\$ 108,492	\$ 8,492	\$ (15,582)
TOTAL REVENUE	\$ 433,938	\$ 475,200	\$ (41,262)	\$ 444,956	\$ (22,144)	\$ (11,018)
OPERATING EXPENSES						
Travel	\$ 2,339	\$ 2,800	\$ (461)	\$ 2,001	\$ (799)	\$ 338
Training	\$ 2,172	\$ 3,300	\$ (1,128)	\$ 5,165	\$ 2,965	\$ (2,993)
Board Expense	\$ 1,447	\$ 5,400	\$ (3,953)	\$ 2,191	\$ (2,809)	\$ (744)
Professional Fees	\$ 15,216	\$ 15,400	\$ (184)	\$ 13,186	\$ (814)	\$ 2,030
Telephone & Network Services	\$ 2,356	\$ 2,300	\$ 56	\$ 2,187	\$ (113)	\$ 169
Supplies, Services, & Postage	\$ 299	\$ 1,000	\$ (701)	\$ 602	\$ (398)	\$ (303)
Insurance	\$ 2,176	\$ 2,400	\$ (224)	\$ 2,171	\$ (29)	\$ 5
Operational Expense	\$ 118,573	\$ 145,900	\$ (27,327)	\$ 112,295	\$ (14,005)	\$ 6,278
Marketing, Promotions & PR	\$ 10,403	\$ 14,400	\$ (3,997)	\$ 10,534	\$ (3,866)	\$ (131)
Miscellaneous Expenses	\$ -	\$ 200	\$ (200)	\$ -	\$ (200)	\$ -
TOTAL OPERATING EXPENSE	\$ 154,981	\$ 193,100	\$ (38,119)	\$ 150,332	\$ (20,068)	\$ 4,649
OPERATING INCOME/(LOSS)	\$ 278,957	\$ 282,100	\$ (3,143)	\$ 294,624	\$ (2,076)	\$ (15,667)
NON-OPERATING EXPENSE						
Management Service Fee	\$ 179,584	\$ 183,100	\$ (3,516)	\$ 183,378	\$ (1,322)	\$ (3,794)
Certification Assistance	\$ -	\$ 10,000	\$ (10,000)	\$ -	\$ (10,000)	\$ -
Total Non-Operating Expense	\$ 179,584	\$ 193,100	\$ (13,516)	\$ 183,378	\$ (11,322)	\$ (3,794)
Income/(Loss) Before Taxes	\$ 99,373	\$ 89,000	\$ 10,373	\$ 111,246	\$ 9,246	\$ (11,873)
Corporate Taxes	\$ 27,162	\$ 30,300	\$ (3,138)	\$ 30,846	\$ (3,854)	\$ (3,684)
NET INCOME/(LOSS)	\$ 72,211	\$ 58,700	\$ 13,511	\$ 80,400	\$ 13,100	\$ (8,189)

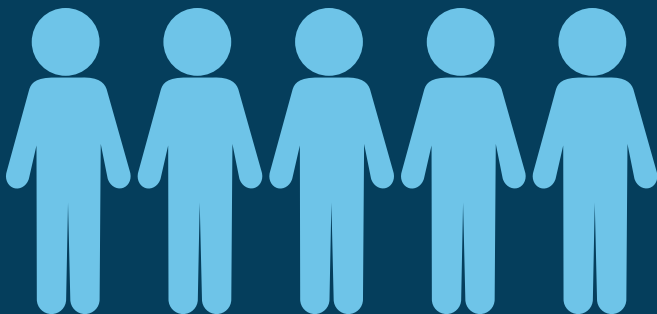
SHARED BRANCHING



61
Local
Credit
Unions

173
Local
Branches

Locally Serving
1,698,046
Credit Union
Members



5,419
Branches
Nationwide

PaCUSC

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