



The New Way to Do Your Banking!

SERVICING OUR COMMUNITY SINCE 1960



2020 Annual Report

61th ANNUAL MEETING

Tuesday, 6:00 PM

March 2, 2021

Ukrainian Center
240 Hope Ave.
Passaic, NJ 07055

AGENDA

1. Call to order.
2. Reading and approval of Minutes of the 60th Annual Meeting.
3. Report of the Board of Directors, CEO and Supervisory Committee.
4. Questions and discussion of reports.
5. Report of the Nominating Committee and elections.
6. Proposals and requests.
7. Adjournment.

Please note:

The following Board members' term will end:

Dr Michael Lewko.

The following members were appointed to the Nominating Committee:

Wolodymyr Mohuchy, Stefan Zurawski, Roman Diduch.

CHAIRMAN'S REPORT

Dear fellow members,

I would like to welcome everyone to the 61st annual meeting of Nova UA Federal Credit Union, which is being held amid the Covid-19 pandemic, following social distancing guidelines as assessed by the CDC and the State of New Jersey.

On behalf of the Board of Directors, management and staff, I am pleased to present the Chairman's annual report to the membership.

Due to the COVID-19 pandemic, 2020 was a year of survival. Our community at large struggled with changes with their work hours and incomes, students were sent home to learn remotely, and annual events were canceled and went virtual and some non-essential businesses shut down as we endured social distancing, lockdowns and quarantine. Despite this challenges, Nova UA continued to find ways to reach our community, meeting everyone's banking needs and provide a lifeline to many nonprofits. If this year has taught us anything, is that we can work around obstacles to meet our members and communities where they are and serve them there.

It goes without saying that this past year has been nothing short of unprecedented.

At this time, last year we marked our 60th anniversary with much optimism.

None of us had any idea of the many challenges and changes in our lives, we would have to endure. At the annual meeting a year ago, I was proud to report that the credit union was strong, stable and economically healthy. Indeed, it was well-positioned to survive the stressors of economic volatility and civil/political unrest during the pandemic. I am happy to report that the credit union remains strong, stable and economically healthy. The goals and strategies of the credit union are moving in the right direction as it continues to look out for your best interests.

We experienced a steady influx of new members and served our existing members well which allowed us to grow in deposits and assets. Our assets grew 5.0 percent with the total assets exceeding \$135.3 million. Our deposits share grew by 5.4 percent. Our capital stands strong at 13.4 percent of assets. As for loans, the loan department was busy lending out a total of nearly \$20 million in loans, an increase of the loan portfolio by 8.6 percent. The income from loans grew by 4.4 percent. The credit union maintained a very low interest rate strategy and is well positioned for this volatile rate changing environment. The credit union continues to have a very low delinquency rate. -We do continue to be among the healthiest credit unions in the nation.

Nova UA believes in giving back. It remains committed to its legacy of supporting the community. Recognizing the negative economic impact COVID-19

had in its service area, Nova UA requested and received two grants from Federal Home Loan Bank of NY, which Nova, in turn, dispersed to 24 non-profits in the region.

A total \$200,000 was distributed, on-site at the main office building with enthusiastic and appreciative attendance, among non-profits that experienced a decrease in revenue due to the pandemic. The Nova grants helped restore funds lost during the pandemic by churches, schools, youth organizations and other entities serving the Ukrainian community in New Jersey.

I am extremely proud of the way our management, staff and board were able to quickly pivot and adapt to new ways of doing banking effectively and safely. I am also very thankful for the patience and understanding from our members as we made necessary operational adjustments by performing banking transactions using the drive-thru service, including wire transfers and official check requests, with curbside convenience and accessible ATM service. When needed, we scheduled in-person appointments for safe deposit box access, mortgage closings, and other member services we could not conduct remotely or finalize as a drive-thru transaction.

In addition, operationally, we continued our commitment to enhance and improve on your mobile banking experience, as banking evolves into a digital experience fast forward. In this high-tech environment, we also strategically focused on offering custom-made personalized services.

We have enhanced our excellent loan department making the lending process run even smoother for both our staff and our members. Our lending department was able to process a high number of home mortgages and refinances efficiently. We provided up to 3-months of loan payment deferrals for personal and home loans for those experiencing financial hardship as part of our pandemic emergency relief.

As we adjust to living in the new normal, our wish for all of our members is that we all come out of this safe and in good health.

During the pandemic, some of our back-office support staff have worked from home to keep lending, accounting, card service and operations running without interruption. This transition required devoted resources in time, software and equipment to ensure our remote workforce had what they needed to fulfill their work responsibilities by meeting service standards.

Creating a safe environment for employees and members who walk through our doors has been a priority, so we implemented the following:

- Abbreviated lobby hours to allow time for increased cleaning of commonly touched surfaces
- Limited in-branch capacity so social distancing can be maintained
- Protective masks required for staff and in-branch visitors
- Plexiglass shields at the Teller Lines and Member Service desks
- Lobby hand sanitizing stations
- Supplying staff and their household members with face masks

- Refraining from personal contact, such as handshaking, to comply with CDC guidance

Our most important goal is to build personal relationships with each and every member – never forgetting that we exist solely to improve your financial well-being. As a credit union we focus on the needs of people before profit.

Thinking back to a year ago, our credit union’s strategic priorities, “global pandemic” wasn’t a part of the conversation. But, here we are. While collectively, we’ve had to put some of our plans aside to do what needed to be done to make our places of business safe for employees and members, now is the time to take the conversation to the next level, to determine what today’s economy, and the changing needs of members mean in the year ahead, and of course in the years to follow. We will be exploring opportunities with our Botany branch in reaching out to surrounding community to service their banking needs. We will be researching ways to attract the younger generations to join Nova UA in enhancing their banking experience.

As the credit union moves on into 2021 with hoping for the better, I would like to thank all the esteemed board of directors including George Oliarnyk, Nicholas Kosciolk, Walter Voinov and Pawlo Figol for their support, advice and cooperation in ensuring success and our ability to meet our strategic priorities and provide long-term value despite all the challenges of 2020.

In addition, I would like to express my confidence in the leadership of Nova with its CEO, Val Bogattchouk and Director of Operations, Claire Giancola, for leading by example with their hard work and professionalism in uncharted waters.

We also appreciate our hard-working staff for their diligent attentiveness in meeting the needs of members and providing them with the best possible experience during these unprecedented times. In addition, the credit union maintains its corporate compliance at a very high standard.

Running the credit union effectively requires all team members to work together for the common good of our membership. A special expression of appreciation goes to the Chair of the Supervisory Committee, Helen Newmerzyckyj, for her ongoing mentorship to the staff and for being your advocate for quality.

In closing, I would like to thank all the members for their continued loyalty and support of the Nova team to help you and your family to a bright financial future despite the global uncertainties.

We will be hard at work making 2021 not a year of survival but a year of growth with all of us understanding what it means to be In This, Together.

«Razom nas bahato, nas ne podolaty»

Dr. Michael Lewko,
Chairman.

**NOVA UA FEDERAL CREDIT UNION
2020 FINANCIAL POSITION**

**НОВА УКРАЇНЬСЬКА ФЕДЕРАЛЬНА КРЕДИТНА СПІЛКА
БАЛАНС НА 31 ГРУДНЯ 2020 РОКУ**

ASSETS	2020	2019	АКТИВИ
Loans	74,465,246	68,558,532	Позички
Allowance for Loan Losses	(67,013)	(116,415)	Резерви на позички
Cash & Cash Equivalents	22,242,714	10,540,096	Готівка та еквіваленти
Bank CD's	27,751,910	37,597,108	Банківські сертифікати
Other Investments	(697)	(21,849)	Інші інвестиції
Fed. Agen./U.S. Oblig.	5,752,241	7,128,269	Федеральні інвестиції
Furnit. & Equipment	129,457	147,288	Устаткування
Land and Building	3,504,660	3,580,261	Земля і дім
Other Assets	413,090	433,264	Інші активи
NCUA Insurance	1,132,181	1,060,456	Забезпечення в NCUA
TOTAL	\$135,323,791	\$128,907,009	РАЗОМ

LIABILITIES & EQUITY	2020	2019	ПАСИВИ
Accounts Payable & Other	75,422	36,085	Виплати за зобов'язаннями
Regular Shares	44,662,217	34,375,590	Ощадності
IRA Shares	1,662,423	1,495,387	Пенсійні рахунки
Share Certificates	48,618,588	55,840,200	Сертифікати
IRA Certificates	12,410,706	12,937,444	Пенсійні сертифікати
Share Draft Accounts	9,174,040	5,880,115	Чекові рахунки
Mortgage Escrow	619,904	600,566	Заклад для позичок на житло
Regular Reserves	1,248,265	1,248,265	Звичайні резерви
Other Reserves	1,023,370	1,023,370	Додаткові резерви
Unrealized Gain/(Loss) AFS	49,588	79,271	Нереалізований прибуток/збиток
Undivided Earnings	15,779,268	15,390,717	Нерозподілені прибутки
TOTAL	\$135,323,791	\$128,907,009	РАЗОМ

CHANGE IN UNDIVIDED EARNINGS

Balance at January 1, 2020	\$ 15,390,717
2020 Net Income	388,552
BALANCE AT DECEMBER 31, 2020	\$ 15,779,269

NOVA UA FEDERAL CREDIT UNION
STATEMENT OF INCOME AND EXPENSES FOR 2020
НОВА УКРАЇНЬСЬКА ФЕДЕРАЛЬНА КРЕДИТНА СПІЛКА
ЗВІТ ПРИБУТКІВ ТА ВИТРАТ ЗА 2020 РІК

INCOME	2020	2019	ПРИБУТКИ
Interest on Loans	2,751,886	2,636,063	Доходи від позичок
Income from Investments	861,556	1,327,593	Доходи від інвестицій
Misc. Fees, Late Charges	181,335	129,010	Інші доходи
Total	3,794,777	4,092,666	Разом
Dividends Paid	(1,279,634)	(1,482,202)	Виплачені дивіденди
TOTAL	\$ 2,515,143	\$ 2,610,464	РАЗОМ

EXPENSES	2020	2019	ВИДАТКИ
Salaries & Benefits	1,298,383	1,180,094	Заробітні платні та забезпечення
Travel & Conference	17,780	26,105	Конференції
Association Dues	645	4,437	Членські внески
Office Operation	581,791	495,192	Канцелярські видатки
Educational, Promotional, Adv.	101,397	145,031	Освітні та інформаційні
Professional Services	114,924	123,197	Професійні послуги
Members' Insurance	29,443	35,987	Забезпечення ощадностей
Federal Examination	31,757	32,825	Федеральні перевірки
Loan Servicing	163,517	126,504	Обслуговування позичок
Annual Meeting/ Misc.	9,367	6,874	Річні збори
TOTAL	\$ 2,349,005	\$ 2,176,246	РАЗОМ

Provision for Loan Losses

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INCOME FROM OPERATIONS	\$ 166,137	\$ 435,214	ДОХІД ВІД ОПЕРАЦІЙ
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Gain on Sale of Fixed Assets

Non-Operating Income or Loss

222,416

996

Прибуток від продажі

Неопераційні прибутки

NET INCOME	\$ 388,552	\$ 435,214	ЧИСТИЙ ДОХІД
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DISTRIBUTION OF 2020 INCOME
РОЗПОДІЛ ПРИХОДІВ ЗА 2020 РІК

DISTRIBUTION OF NET INCOME		
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To Undivided Earnings

To Regular Reserves

388,552

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До нерозділених прибутків

До звичайних резервів

TOTAL	\$ 388,552	\$ 435,214	РАЗОМ
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