

# SARATOGA'S COMMUNITY FEDERAL CREDIT UNION



## WE ARE SARATOGA'S CREDIT UNION

Your savings federally insured to at least \$250,000  
and backed by the full faith and credit of the United States Government

# NCUA

National Credit Union Administration, a U.S. Government Agency



## OUR VISION

TO BE THE PREFERRED PROVIDER OF CREDIT UNION SERVICES IN THE COMMUNITIES WE SERVE.



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## REPORT OF THE CHIEF EXECUTIVE OFFICER

YOUR CREDIT UNION IS IN A DESIRABLE POSITION TODAY BECAUSE OF OUR COMMITMENT TO THE BASIC CREDIT UNION PRINCIPLE OF HELPING MEMBERS WHEN OTHER FINANCIAL INSTITUTIONS WOULD NOT. IT'S THE CREDIT UNION DIFFERENCE.

ONE OF THE CHALLENGES WE FACE AS A SMALLER CREDIT UNION IS PROVIDING THE LOOK AND FEEL OF A LARGER FINANCIAL INSTITUTION. WHILE MANY CONSUMERS LIKE BANKING WITH A SMALLER, LOCAL INSTITUTION, THEY ALSO WANT THE SERVICES THAT A LARGE INSTITUTION CAN OFFER AND WE ARE CHALLENGED ON A DAILY BASIS OF INTEGRATING "PERSONAL SERVICE" WITH "TECHNOLOGY." ONE OF THE WAYS WE WORK TO OVERCOME THIS CHALLENGE IS TO ENSURE THAT OUR EMPLOYEES HAVE THE LATEST TECHNOLOGIES AVAILABLE, ACCESS TO A VARIETY OF TRAINING OPPORTUNITIES, AND A COMMITMENT TO MEETING MEMBERS WANTS AND NEEDS, THEREBY CREATING VALUE AND BUILDING LONG TERM RELATIONSHIPS.

DURING THE PAST YEAR WE HAVE WORKED DILIGENTLY WITH MEMBERS OF ALL AGES AND BACKGROUNDS TO EDUCATE THEM ON THE SAFETY AND CONVENIENCE OF ELECTRONIC SERVICES; RESULTING IN AN INCREASE IN REMOTE TRANSACTIONS AND A DECREASE IN LOBBY TRANSACTIONS. THIS TRANSLATES TO INCREASED EFFICIENCY, LOWER LOAN RATES AND HIGHER SAVINGS RATES FOR ALL. WE ARE COMMITTED TO EXPANDING REMOTE DELIVERY CHANNELS ENABLING THE CREDIT UNION TO DELIVER SERVICE IN THE MOST COST-EFFECTIVE AND EFFICIENT MANNER POSSIBLE.

AS A RESULT OF OUR COMMITMENT TO TECHNOLOGY, YOUR CREDIT UNION IS THE ONLY SARATOGA COUNTY FINANCIAL INSTITUTION THAT PROVIDES ACCESS TO OVER 5,000 FULL SERVICE BRANCHES WHICH INCLUDE LOCATIONS IN, PUERTO RICO, GERMANY, ITALY, UNITED KINGDOM, GUAM AND THE NETHERLANDS, PLUS 150 BANKING CENTERS OPEN 12 HOURS A DAY, 7 DAYS A WEEK, 300 LOCAL SURCHARGE-FREE ATMs, AND OVER 30,000 NATIONAL SURCHARGE-FREE ATMs.

DESPITE THE ROBUST LOCAL ECONOMY OF 2012, MANY LENDERS TIGHTENED LENDING GUIDELINES MAKING IT DIFFICULT FOR PEOPLE TO SECURE APPROPRIATE AND AFFORDABLE FINANCING. WE DID NOT FOLLOW THAT APPROACH AND WHEN WE FELT THE RISK WAS ACCEPTABLE, WE WENT BEYOND OUR GUIDELINES AND MADE EXCEPTIONS. UNLIKE OTHER INSTITUTIONS THAT CHARGE HIGHER LOAN RATES TO BORROWERS WITH UNFAVORABLE CREDIT, WE OFFER THE SAME RATE FOR ALL BORROWERS REGARDLESS OF THEIR CREDIT RATING. AT THE CREDIT UNION YOU ARE A MEMBER, NOT A NUMBER.

DURING THE COMING YEAR WE WILL EXPLORE BETTER WAYS TO MEET THE NEEDS OF THE UNDERSERVED AND UNBANKED POPULATION OF OUR MEMBER BASE. CREDIT DETERMINES THE SUCCESS AND FINANCIAL WELL BEING IN A PERSON'S LIFE, AND TODAY MANY ARE FINDING IT DIFFICULT TO SECURE THE CREDIT THEY NEED TO MOVE FORWARD. WE ARE PREPARED TO WORK WITH MEMBERS WITH UNFAVORABLE CREDIT; SOMETIMES IT TAKES A CREDIT UNION TO DO WHAT OTHER FINANCIAL INSTITUTIONS WILL NOT DO.

I WANT TO THANK OUR MEMBERS, THE BOARD OF DIRECTORS, MANAGEMENT AND STAFF FOR THE SUCCESS AND ACHIEVEMENTS OF THE PAST YEAR. IT IS A PLEASURE TO SERVE AS YOUR CHIEF EXECUTIVE OFFICER.

DON DENOFIO  
CHIEF EXECUTIVE OFFICER



## THE PRESIDENT'S MESSAGE

PERSEVERANCE WAS THE KEY WORD THAT WAS THE DRIVING FORCE FOR THE BOARD OF DIRECTORS IN 2012. THE BOARD AND MANAGEMENT HAD WORKED DILIGENTLY IN 2011 PREPARING OUR STRATEGIC PLAN FOR 2012. WE KNEW WHAT WE WANTED TO ACHIEVE, HOW WE WANTED TO ACHIEVE IT AND CONFIDENTLY PUT THIS PLAN ON PAPER WITH THE WHOLE TEAM SIGNING ON. MANAGEMENT DEVELOPED A MECHANISM TO MEASURE OUR PROGRESS AND ACHIEVEMENTS IN ACCOMPLISHING OUR PLAN. OUR "REPORT CARD" WOULD INSPIRE AND GUIDE US. WE WERE CONFIDENT WE WOULD GET PERFECT GRADES FOR 2012.

MAKING SOUND BUSINESS DECISIONS AND CONDUCTING DAY TO DAY BUSINESS WOULD HAVE BEEN MUCH EASIER IN BETTER ECONOMIC TIMES. OUTSIDE OUR BRICK WALLS IN 2012 THERE WAS LITTLE OPTIMISM ABOUT THE FINANCIAL CONDITION OF OUR COUNTRY. INDIVIDUALS, SMALL BUSINESSES, CORPORATIONS AND EVEN THE GOVERNMENT WENT INTO CRISIS MODE. THE MEDIA HYPE, THE ECONOMIC PREDICTIONS AND FORECASTS ADDED TO THE FEAR FACTOR WHICH ALL PLAYED A ROLE IN CREATING A LESS THAN DESIRABLE MIND SET ABOUT THE SAFETY AND SOUNDNESS OF INDIVIDUALS AS WELL AS THE COUNTRY'S FINANCIAL SITUATION. HOWEVER, YOUR CREDIT UNION LEADERS DID NOT JOIN THE RANKS THAT LOST CONFIDENCE NOR DID WE BUY INTO THE NEGATIVITY. WE DID NOT PUT EVERYTHING ON HOLD WITH A WAIT AND SEE ATTITUDE. WE PERSEVERED WITH A POSITIVE ATTITUDE, INTRODUCED NEW PRODUCTS AND SERVICES AND MET SOME, BUT NOT ALL OF OUR GOALS. OUR REPORT CARD WAS NOT PERFECT BUT THANKS TO THE MANAGEMENT AND STAFF AND THEIR DEDICATION, HARD WORK, AND COMMITMENT WE HAD A SUCCESSFUL YEAR.

WE PLANNED TO HAVE A NEW OFFICE UNDER CONSTRUCTION IN 2013. I CAN REPORT THAT THROUGHOUT 2012 WE HAVE BEEN WORKING WITH REALTORS, CONTRACTORS, AND CITY OFFICIALS TO MAKE THIS A REALITY IN THE FUTURE.

I HOPE YOU ARE ENJOYING THE MANY NEW AND ENHANCED BENEFITS AND SERVICES OF YOUR MEMBERSHIP. PLEASE INVITE AND ENCOURAGE YOUR FAMILY AND FRIENDS TO JOIN SO THEY TOO CAN OWN A PART OF THIS GREAT FINANCIAL INSTITUTION. DO NOT KEEP YOUR OWNERSHIP A SECRET!

WITH WARMEST REGARDS ON BEHALF OF THE BOARD OF DIRECTORS, I REMAIN  
JANE DECOTEAU

PRESIDENT/CHAIRPERSON



## REPORT OF THE SUPERVISORY COMMITTEE

BRINGING QUALITY SERVICES TO OUR MEMBERS AND PROVIDING FOR OUR MEMBERS' NEEDS IN A PROFESSIONAL, FRIENDLY AND COURTEOUS WAY IS SOMETHING OUR BOARD OF DIRECTORS AND STAFF HAS TAKEN GREAT PRIDE IN OVER THE YEARS. THE SUPERVISORY COMMITTEE CONTINUES TO MONITOR THE INTERNAL WORKINGS OF THE CREDIT UNION THROUGH QUARTERLY AND ANNUAL AUDITS, AND I AM HAPPY TO REPORT THAT OUR CREDIT UNION CONTINUES TO BE FINANCIALLY AND OPERATIONALLY SAFE AND SOUND. I WOULD LIKE TO THANK THE SUPERVISORY COMMITTEE MEMBERS, LYNN GOODNESS AND KARI CUSHING FOR THEIR WORK DURING THE YEAR.

ON BEHALF OF THE SUPERVISORY COMMITTEE, I WOULD LIKE TO THANK MANAGEMENT AND STAFF FOR THEIR COMMITMENT TO EXCELLENCE. THEY HAVE SERVED OUR MEMBERS FAITHFULLY FOR ANOTHER YEAR WHILE KEEPING UP-TO-DATE WITH THE VARIOUS CHANGES IN RULES AND REGULATIONS. WE ESPECIALLY THANK THE EMPLOYEES FOR LEARNING AND IMPLEMENTING THE MANY NEW SERVICES THAT MANAGEMENT HAS STARTED IN ORDER TO KEEP OUR CREDIT UNION COMPETITIVE WITH LARGER INSTITUTIONS. OUR MEMBERS HAVE TRUSTED US FOR OVER 60 YEARS AND CAN BE ASSURED THAT WE WILL CONTINUE TO MAINTAIN THE HIGHEST LEVEL OF VIGILANCE AND INTEGRITY TODAY AND EVERY DAY.

I WOULD ENCOURAGE EVERY MEMBER TO LET US KNOW HOW YOU FEEL ABOUT OUR DECISIONS AND OUR MEMBER SERVICE. WE CAN ONLY SERVE YOU BY GETTING YOUR FEEDBACK. YOUR INPUT IN RUNNING YOUR CREDIT UNION WILL HELP US CONTINUE TO GROW AND KEEP SCFCU ONE OF THE BEST FINANCIAL INSTITUTIONS IN SARATOGA COUNTY.

RESPECTFULLY,

RICHARD L. THOMPSON  
SUPERVISORY COMMITTEE CHAIR



## REPORT OF THE TREASURER

2012 WAS ANOTHER CHALLENGING BUT SUCCESSFUL YEAR. OUR DEDICATED MANAGEMENT TEAM HAS WORKED CLOSELY WITH THE BOARD OF DIRECTORS AND STAFF TO MAINTAIN THE EXCELLENT FINANCIAL POSITION OF OUR CREDIT UNION AND PROVIDE OUTSTANDING SERVICES AND PRODUCTS TO MEMBERS. WHILE WE HAVE ALL EXPERIENCED SEVERAL YEARS OF ECONOMIC CHALLENGE, SARATOGA'S COMMUNITY FEDERAL CREDIT UNION ENDED THE YEAR WITH POSITIVE EARNINGS.

EARNINGS FROM OPERATIONS WERE \$126,514 AND WERE AGAIN PARTIALLY OFFSET BY OUR CONTINUING OBLIGATION TO ASSIST WITH THE PAST FINANCIAL ISSUES OF THE CORPORATE CREDIT UNIONS. THEREFORE, WE HAD OVERALL INCOME OF \$89,973. WE CONTINUE TO HOPE THAT OUR OBLIGATIONS REGARDING THE PROBLEMS OF OTHERS WILL DIMINISH AND WE WILL GROW EVEN STRONGER, ALLOWING US TO CONTINUE TO IMPROVE AND EXPAND WHAT THE CREDIT UNION OFFERS OUR MEMBERS.

IN 2012, WE SAW ASSETS GROW BY 1.27% TO \$40,772,795 AND EXPERIENCED ANOTHER INCREASE IN LOAN VOLUME OF 7.12%, WITH A TOTAL PORTFOLIO OF \$36,583,146 AT YEAR'S END. THE LOAN TO SHARE RATIO DECREASED SLIGHTLY FROM 99% TO 97%, STILL ABOVE AVERAGE AND DEMONSTRATING OUR CONTINUED COMMITMENT TO PROVIDE COMPETITIVE LOANS. THE LOAN DELIQUENCY RATIO WAS 1.38%, APPROXIMATELY THE AVERAGE OF OUR PEERS.

OUR OPERATING EXPENSE TO INCOME RATIO INCREASED FROM 72.73% IN 2011 TO 79.19% FOR 2012. THIS MODEST INCREASE IS COUPLED WITH THE EVER EXPANDING UTILIZATION OF TECHNOLOGY AND INCREASED SERVICES THAT WERE INTRODUCED DURING THE YEAR. OUR MEMBERS HAVE A GREATER RANGE OF PRODUCTS AND MORE OPTIONS FOR BANKING THAN EVER.

OUR NET WORTH REMAINS A STRONG 7.26% OF ASSETS AT \$2,958,503. YOUR CREDIT UNION US CONSIDERED TO BE WELL CAPITALIZED. IN OUR ANNUAL STRATEGIC PLAN, WE HAVE COMMITTED TO IMPROVING THIS IMPORTANT INDICATOR OF FINANCIAL STRENGTH.

I AM PLEASED TO ONCE AGAIN PRESENT SUCH POSITIVE RESULTS IN OUR ANNUAL REPORT. BE ASSURED THAT THE BOARD OF DIRECTORS, MANAGEMENT TEAM, AND STAFF WILL CONTINUE OUR COMMITMENT TO INCREASE THE VALUE OF MEMBERSHIP IN OUR CREDIT UNION. IT IS OUR MISSION TO ENSURE THE CONTINUED FISCAL HEALTH OF OUR ORGANIZATION AS WE ALSO LOOK FOR NEW AND BETTER WAYS TO SERVE OUR MEMBERS.

RESPECTFULLY SUBMITTED,

DON NICKSON  
TREASURER



# STATEMENT OF FINANCIAL CONDITION AS OF:

DECEMBER 2012

DECEMBER 2011

## ASSETS

FINAL RACE	FINISH	2012
ASSETS	LINE	40,772,795
LOANS	NEXT RACE IN	36,474,923
SHARES	20:13	37,584,765
EQUITY		2,958,503
MEMBERS		5,423

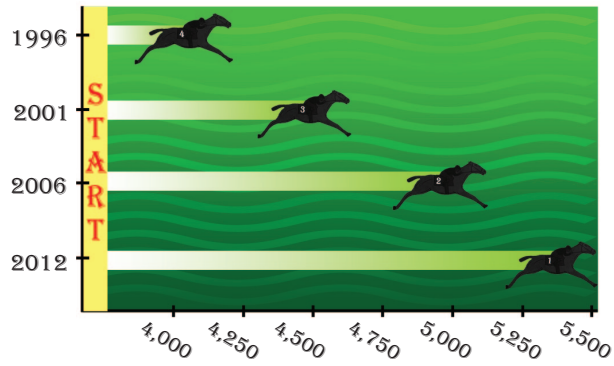
Cash	\$	386,725	\$	465,199
Investments		1,836,927		1,355,185
Loans				
Real Estate Loans		18,454,849		20,921,435
Credit Cards		2,773,470		1,942,223
Business Loans		34,784		—
Indirect Lending		6,460,033		5,965,709
Other Loans		8,860,010		7,929,198
Total Loans:		36,583,146		36,758,565
Allowance for Loan Loss		(108,223)		(60,347)
Net Total Loans		36,474,923		36,698,218
Loans Held for Sale		320,000		—
Non-Interest Bearing Assets				
Fixed Assets		552,288		530,987
Other Assets		1,201,932		1,212,170
Total Non-Interest Bearing Assets:		1,754,220		1,743,157
<b>Total Assets:</b>	<b>\$</b>	<b>40,772,795</b>	<b>\$</b>	<b>40,261,760</b>

## LIABILITIES SHARES AND EQUITY

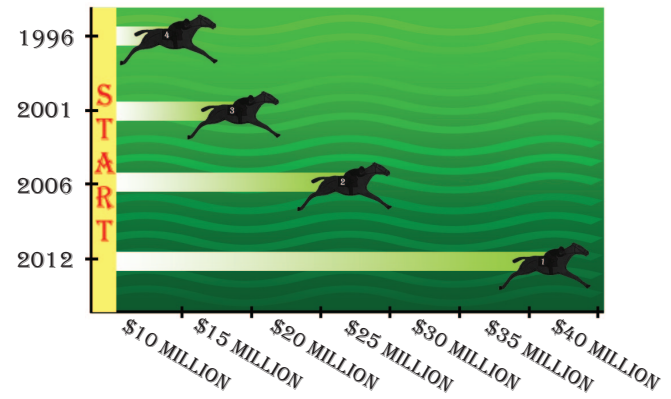
Liabilities	\$	229,527	\$	284,977
Shares		37,584,765		37,108,253
Equity		2,958,503		2,868,530
<b>Total Liabilities Shares and Equity:</b>	<b>\$</b>	<b>40,772,795</b>	<b>\$</b>	<b>40,261,760</b>



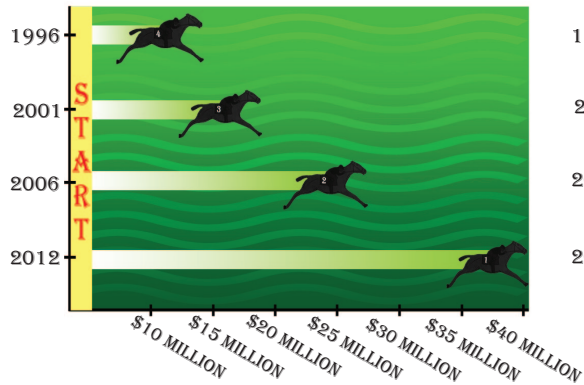
## MEMBERS



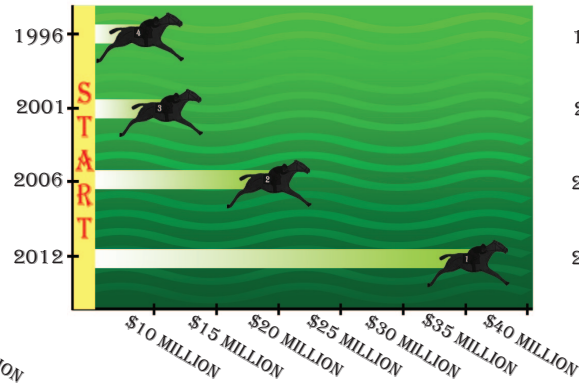
## SHARES



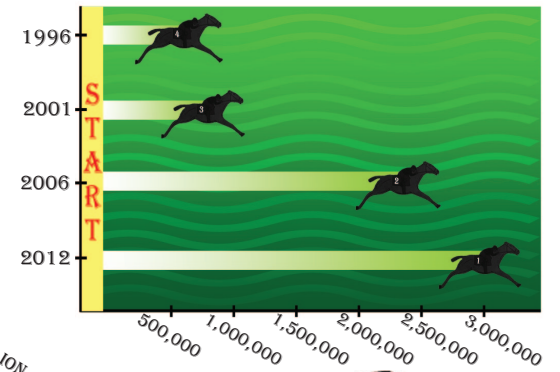
## ASSETS



## LOANS



## EQUITY



## BOARD OF DIRECTORS

Jane Decoteau	President
Richard Thompson	Vice President
Patricia Hatlee	Secretary
Donald Nickson	Treasurer
Donald Hall	Director
William Karl	Director
Andrew Jarosh	Director

## SUPERVISORY COMMITTEE

Richard Thompson	Chairperson
Kari Cushing	Committee Member
Lynn Goodness	Committee Member

## ALM COMMITTEE

Jane Decoteau
Patricia Hatlee
Andrew Jarosh



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## **OPERATIONS**

Don Denofio	Chief Executive Officer
Mark Powers	Chief Financial Officer
Megan Armstrong	Chief Operations Officer

## **SARATOGA SERVICE CENTER**

Kyle Chadwick	Service Center Manager
Despina Kotsakis-Smith	Financial Services Representative
Barbara Kenyon	Financial Services Representative
Nicole Demarsh	Financial Services Representative
Bobbie Jo Kenney	Financial Services Representative
Colleen Rourke	Financial Services Representative

## **MEMBER SERVICES**

Cheryl Koski	Financial Services Representative
Amanda Blanton	Financial Services Representative
Jamie Gordon	Financial Services Representative
Megan Cutbush	Financial Services Representative

## **ACCOUNTING & FINANCE**

Rachael Geelan	Accountant
Theresa Carriero	Financial Services Representative
Amanda Baker	Financial Services Representative



**23 DIVISION STREET SARATOGA SPRINGS, NY 12866**  
**518.583.2323 [WWW.SARATOGAFCU.ORG](http://WWW.SARATOGAFCU.ORG)**





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