





2013 Annual Report

Saratoga's Community Federal Credit Union

This credit union is federally insured by
the National Credit Union Administration



*We are here for you.
We are here because of you.*

2013

Our Transformation





It began as an idea...

The idea is simple. Have a group of people pool their money together to make loans for each other and it came about in the beginning of the 19th century in England. Crossing the Atlantic Ocean in early 1900, the credit union movement made it's way to Quebec, Canada where Alphonse Desjardins established a credit union to help working class families borrow and save.

Meanwhile thousands of immigrants, looking for a better life and opportunities, found work in Manchester, New Hampshire. Although substantially employed, they were denied access to savings and credit by banks. Monsignor Pierre Hevey, a local pastor saw this as an opportunity. Taking guidance from Canada's credit union movement leader, Alphonse Desjardins, he established the first credit union in 1908 bettering lives and sparking a movement of its own kind.

and turned into a movement.

Report of the Chief Executive Officer

As reported last year, your credit union is committed to the very basic principle of helping members when other financial institutions may not. During the past year hundreds of credit unions merged or closed their doors because they did not have sufficient loan demand to generate revenue, or the capital to withstand the challenging times.

Your credit union has been very fortunate to be in a community that did not experience a recession as severe as other parts of the country. However, after one of the longest periods of financial instability, 2013 proved to be the most challenging. Many people lost their jobs, experienced reduced work hours or a loss of benefits; forcing them to make decisions as to who to pay first. This resulted in increased loan losses, additional transfers to reserves for future loan losses, and negative income for the year. Despite a reduction in earnings, your credit union is rated as "well capitalized" and prepared for future challenges.

Your credit union remained competitive throughout 2013, paying the highest checking account rate in the area, offering a variety of lending rates and options and maintaining modest product and service fees. The credit union staff has been committed to helping members through a difficult time by recommending options such as our skip-a-payment program, restructuring loan payments, implementing payroll deduction and auto transfer payments, encouraging remote payments, and refinancing higher rate loans from other institutions. Your Board of Directors and management team has remained focused on the short and long range strategic initiatives, never losing sight of our values; Integrity, Individualization and Innovation.

Thanks to the combined efforts of many, your credit union is positioned to grow and prosper in the future and we are confident that 2014 will be an exciting year.

I want to thank our Board of Directors, Management and Staff for their dedication in keeping us true to our mission of "making a meaningful difference in the financial well-being of the members and the communities we serve". I also want to thank our membership for their continued loyalty and confidence; it is a pleasure to serve as your Chief Executive Officer.

Don Denofio

Don Denofio
Chief Executive Officer

Our Mission

To make a meaningful difference in the financial well-being of the members and the communities we serve.



Edward Filene worked tirelessly to promote the Credit Union Movement in the United States. Being a small business owner himself, he realized the needs of the common people. Those who were denied loans at big banks could obtain a loan at a credit union and a savings account did not have to begin with a large balance.

The Credit Union Movement is a great movement, worthy of great deeds, deserving of great loyalty." - Edward Filene

Along with beginning the movement, Filene paved the way for growth by helping to establish the Credit Union National Extension Bureau. This organization created state laws for credit unions allowing the movement to expand quicker and eventually open almost 7,000 credit unions in the United States.

Believing in the philosophy of "people helping people," Filene donated his time and money to promote the Credit Union Movement until his passing.



The President's Message

In the Fall of each year the Board and Management team meet for at least a full day to strategize for the upcoming year. In 2012 we diligently worked reviewing the past year and discussing where and how to lead your credit union for the future. I could say we finished our strategic plan but the work had just begun. Despite the economy being on the rebound in 2013 some of our members experienced difficulties in meeting their financial obligations to the credit union. We identified the problem and put action steps into place to resolve it. We know many credit unions experienced growing delinquency since 2008 and we are fortunate that our region had not experienced its extent until 2013. Even with the slowdown in the economy we have continued to provide new products and the best member services to members like you.

At year end 2013 we evaluated the progress of our goals and more importantly we again completed a strategic plan identifying objectives for 2014. We are excited about our plan and management and staff are busy implementing action steps to turn it into a reality.

The duty and responsibility of your Board of Directors, first and foremost is to protect the financial integrity of the organization and the assets of our members. We take this seriously and we can assure you that already in the first quarter our actions are having a positive effect.

I am proud of the accomplishments of your Board, Management and Staff. We are happy to serve you and this community. It is our hope that you are enjoying all the benefits of membership and that you 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

Jane Decoteau
President/Chairperson

"we have continued to provide new products and the best member services to members like you"





Saratoga's Community Federal Credit Union, formerly Saratoga Teachers Federal Credit Union, was founded in 1945 by a small group of teachers in the Saratoga Springs Public School System. For some 40 years the Credit Union was located either in an area set aside for our use by the Saratoga Springs City School District, or it could have been found in the home of the in-office Treasurer. But in the mid 1980's another bold move by the Board found the credit union purchasing its own building located in downtown Saratoga Springs.

In early 1998, the credit union was approved a community charter by its regulator NCUA. This now allowed the credit union to accept new members by means of anyone living or working within the boundaries of the Saratoga Springs Enlarged City School District. With the new definition of membership, the Board of Directors and the NCUA approved the name change from Saratoga Teachers Federal Credit Union to Saratoga's Community Federal Credit Union in September 2000.

Our history continued to move forward with the renovation project of the 23 Division Street facility in 2001. The project was completed in the middle of December with a ribbon cutting ceremony held on January 8, 2002. On February 28, 2002, the credit union received approval from NCUA and the Board of Directors to expand the charter to include; persons who live, work, worship, or attend school in Saratoga County.



Report of the Supervisory Committee

First I would like to thank the members of the Supervisory Committee Kari Cushing & Lynn Goodness for their time and input.

On behalf of The Committee, I would like to thank both management and staff for their commitment to both the Credit Union and Members.

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. Staff education is ongoing and you can see results. The 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.

Management and staff have served our members faithfully for another year while keeping up-to-date with the various changes in rules and regulations which seem to increase every year. 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 Saratoga's Community Federal Credit Union one of the best financial institutions in Saratoga County.

Respectfully,

Richard L. Thompson

Richard L. Thompson
Supervisory Committee Chairperson

2013

Our Journey

More than a hundred years have passed since the first credit union opened its doors in the United States yet the Credit Union Movement remains alive and well. While daily transactions are done with the click of a mouse, the idea of people helping people still remains. Our core values of Integrity, Innovation and Individualization are still evident by the decision to give all members the same rates and provide a member loyalty rewards program.

Imagine a financial institution that does not judge based on the numbers in your credit report but listens to the story and the needs of the individual. Today, regulations have taken the "personal" out of personal service and have placed constraints on institutions to lend only to the best credit. While we follow the rules set by regulators, we also continue to uphold the principles of our founding fathers to give back to those in need. The credit union believes in lending not to those who have more than they can dream, but to the working class who need to progress. At Saratoga's Community Federal Credit Union we work to improve their lives giving all members the same rate regardless of credit score.



Every step of the way, one thing has remained consistent - our promise to make a meaningful difference in the financial well-being of the members and the communities we serve.

Treasurer's Report

2013 was another challenging year for the economy and the credit union. Many have experienced several years of economic difficulty but we had been fortunate to avoid the more serious difficulties experienced by other credit unions. The management team has continued to work closely with the Board of Directors and staff to maintain the financial stability of our credit union while providing outstanding products and services to members. Saratoga's Community Federal Credit Union experienced a more significant impact from the economic downturn this past year, as compared to previous years. However, we still ended 2013 with an overall healthy fiscal position.

Gross income, less operating expense and dividends, was \$579,947. The required funding of provisions for loan loss and assessments for the past financial issues of Corporate Credit Unions, however, produced a net loss of \$240,012 for 2013. We continue to hope that our obligations regarding the problems of others will diminish and we will grow even stronger, allowing us to profitably improve and expand what the credit union offers to members.

In 2013, we saw assets remain stable at \$38,584,315 with a well-balanced loan portfolio of \$32,213,147 at year's end. Operating at a 90.52% loan to share ratio reflects your credit union's continued commitment to remain invested in its members.

The operating expense to income ratio increased marginally from 79.19% to 80.18%. This modest increase is coupled with the expanding utilization of technology and increased services that are being provided. Our members continue to have an expanding range of products and options for banking.

Net worth is solid at 7.05% of assets at \$2,718,491. Your credit union is considered to be well capitalized. Through ongoing strategic planning, the Board and Staff remain committed to further improving this important indicator of financial strength.

As we face the opportunities and challenges of 2014, be assured that the Board of Directors, Management Team, and Staff will continue initiatives to enhance the value of membership in our credit union. It is always our mission to ensure the continued fiscal health of the organization as we also look for new and better ways to serve our members.

Respectfully submitted,

Don Nickson

Don Nickson
Treasurer



Statement of Financial Condition

As of December 31, 2013

Assets

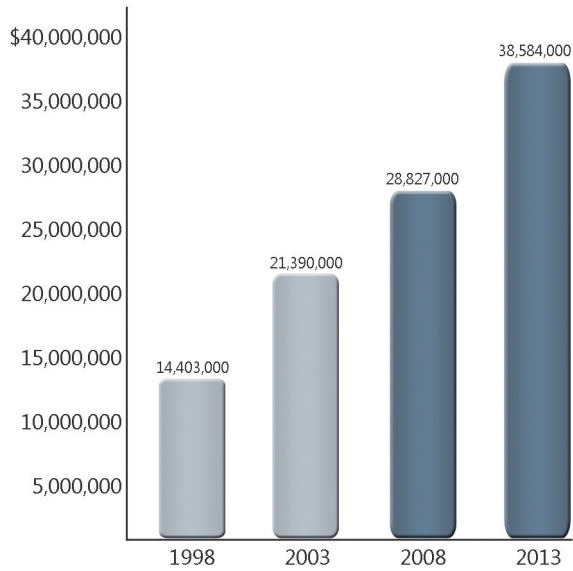
Cash	\$	288,207
Investments		4,886,118
Loans		
Real Estate Loans		19,641,910
Credit Cards		3,377,466
Other Loans		9,193,771
Total Loans:		32,213,147
Allowance for Loan Loss		(400,529)
Net Total Loans		31,812,618
Non-Interest Bearing Assets		
Fixed Assets		518,910
Other Assets		1,078,462
Total Non-Interest Bearing Assets:		1,597,372
Total Assets:	\$	38,584,315

Liabilities Shares and Equity

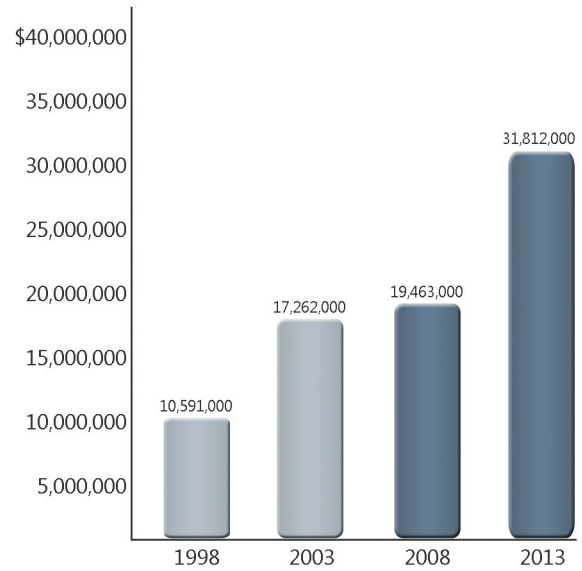
Liabilities	\$	277,358
Shares		35,588,466
Equity		2,718,491
Total Liabilities Shares and Equity:	\$	38,584,315



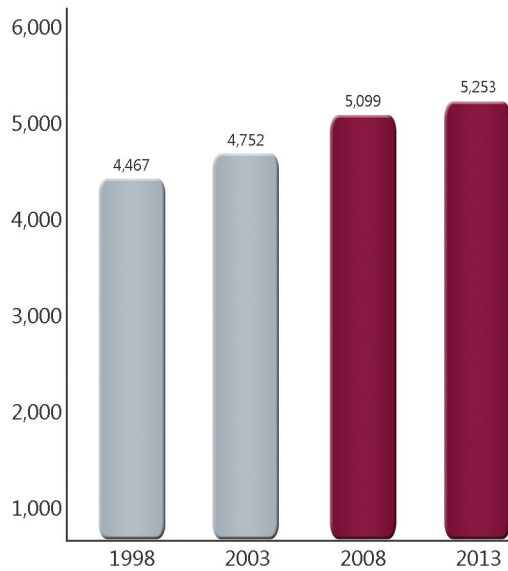
Total Assets



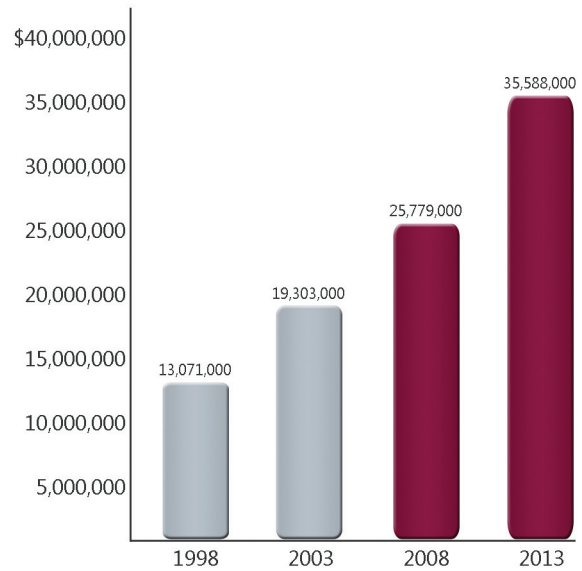
Total Loans



Total Members



Total Shares



Management and Staff

Don Denofio	Chief Executive Officer
Mark Powers	Chief Financial Officer
Megan Armstrong	Chief Operations Officer
Melissa Clement	Chief Lending Officer
Sean Crary	Service Center Manager
Rachael Geelan	Accountant
Despina Kotsakis-Smith	Financial Services Representative
Valerie Donini	Financial Services Representative
Bobbie Jo Kenney	Financial Services Representative
Barbara Kenyon	Financial Services Representative
Colleen Rourke	Financial Services Representative
Amanda Blanton	Financial Services Representative
Theresa Dornan	Financial Services Representative
Lauren LaFontaine	Financial Services Representative
Raelynn Smith	Financial Services Representative
Theresa Carriero	Financial Services Representative
Amanda Baker	Financial Services Representative



This credit union is federally insured by the National Credit Union Administration

Board of Directors

Jane Decoteau	President/Chairperson
Richard Thompson	Vice President/Vice Chairperson
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	Committee Member
Patricia Hatlee	Committee Member
Andrew Jarosh	Committee Member



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We exist to serve our members.

We are here for you.

We are here because of you.



Saratoga Service Center
23 Division Street
Saratoga Springs, NY 12866
518.583.2323

Administration Offices
433 Broadway
Saratoga Springs, NY 12866

