



23 Division Street  
Saratoga Springs, NY 12866  
[www.saratogafcu.org](http://www.saratogafcu.org)

Saratoga's Community Federal Credit Union  
Federally insured by NCUA



2014 Annual Report



Saratoga's Community Federal Credit Union

2014 Annual Report

Established October 18, 1945

## CHIEF EXECUTIVE OFFICER'S REPORT



Over the past 70 years, your credit union has changed dramatically. Some may say the most notable change is from serving the teachers of Saratoga Springs to serving the residents of Saratoga County.

However, there have been many other changes in policies and procedures, lending and savings products, marketing and community commitment, and most of all, advances in technology. About half of our transactions are now performed electronically, outside of our office. Just about every change has been driven by innovation and shifts in the financial industry in general.

Sometimes change can be difficult, but we believe that change has served us well. The credit union has grown in many ways, and yet it has remained the same. We have stayed true to the credit union philosophy of "people helping people".

Our community commitment is evidenced by the many and varied sponsorships and donations supporting non-profit organizations and student financial literacy. We will continue to identify and implement initiatives consistent with our philosophy by contributing the financial and human resources available to us.

Our organizational commitment is evidenced by an engaged and committed Board of Directors, capable and competent management, and a caring staff committed to providing personal service. We will continue to invest in the human resources that support our values and have a passion for helping people.

Our member commitment is evidenced by our promise to treat all members with respect and dignity and offer honest, affordable programs to all members at all times. We deliver a range of low cost products and services to a diverse economic and social make-up of members and will continually seek better ways to reach out to the underserved in our field of membership.

The credit union philosophies of "people helping people" and "not for profit, not for charity, but for service" are consistent with these statements of commitment to our members.

I thank our members for their loyalty and confidence, and our Board of Directors, management and staff for their commitment to our mission, vision and values. It is an honor to serve as your Chief Executive Officer.

*Don Denofio*

Don Denofio

Chief Executive Officer



## PRESIDENT'S MESSAGE TO OUR MEMBERS

At each annual meeting we review the past year and present a roadmap for the current year. As 2015 is our 70th birthday, I wanted to provide a year in review of 1945, our first year of being a chartered credit union. What was happening in 1945?

A car cost \$1,250, a gallon of gasoline was \$0.21, a house \$10,000, a postage stamp \$0.03, minimum wage was \$0.40 per hour, the average annual salary was \$2,900, milk was \$0.62 a gallon and bread at \$0.09 a loaf. Plus the United States was engaged in World War II with husbands and fathers in faraway places and wives and mothers going to work outside the home to fill the jobs left vacant by the men. This was the environment when our credit union opened the first "shoe box" in a private home and welcomed its first members. It was a different world then, simpler you might say, but there was a need for people to help people, namely teachers at that time, and that need was met through the birth of your credit union. "People helping people" remains the focus of the credit union movement today and is the measurement of our success in all that we do.

Going from that "shoe box" to our current full financial service operation happened not by chance but by planning for success by and through the dedication and commitment of the volunteers and the staff that have served the credit union over the years. The time given by all has been spent on things that matter, things that make a difference in the lives of our members and our community.

Although we have grown in assets, number of members and staff, number of services provided and number of ways to obtain those services, we have not outgrown our desire and ability to provide personal service, safety and soundness and to serve the underserved.

I am proud of the accomplishments of your Board, Management and Staff. We enjoy serving our members and our community. We hope 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! SHARE IT!

With warmest regards on behalf of the Board of Directors, I remain.

*Jane Decoteau*

Jane Decoteau

President/Chairperson



## SUPERVISORY COMMITTEE REPORT



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.

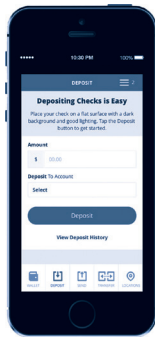
Management and staff have served our members faithfully for another year while keeping up-to-date with the various changes in rules and regulations which seem to increase every year. We especially thank the employees for learning and implementing the many new services that management has started in order to keep our credit union competitive with larger institutions. Our members have trusted us for 70 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. 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 Thompson*

Richard Thompson  
Supervisory Committee Chairperson



## TREASURER'S REPORT

During 2014 our credit union successfully addressed several challenges that had arisen the previous year while tackling head-on the surprise challenges that arose this year. The board and management team worked together to formulate and execute a plan that allowed the solidifying of key ratios and income levels while simultaneously reducing delinquent loans and improving the credit union's strategic operations in the national financial markets.

Interest revenue, after provisioning for loan losses, increased from \$958,009 in 2013 to \$1,260,243 in 2014. Net Income improved from (\$240,012) in 2013 to \$67,001 in 2014. Total assets at year end were a healthy \$37,737,017 with a well-balanced loan portfolio of \$28,577,347.

The important Net Worth ratio improved from 7.05% to 7.38% while delinquent loans improved from 3.44% to 1.43%. Return on Assets and Return on Equity ratios also improved from (0.59%) and (8.83%) respectively to 0.17% and 2.41% respectively. The operating expense to income ratio did increase from 80.18% to 96.09%. This increase is coupled with the expanding utilization of technology and increased services that are being provided. Operating at 82.57% loan to share ratio reflects your credit union's continued commitment to remain invested in the members. The management team has made several strategic transactions in loan participation and aggregation that have netted the credit union over half a million dollars in realized gains. Your credit union is considered to be well capitalized. Through ongoing strategic planning, the board and staff remain committed to further improving these important indicators of financial strength.

What makes the improvements of 2014 so remarkable is that the management team was able to achieve these improvements even while the credit union absorbed a \$40,000 loss due to the Target data breach and increasing the provision for loan loss account up to \$318,000.

As we face the opportunities and challenges of 2015, 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,

*Drew Jarosh*

Drew Jarosh  
Treasurer



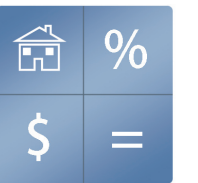
NET INCOME  
\$67,001



TOTAL ASSETS  
\$37,737,017



NET WORTH



LOAN PORTFOLIO  
\$28,577,347



1945

Credit union was chartered to serve the teachers of Saratoga Springs.

1988

Purchased 23 Division Street for branch location.

1991

The National Credit Union Administration (NCUA) granted the credit union authorization to add seven new employee groups to their membership.

1992

During a time of recession and financial uncertainty, this year marked a 6 year growth in assets, shares and loans. Our first mortgage program was also launched this year.

1993

Our Audio Response System, CU-Fast was finalized. Also booked 1,400 loans - an increase of 57% from 1992.

1994

Assets reached \$10 million and membership totaled 3,327.

1995

Celebrated 50th Anniversary and began researching an online banking system.

1996

Credit union saw the introduction of cash as well as the purchase of a vault.

## Saratoga Teacher's Federal Credit Union

Chartered Thursday, October 18, 1945

The early years found the credit union in the home of one of the Board Members and not in the branch location that we know today. It was a time when loan applications had to be presented for review, usually on a monthly basis, and members waited in line to make transactions by sitting on the indoor steps of a home on Union or Lake Avenue. The credit union did not have an official staff until the purchase of our branch location at 23 Division Street.

After sharing the building with a hair salon, the additional leased space was purchased and renovations of office space into a contemporary, member-oriented financial institution began in 1994.

## Change and Growth

"Not for Profit, Not for Charity, But for Service"

The 1990's saw increased federal regulations and economic pressures, including a recession, but your credit union pushed on by approving loans, credit cards and introducing our first mortgage program. Assets finally reached the \$10 million mark and the decision to expand office space was finalized.

The credit union was growing again and upgrading its facilities, closing its doors at noon on June 23, 2001 to begin demolition, while the temporary location at 624 Maple Avenue opened for business on June 26, 2001. Construction took about 6 months to complete and the 23 Division Street branch reopened its doors, as Saratoga's Community Federal Credit Union, with a ribbon cutting ceremony on December 29, 2001.



Division Street in Saratoga Springs circa 1950's



23 Division Street Prior to Renovations



Teller Line Prior to Renovations



Temporary Location at 624 Maple Avenue



Ribbon Cutting December 29, 2001



Teller Line After Renovations



23 Division Street Service Center

## The 2000's: A New Era

The early 2000's saw a significant product and service development for the credit union. After significant time and research, an online banking system was finally established, bringing a whole new dynamic to banking at the credit union. Although there was some hesitation with embracing new technology, online banking has evolved into something many members rely on daily. The credit union also introduced Saturday branch hours as a means to provide convenient banking times to those that work during "banking hours".

By 2005 the focus was not on products or services but on the future of the credit union. It was around this time that check fraud and phishing scams were becoming more common and certain measures to protect the credit union and its membership had to be put in place.

Despite economic hardship and increasing fraud anxieties, your credit union continued to grow and offer the same products and services as larger banks, but with a personal touch. In 2009 the credit union was the first in our region to join the Shared Branch Network, allowing members full banking access to over 6,000 branch locations nationwide.

The past five years has seen a swift adoption to changing technology in the banking world. But no matter what changes at the credit union, you can rely on one thing: our continued commitment to making a meaningful difference in the financial well-being of the members and the communities we serve.

1998

Credit union earned a 4-Star Excellent rating from Bauer Financial Reports, Inc.

1999

Visa® Gold credit card rate was reduced to 9.90% APR\* but Home Equity Loan Rates were as high as 8.75% APR\*.

2000

The NCUA granted a charter that allowed the credit union to expand our membership.

2001

Branch renovations completed with ribbon cutting ceremony on December 29, 2001.

2002

School Banking Program launched at Dorothy Nolan Elementary School.

2010

Began offering student loan options to college bound seniors through our Student Choice Program.

2011

Updated data processing system which introduced eStatements, Remote Deposit Capture and Mobile Banking.

2013

Introduction of the dividend earning Link checking account.

2014

Focused on School Banking Program expansion and community involvement.

\*Annual Percentage Rate

## COMMITMENT TO TECHNOLOGY

A lot has changed in the past 70 years, especially when it comes to technology. Few may recall a time when the credit union did not have cash on hand and issued counter checks for withdrawals. Or a time when you had to visit the branch just to get an account balance. Your credit union has always realized the importance of changing with the world around us and has implemented banking technology as it has evolved.

2014 saw the increased use of mobile banking options at the credit union:

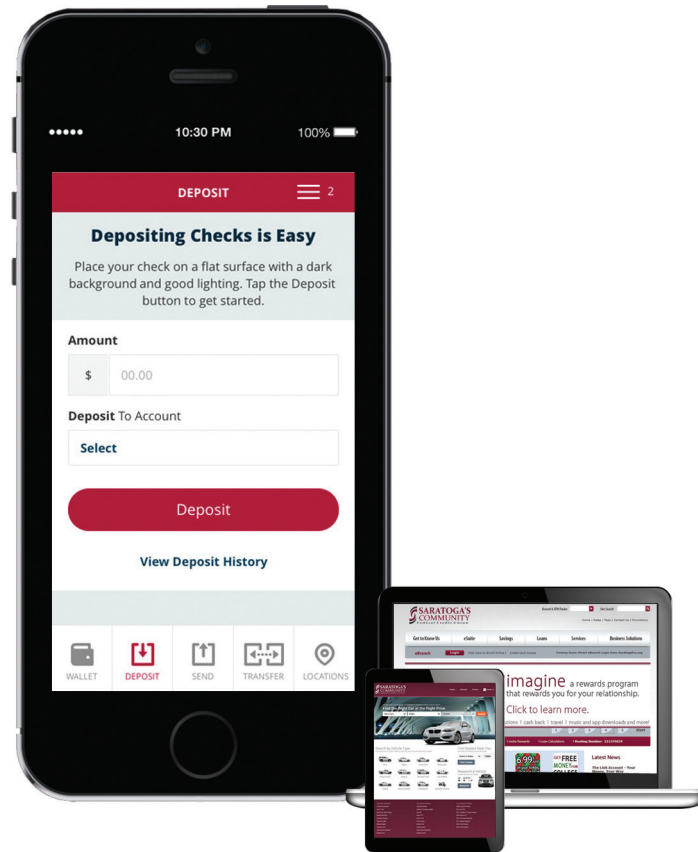
### Sprig™ App

The Sprig™ app made some incredible updates in 2014 - a new look and mobile check depositing capabilities for both Apple® and Android® platforms. It is the perfect app for someone who wants to check their balance and make check deposits from their smart phone.

### PopMoney®

With PopMoney® you can send money to anyone by using their email address, phone number or account information. Pay back a friend, your babysitter, or send money to your child in college.

It is important to us that technology is used to enhance the personal banking experience. We welcome all members to call or drop by to learn about how our electronic services can make your finances easier to manage.



We are excited to announce in 2015 we are updating our website's functionality to be compatible with all types of electronic devices. This will make it easier to view our site on a smart phone, tablet, or desktop computer as well as add improved functionality. Technology is changing and your credit union is evolving along with it.

## COMMITMENT TO COMMUNITY

Saratoga's Credit Union has committed to making a meaningful difference in the financial well-being of the members and communities we serve. We are looking forward to another great year of serving the community. We encourage everyone to do their part, afterall, together we can make a difference.

### Franklin Community Center

Every year the credit union collects and donates non-perishable food items to assist local families in need. In addition to the food drive, we set up a school supply drive to collect supplies to benefit local students. It was a great turnout and we will continue these drives in the coming years.

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

### Adult and Senior Center of Saratoga

In 2014 the credit union worked on establishing a relationship with the Senior Center. We are proud to kick-off our CU @ the Senior Center banking program and Financial Fitness Series in 2015.

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

### Miracle Jeans Day

On September 12, 2014 credit union staff dressed down in their jeans and event t-shirts. Personal donations went to benefit local area hospitals through the Children's Miracle Network.

[www.miraclejeansday.com](http://www.miraclejeansday.com)

### Saratoga Foundation for Innovative Learning (SFIL)

Credit union staff participated in a fundraiser held by Cantina Restaurant, in which 33% of food sales were donated to the Foundation.

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

### Saratoga Bridges

Credit union staff participated in their first 5K event, the 14th Annual Great Pumpkin Challenge on October 18, 2014. This community event boasted almost 2,000 participants, walking or running to benefit the Saratoga Bridges programs.

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



Franklin Community Center



The Great Pumpkin 5K



Miracle Jeans Day

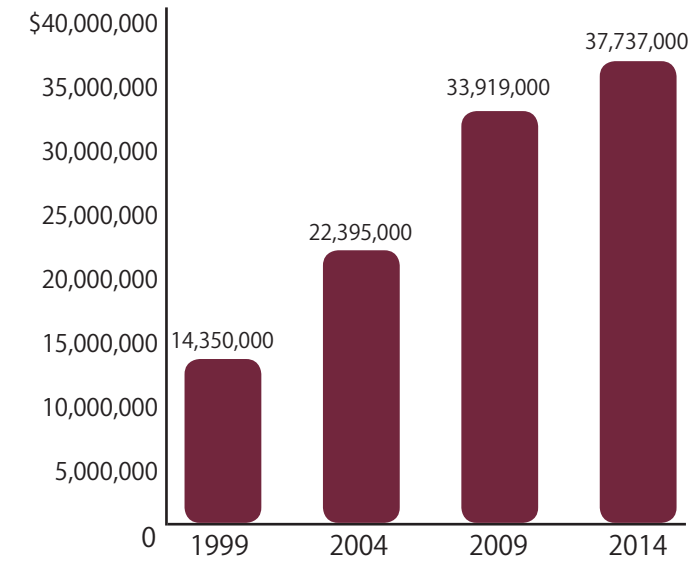


School Supply Drive

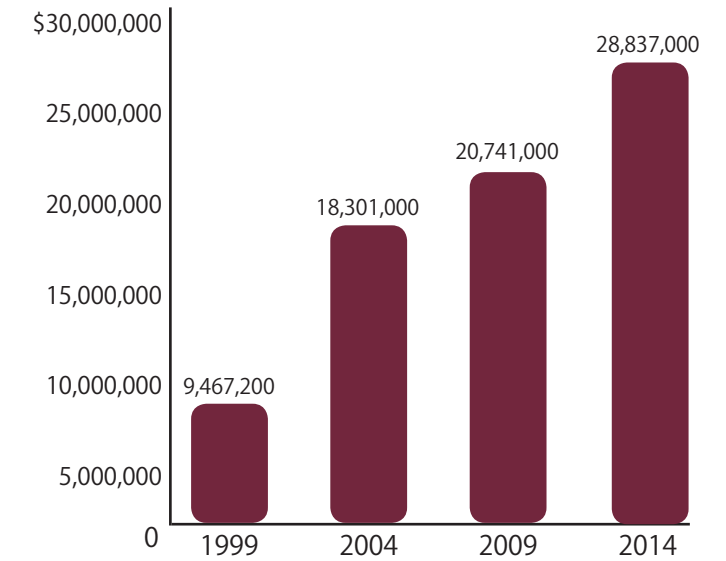
## STATEMENT OF FINANCIAL CONDITION

ASSETS	2014	2013
Cash	\$259,255	\$288,207
Investments	\$6,853,543	\$4,886,118
Loans		
Real Estate Loans	\$15,566,814	\$19,641,910
Credit Cards	\$4,056,714	\$3,377,466
Other Loans	\$9,213,805	\$9,193,771
Total Loans:	\$28,837,333	\$32,213,147
Allowance for Loan Loss	(\$259,986)	(\$400,529)
Net Total Loans	(\$28,577,347)	(\$31,812,618)
Non-Interest Bearing Assets		
Fixed Assets	\$481,795	\$518,910
Other Assets	\$1,565,077	\$1,078,462
Total Non-Interest Bearing Assets:	\$2,046,872	\$1,597,372
<b>Total Assets:</b>	<b>\$37,737,017</b>	<b>\$38,584,315</b>
<b>LIABILITIES SHARES AND EQUITY</b>		
Liabilities	\$25,779	\$277,358
Shares	\$34,925,747	\$35,588,466
Equity	\$2,785,491	\$2,718,491
<b>Total Liabilities Shares and Equity:</b>	<b>\$37,737,017</b>	<b>\$38,584,315</b>

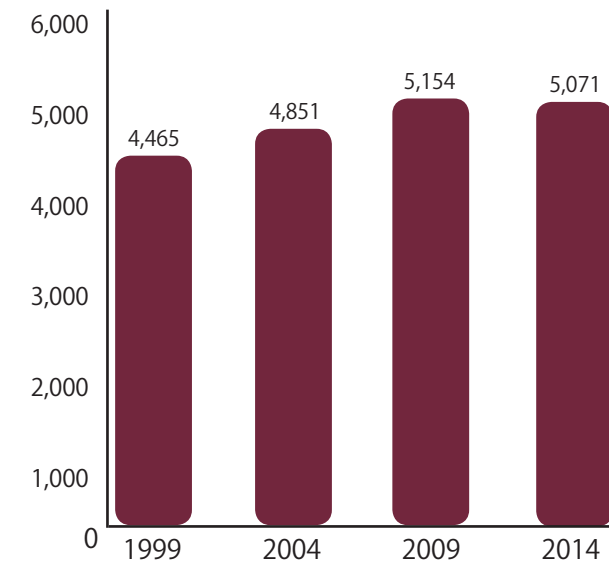
## ASSETS



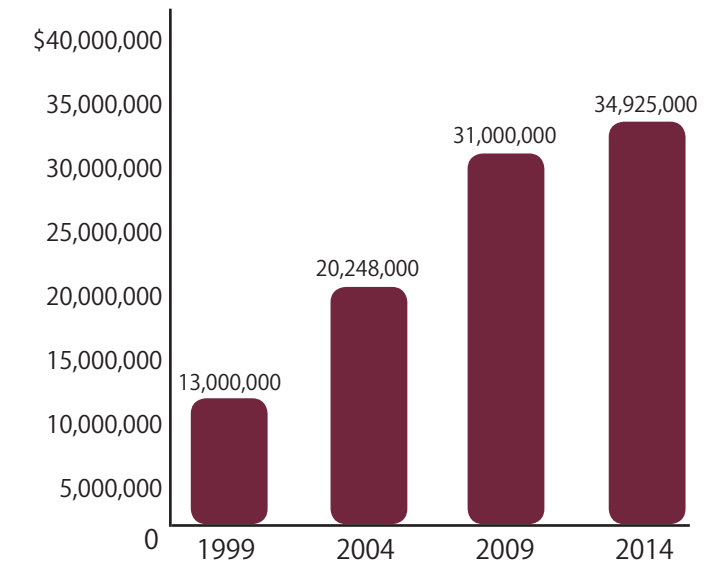
## LOANS



## MEMBERS



## SHARES



# Saratoga's Community Federal Credit Union

## BOARD OF DIRECTORS, COMMITTEE MEMBERS & STAFF

### BOARD OF DIRECTORS

Jane Decoteau	President/Chairperson	20+
Donald Nickson	Vice President/Vice Chairperson	20+
Patricia Hatlee	Secretary	20+
Drew Jarosh	Treasurer	4
Richard Thompson	Director	20+
Donald Hall	Director	10+
William Karl	Director	7

### YEARS OF SERVICE

### SUPERVISORY COMMITTEE

Richard Thompson	Chairperson
Kari Cushing	Committee Member
Lynn Goodness	Committee Member

### ALM COMMITTEE

Jane Decoteau	Committee Member
Patricia Hatlee	Committee Member
Drew Jarosh	Committee Member

### MANAGEMENT & STAFF

Don Denofio	Chief Executive Officer
Megan Armstrong	Chief Operations Officer
Mark Powers	Chief Financial Officer
Shelly Joseph	Chief Lending Officer
Colleen Rourke	Service Center Manager
Rachael Geelan	Accountant
Stephen Babie	Financial Services Representative
Amanda Baker	Financial Services Representative
Maeve Bartik	Financial Services Representative
Amanda Blanton	Financial Services Representative
Valerie Donini	Financial Services Representative
Theresa Dornan	Financial Services Representative
Marlena Gannon	Financial Services Representative
Bobbie Jo Kenney	Financial Services Representative
Barbara Kenyon	Financial Services Representative
Despina Kotsakis-Smith	Financial Services Representative
Lauren LaFontaine	Financial Services Representative
Raelynn Smith	Financial Services Representative

