

# 2020

## ANNUAL REPORT

**Saratoga's Community Federal Credit Union**

# PRESIDENT'S REPORT

Jane Decoteau

I am almost ready to turn my calendar to May as I write my report for our annual meeting in June. As I look outside, the grass is green, the trees ready to leaf out and the flowers in my gardens have come out so early. There is beauty everywhere. It's been a difficult year, but it is forgotten so quickly when I gaze outside and acknowledge God's presence and goodness.

It has been a year of loss of life, health and freedoms but through it I hope we have learned to be patient, caring about others and thankful for what we have. I hope we have not lost our ability to be thankful, kind and respectful to others who may not share our beliefs and acceptance of others who may be of a different race, color, creed, sexual orientation or political affiliation. For we are all God's creatures, diversity is what should unite us and not divide as one nation under God. It is only when we remove all the dividing factors can we accomplish greater things.

Although 2020 paused most everything in our lives, your credit union did not stand still. Through our innovation, imagination and inspiration we did not pause a minute. In fact, we went into high gear and proposed, planned and implemented the opening of a new branch. Who would have thought that through the worst of times came the best of times. We now can serve our members with conveniences we did not offer before including parking, drive thru lanes and a 24/7 Interactive Teller Machine (ITM)/ATM. In some ways the pandemic removed some of the interruptions in our daily lives and we were able to focus on the big picture. I don't know if you had closets in your home that had been calling you to clean them and the "noise" of life kept the door closed. Did you open yours and clean them? What things did you do that you would not have done if there was no pandemic? In some ways, I hope we all learned new life lessons that we will carry forth when life is back to "normal."

I hope you successfully weathered the COVID storm of 2020 with your health, your family, and your finances in good shape. Your credit union helped many through difficult times and will continue to do so. We believe and live the motto of "people helping people." Always feel free to come to us for guidance and assistance if you are in need of financial help.

Our goal has not changed. Our goal is to make a positive difference in each of our members' lives with integrity, individualization and innovation. We just want to share this goal with more people. How can you help, you ask? You can spread the word about your experience and encourage family and friends to make the decision to make your credit union their's. We have all the services of a mega-bank plus we offer coast-to-coast services through our shared branching network. Better yet, we know and care about each of our members.

I am proud of the accomplishments of your board, management and staff in 2020. We look forward to another successful year in 2021!

We wish you a great year filled with good health, peace and happiness and thank each of you for your continued loyalty!

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

**Jane Decoteau**  
*President/Chairperson*



# SUPERVISORY COMMITTEE REPORT

Richard Thompson

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 have 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 75 years and can be assured that we will continue to maintain the highest level of vigilance and integrity today and every day.

Last year was a different year for both people and businesses. COVID-19 put a stop to almost all the activities of normal life. The credit union however, as an essential business, stayed open throughout to serve the membership and to be there for any financial needs you may have had.

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 Chairperson*

## Statement of Financial Condition As of December 31, 2020

Assets	2020	2019
Cash	\$ 340,683	\$ 330,837
Investments	10,890,182	2,306,607
Loans		
Real Estate Loans < 20 Years	13,731,075	12,886,380
Real Estate Loans > 20 Years	9,165,656	8,975,564
Business Purpose Loans	3,196	10,752
Lines of Credit - Credit Cards	3,608,497	4,232,459
Indirect Lending	641,078	758,386
Other Loans	7,353,102	8,028,423
Total Loans	34,502,604	34,891,964
Allowance for Loan Loss	(100,005)	(255,116)
Net Total Loans	34,402,599	34,636,848
Non-Interest Bearing Assets		
Fixed Assets	303,190	321,757
Other Assets	1,266,616	1,318,221
Total Non-Interest Bearing Assets	1,569,806	1,639,978
<b>Total Assets</b>	<b>\$47,656,570</b>	<b>\$38,914,270</b>
<b>Liabilities, Shares and Equity</b>		
Liabilities	\$ 34,046	\$ 242,389
Shares	44,558,743	35,726,397
Equity	3,063,781	2,945,484
<b>Total Liabilities, Shares and Equity</b>	<b>\$47,656,570</b>	<b>\$38,914,270</b>

# TREASURER'S REPORT

Nathan Towne

The year 2020 was an unimagined and challenging year that started with the COVID-19 pandemic effectively shutting down many businesses, including limiting access to the credit union's branch lobby. The strong financial foundation built over the past several years positioned the credit union to weather the pandemic and prepare for future financial successes. This would not have been possible without the remarkable efforts of the credit union's management and staff.

We are proud to report that the credit union performed well during the uncertainty of 2020. Net income for the year was \$118K. While this is a decrease in comparison to the \$307K earned in the prior year, remaining profitable speaks to the hard work of management considering the economic environment. The lowering of the federal prime rate and slowing of non-real estate lending were contributing factors to this decrease. The \$118K of earnings in 2020 represents an annual return on assets of 0.27% compared to 0.77% in the prior year and a peer average of 0.40%.

In 2020, we grew our assets by 22% to \$47.7 million. This was largely driven by share growth of 24.7% as federal stimulus payments were received by our members, who continue to choose our credit union as a safe place to save their money. Our loan portfolio remained strong with growth seen in the real estate segments. In 2020, the credit union's volume was a healthy 32 real estate loans totaling approximately \$7.2 million. While this was lower than our projection for the year, volume was slowed during the first and second quarters due to the impact of the pandemic. Evidence as to the increasing quality of the credit union's loans was reflected by the delinquent loans to total loans ratio, which decreased from 0.85% to 0.15%. This is notable as our peer institution average is 1.0%.

Net worth, which is a measure of safety for the credit union, held steady at just over \$3 million. With the significant influx of stimulus dollars and rapid growth in our assets, the credit union's net worth ratio declined to 6.43%, below the regulatory standard of 7%. The decrease of this ratio resulted in the classification of the credit union from well-capitalized to adequately-capitalized. As the economy recovers and spending returns to normal, we expect this ratio to climb back above the 7% threshold.

In October, the credit union began planning to expand it's footprint in the Ballston Spa community, opening a new branch in early 2021. Also in October, the credit union completed a merger with Saratoga Industries (SI) Employees Federal credit union, whose membership was open to the employees at Espey Mfg. & Electronics Corp. This merger brought 58 new memberships to the credit union. Through the efforts of management and staff, key capacity-building components of the credit union's strategic plan were successfully executed, priming the credit union for continued growth.

We look forward to 2021 and supporting our membership and community.

Respectfully submitted,

**Nathan Towne**  
*Treasurer*

## Financial Highlights

	2005	2010	2015	2020
Assets	22,989,631	38,710,535	38,212,872	47,656,570
Shares	20,827,034	35,944,856	35,629,191	44,558,743
Loans	18,830,200	30,807,698	30,039,272	34,502,604
Members	4,857	5,293	5,032	5,626

The combination of sustained residential growth, strong retail establishments, high traffic counts, and a high concentration of existing members in the Town of Milton made it the perfect location to begin our expansion outside of Saratoga Springs. We are energized by the fact that there is strong competition in Milton Center, and believe that having an account base in the Ballston Spa and Milton area for over 50 years will add value to the banking community.

Don Denofio



## CHIEF EXECUTIVE OFFICER'S REPORT

### Don Denofio

Like many businesses, your credit union was faced with many challenges in 2020. Our country experienced a year of social and political challenges that impacted how people interacted with each other. This was further compounded by a global pandemic that limited what, where, and when, we do the things that we took for granted. Through it all, your credit union was focused on our core values and how best to integrate them into your daily lives.

We immediately assessed our lending products and procedures to identify areas that could be modified to assist members that were being impacted by a changing employment environment without jeopardizing financial stability.

We introduced payment options that provided immediate relief to all members and increased credit lines where appropriate to provide a source of funds for those experiencing financial hardship.

We limited office hours, encouraged pre-arranged appointments, developed a remote workforce policy to promote social distancing, and implemented aggressive office sanitizing procedures to protect our members and employees.

We moved forward with the opening of our second branch location to better serve our members. The move consolidated our administrative offices, added a drive up facility, extensive parking, mortgage services, and a 24/7/365 Interactive Teller Machine (ITM). The move better positioned the credit union for potential changes in future operating procedures.

Considering the challenges and changes, we are proud to report that your credit union experienced strong financial performance for 2020. The results allowed us to support our members throughout the pandemic and into the future.

As we enter 2021, we are well positioned to focus on our membership and employee value propositions by providing every member the opportunity to have the lifestyle they desire and deserve, and every employee to have the opportunity to set clear paths for their future.

Thank you for your continued loyalty.

**Don Denofio**

*Chief Executive Officer*



Introducing our directors, committee members, management and staff who work hard to go above and beyond in providing you a true member experience.

## Board of Directors

**Jane Decoteau** President/Chairperson

**Donald Nickson** Vice President/Vice Chairperson

**Timothy McGuiggan** Secretary

**Nathan Towne** Treasurer

**Richard Thompson** Director

**Michael Miller** Director

**Barbara Doane** Director

## Supervisory Committee

**Richard Thompson** Chairperson

**Kari Cushing** Committee Member

**Lynn Goodness** Committee Member

## ALM Committee

**Jane Decoteau** Committee Member

**Barbara Doane** Committee Member

**Nathan Towne** Committee Member

## Management

**Don Denofio** Chief Executive Officer

**Megan Armstrong** Chief Operations Officer

**Rachael Geelan** Chief Financial Officer

**Lisa McCoy** Manager, Branch Operations

## Saratoga Springs Branch

**Colleen Brower** Savings & Loan Counselor

**Paige Carlquist** Branch Supervisor

**Luke Tefft** Card Services Specialist

## Ballston Spa Branch

**Barbara Kenyon** Savings & Loan Counselor

**Brittney Tomek** Savings & Loan Counselor

**Kathleen McCune** Savings & Loan Counselor

**Patti Montgomery** Mortgage Loan Originator

**Montana Morrison** Branch Supervisor

## Support Staff

**Meghan Arnold** Marketing Specialist

**Amanda Baker** Accounting Assistant

**Despina Kotsakis-Smith** Accounting Assistant

**Tasha Rodriguez** Resolution Specialist

## Saratoga's Credit Union Branch Locations

### Saratoga Springs Branch

23 Division Street  
Saratoga Springs, NY 12866

Fax: 518.583.9143

NEW

### Ballston Spa Branch

444 Geyser Road  
Ballston Spa, NY 12020

Fax: 518.885.0369

518.583.2323 | [saratogafcu.org](http://saratogafcu.org) | [SaratogaMortgage.org](http://SaratogaMortgage.org)

