



# 40th Annual Meeting

## Saturday, April 8th, 2017

### Chairman's Report

Dear Members:

Welcome to the 40th Annual Meeting of Leatherstocking Federal Credit Union. I am pleased to report that our financial results for 2016 are very strong and the trend continues to be strong. Moreover, this was accomplished in a low interest rate environment where loan demand was weak.

In recent weeks, the Federal Reserve Board raised its short term interest rates which reflect their view of a solid economy. This should reflect in an even more favorable environment for our Credit Union.

Also of great interest, I am pleased to report the promotions from within the Credit Union of Linda Oldick to Credit Union Manager; Anael Kelly to Director of Financial Services/Assistant Credit Union Manager; and Rob White to Director of IT and Lending. In addition, Mr. Hank Testa, CPA and HR Specialist of over 30 years, has joined us as a Human Relation Specialist to help further enhance and develop our team. We are proud of our entire team at the Credit Union. It is composed of a staff of fourteen, a Supervisory Committee of three and a Board of Directors of eight.

We will continue to offer competitive rates and fees and offering products and services to make your everyday banking easier.

Thank you for your membership. Without each of you, there would be no Leatherstocking Credit Union to make our community a better place to live and work. Just as our staff, Board and Supervisory Committee take pride in LCU's accomplishments, so should you as member owners. On behalf of the staff and governing volunteers, thank you for your support.

Sincerely,  
Edward Landers, Chairman

### Supervisory Committee Report

Credit Union Annual Meeting 2017

The supervisory committee is responsible for making sure the credit union's financial records are in order and that internal controls are in place to protect the assets of the credit union and its members. The basic responsibilities of the supervisory committee are spelled out by the National Credit Union Administration (NCUA), the federal agency that regulates all federally chartered and insured credit union. The current members of the supervisory committee are Marietta Taylor, Catherine Tuttle and myself. We would like to commend the Board of Trustee members, Linda Oldick, manager, and all the staff for doing an outstanding job this past year. They deserve your recognition and applause.

2016-2017 Member Verification Process

A current list of members is compiled electronically, which is over 3,000 members. A letter to the member describing the verification and date of account statement to verify, along with the member list, is sent to our vendor, IMS, for printing and mailing after March 31, 2017. The members return the verification documents to the credit union supervisory committee. The committee records all verification returns, the mode of return. The committee reports the results to the board.

### AGENDA

Welcome

Vote: Ed Landers

Call to Order

Reading and Approval  
of the Minutes  
of the last Annual Meeting  
April 9th, 2016

Chairman Report  
Presented by  
Edward Landers,  
Chairperson

Treasurer's Report  
Presented by  
Linda Oldick,  
Credit Union Manager

Supervisory Committee  
Report  
Presented by Jean Schifano  
Supervisory Committee  
Chairperson

Election Results

Door Prize Drawings

Adjournment

# Treasurer's Report

For Period Ended December 31, 2016

Good morning.

I would first like to introduce the team that makes Leatherstocking Credit Union successful.

Cindy Dresser, Loan Officer

\*Managers

\*Robert White, Director of IT and Lending

AmyBeth Decker, Accountant

\*Anoel Kelly, Director of Financial Services and Assistant Credit Union Manager

Teresa Wheelock, Marketing Coordinator

Josh McMahon, Marketing Assistant, PT

Chris Spencer Lead MSR/ Accounting Assistant

Tonya Daley, MSR

Lisa Guardi, MSR

Patrick Shepard, PT MSR

Elizabeth Jacoby PT MSR

Dave Chase, Maintenance

Loans:

The total loan portfolio remained stable for 2016.

Vehicle loans were up from \$7,632,613 in 2015 to \$7,677,726 in 2016.

Real estate loans were down from \$5,298,535 in 2015 to \$4,644,676 in 2016.

Charge offs were also down from \$129,661 in 2015 to \$62,798 in 2016, which represents a decrease of 51.5%.

We did not use our line of credit at our corporate credit union during 2016.

Member shares increased from \$39,380,678 in 2015 to \$43,521,263 in 2016.

Total assets grew from \$43,637,103 in 2015 to \$47,786,662 in 2016.

The cost of funds in 2016 continued low at .15.

Loan servicing expense was down from \$64,641 in 2015 to \$54,015 in 2016.

Our ROA (return on assets) was .71 up from .50 in 2015.

Income was \$320,603 in 2016 which represents an increase of 45.5% over last year. The reason for our excellent results is due to a change in investment strategy and a reorganization of our current positions, which resulted in a savings of over \$40,000.

Your credit union continued to support local organizations in 2016 including:

Clark Sports Center Race the Lake

Cooperstown Winter Carnival

PTA Crayon Carnival

Cooperstown Christmas Committee

Springfield 4th of July Parade

ARC Otsego

Otsego County Sheriff PBA

Project Prom

Bassett 5K Cupola

Cooperstown Youth Baseball

Goodyear Lake Polar Bear Jump, our own Chris Spencer jumped.

5 Scholarships to local students

Otsego County Relay For Life

Easter Egg Hunt at Hyde Hall

Oneonta PBA

Cooperstown Sports Boosters

Leatherstocking Credit Union remains a strong credit union.

In closing I would like to thank the members for their continued support of Leatherstocking Credit Union.

Sincerely,

Linda Oldick, Credit Union Manager

## PRODUCTS AND SERVICES:

Simple and Protection Plus Checking with ID Protect

Savings and Investment Programs

Primary Share account (savings)

Special Savings accounts

Christmas and Vacation Clubs

Youth/College Savings and Checking

Account Program

Youth Member Monthly Deposit Incentive Program

Money Market and Preferred Savings Accounts

Share Certificate (CDs)

Individual Retirement Accounts (IRAs)

Individual Retirement Account Certificates

Smart Start Certificates

Lending Programs

Vehicle Loans, Boat, Camper, Motorcycle,

Recreational Vehicle, and Snowmobile Loans

Personal Loans

Visa Credit Cards

Share Draft Line of Credit

Computer/Student Loans

Share and Certificate Secured Loans

First Mortgage Loans

Home Equity and Home Equity Line of Credit Loans

Online Home Banking

E-Statements

E-Blasts and E-Alerts

Mobile Banking & Remote Deposit Capture

Bill Pay

Online Loan application

Phone Access Teller System (PAT)

Platinum Debit MasterCard

Direct Deposit

Payroll Deduction

Automatic Transfer

## OTHER SERVICES:

Loan Skip a Pay

Courtesy Pay

Money Orders

Wire Transfers

Notary Services

Scholarship Program

Signature Guarantee

Balance Financial Fitness Program

Referral Mortgage: Home Owners Advantage

and Visions FCU participation with LCU

## SPECIAL DISCOUNT PROGRAMS:

CUNA Mutual TruStage Insurance Products

Seasonal Discount Tickets for Water Safari

**STATEMENT OF FINANCIAL CONDITION**

Year Ending From 12/31/15 To Year Ending 12/31/16

<b>ASSETS</b>	<b>2015</b>	<b>2016</b>
Loans to Members (net)	\$20,615,946.75	\$20,018,634.48
Cash & Investments	\$21,814,015.30	\$26,676,076.10
Land & Building (net)	\$535,427.90	\$518,915.66
Furniture & Equipment (net)	\$178,273.63	\$184,280.12
Leasehold Improvements (net)		
Prepaid Expense	\$97,238.33	\$71,947.17
Accrued Income on Loans	\$22,320.80	\$21,843.08
Accrued Income on Investments	\$37,602.28	\$45,589.20
National Credit Union Share Insurance Fund	\$375,827.17	\$392,226.24
Other Assets	(\$39,548.31)	(\$142,849.25)
<b>Total Assets</b>	<b>\$43,637,103.85</b>	<b>\$47,786,662.80</b>
<b>LIABILITIES &amp; RESERVES</b>		
Accounts Payable	\$6,707.47	\$2,943.42
Notes Payable		
Other Liabilities	\$69,279.66	\$57,467.45
Share Accounts	\$39,380,678.85	\$43,251,263.65
Reserves	\$618,665.65	\$618,665.65
Unrealized Gain/(Loss) on Investments/Pension Assets	\$3,561,772.22	\$3,856,322.63
	\$43,637,103.85	\$47,786,662.80
<b>STATEMENT OF INCOME</b>		
Interest on Loans	<b>\$1,057,686.77</b>	\$1,029,934.57
Interest on Investments	<b>\$237,411.09</b>	\$273,733.32
Other Income	<b>\$492,773.34</b>	\$488,205.91
<b>Total Income</b>	<b>\$1,787,871.20</b>	\$1,791,873.80
<b>DISTRIBUTION OF INCOME</b>		
Compensation & Employee Benefits	\$720,203.37	\$675,866.34
Travel and Conference	\$34,140.27	\$31,157.83
Association Dues	\$12,928.52	\$12,652.37
Office Occupancy	\$86,961.01	\$72,572.82
Office Expense	\$242,893.79	\$283,603.43
Advertising	\$42,737.67	\$21,497.69
Loan Servicing	\$64,941.89	\$54,015.22
Professional Services & Education	\$199,810.10	\$213,817.12
Provision for Loan Loss	\$13,877.14	\$(9,306.04)
Member Insurance		\$222.80
Federal Operating Fees	\$7,664.36	\$7,887.82
NCUA Assessment/Share Insurance		
Misc. Operating Expenses	\$41,554.74	\$39,171.14
<b>Total Expense</b>	<b>\$1,467,712.86</b>	\$1,403,158.54
(Gains) or Losses on Investments/Assets	(\$34,196.36)	\$6,210.37
Dividends Paid	\$65,646.57	\$61,901.31
Increase to Reserves & Undivided Earnings	\$1,499,163.07	
<b>Total Income Disbursed</b>	<b>\$220,315.41</b>	\$320,603.58
<b>STATISTICS</b>	<b>2015</b>	<b>2016</b>
Total Membership	4537	4477
Savings Balance/Members	\$8,682.00	\$9,660.00
Loan Balance/Members	\$4,565.00	\$4,471.00

# 39th Annual Meeting Minutes

April 9th, 2016

Leatherstocking Region Federal Credit Union's 39th annual meeting was held on April 9, 2016 at the Otesaga Resort Hotel in Cooperstown, New York. All members present enjoyed a delicious breakfast prior to the business meeting. Ed Landers welcomed and thanked everyone for coming. A motion was made and seconded to accept the minutes of the 38th annual meeting held on April 11, 2015. The motion carried and the minutes were approved.

Ed Landers presented the chairman's report showing that the credit union remains solvent and financially strong. Our net worth ratio as of December 31, 2015 was 9.58%. It was also reported that LSR FCU ended 2015 with net income of \$220,315.41.

Mary T Clarke, Treasurer and Chief Executive Officer/President, reported on the credit union's financial performance for 2015. The credit union grew in total loans in 2015 to \$20.62 million. Total deposits rose to \$39.38 million in 2015. Total assets grew to \$43.64 million in 2015. The return on Average Assets (ROA) .50% net worth in millions grew to \$4.18 million, leaving us in a strong position.

From a safety and soundness perspective your money is safe with your credit union. Ed Landers thanked our members, credit union staff, board of directors, and the supervisory committee for making 2015 a successful year. We look forward to another great year in 2016.

Jean Schifano, Supervisory Committee Chairperson, presented the Committee's report. Jean thanked the Board Members, and Credit Union Staff for doing a great job protecting our interests.

Nate Smith, Board of Directors, reported election results for the Nominations Committee. Incumbents seeking re-election, Richard Trimble, M.D., Roger MacMillan, M.D., Edward Landers, and Rose Craine were unanimously elected to the Board of Directors for a two-year term.

After the drawing of several door prizes the meeting was adjourned at 11:45 A.M.

Respectfully submitted,  
Sam Hoskins, Secretary

## BOARD OF DIRECTORS

- Edward Landers, Chairperson
- Nathan Smith, Vice Chairperson
- Rose Craine, Director at Large
- Samuel Hoskins, P.A., Secretary
- Daniel Gregory, M.D., Director at Large
- Roger MacMillan, M.D., Director at Large
- Charles Ellsworth, M.D., Director at Large
- Richard Trimble, M.D., Director at Large

## SUPERVISORY COMMITTEE

- Jean Schifano, Chairperson
- Marietta Taylor
- Catherine Tuttle

## MANAGEMENT TEAM\*

- Linda Oldick, Credit Union Manager\*
- Anael Kelly, Director of Financial Svcs & Assistant Credit Union Manager
- Robert White, Director of IT and Lending



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## YOUR CREDIT UNION STAFF

- Cindy Dresser, Loan Officer
- AmyBeth Decker, Accountant
- Christopher Spencer, Assistant Accountant  
Lead Member Service Representative
- Tonya Daley, Member Service Representative
- Lisa Guardi, Member Service Representative
- Teresa Wheelock, Marketing Coordinator
- Joshua McMahon, Marketing Assistant
- Elizabeth Jacoby, Member Service Representative
- Patrick Shepard, Member Service Representative
- David Chase, Maintenance