

2023 ANNUAL REPORT



SOUTHERN
CHAUTAUQUA
FEDERAL CREDIT UNION

Corporate Office ● Training Center

Branch Locations:

Lakewood ● Jamestown ● Dunkirk ● Clymer ● Cherry Creek

In-School Financial Wellness Centers

Falconer ● Frewsburg ● Jamestown ● Southwestern

2023 Annual Meeting Minutes

Southern Chautauqua FCU's 24th Annual Meeting was held on Tuesday, February 14, 2023, at the Lakewood branch.

Call to Order – Bill Caldwell called the meeting to order at 4:50pm

Last Year's Minutes: Bill asked for a motion to dispense with the reading of the 2022 meeting minutes. Motion was made by Tom Waag, seconded by Janie Waag.

Introduction of Supervisory Committee - Bill introduced committee members:

- Tim Smeal-Chair, Roberta Schruise, Jerry Felton, and Nancy Ferguson. Thank you for all you do.

Introduction of Board of Directors – Bill introduced the following members of the Board of Directors:

- Rod Beckerink VP, Jim Casini-Secretary, Shawn Howard-Treasurer, Jared Chrisspell, Adam Dolce, Larry Fiorella, Taras Korol, and Tim Smeal.
- Associate Board member is Christine Fosberg

President's Report (in packet) – Bill stated that this was his 1st year as president and that 2022 has been a rollercoaster, however it has been a very good year at the Credit Union. Bill highlighted the following from his report: the CU has almost 18,000 members, \$128.5M in assets which was an increase of 8.8M, 3,683 new loans written and 98.29% lent out. The VITA program has helped 782 members with a total of \$1,5116,948 in refunds. Thank you, Jennifer Johnston, Amy Belcher, Alexandra Matos, and Lindsay Hubbard. The Credit Union has donated to 56 charities with donations totaling \$10,800. This is the 9th year that we have offered a GPS lending program, we opened a new branch in Dunkirk a little over a year ago which is growing in membership, we continue to offer extensive online products which now includes Savvy Money (check credit report).

Recognition of Staff – Teena introduced the staff who were present:

Kim M (20), Dave (19), Heather (18), Amy Brown (15), Beckie (15), Anne (15), Jennifer Johnston (13), Teena (13), Madison (9), Bobbie Jo (4), Tara (3), Danalee (3), Soleil (>1), Amanda Smith >1), and John (36).

CEO's report (in packet) John stated that he appreciated all of the support that he has received from the Board of Directors. John stated that "people are our

2023 Annual Meeting Minutes continued

strength". We have an incredible Board, staff, and support of our members. Membership continues to grow. Thanks to all.

Financials (in the packet)

Community Impact Report (in packet) Jim highlighted the following: We have received almost \$8M in grants over the last year, participated in many presentations within the community, and were part of many other activities throughout Chautauqua County.

Nominations Committee announce Slate of Nominees: Jim Casini

- Rod Beckerink
- Jared Chrispell
- Tim Smeal

Motion to cast the Unanimous vote for the entire Slate of Nominees. Jim Casini asked for a motion. Motion was made by Taras, seconded by Beckie Hultin, and carried.

Announcement of the newly elected Board of Directors – Bill congratulated our newly elected members of the Board: Rod, Jared, and Tim.

Adjourn the Meeting - A motion to adjourn the Annual Meeting @ 5:05pm was made by Jim and carried.

2023 State of the Credit Union President's Report

Welcome to the 25th Annual meeting of the Southern Chautauqua Federal Credit Union. The Credit Union was initially chartered in December of 1953. I take this opportunity to report to you, our members, on the state of the Credit Union. 2023 was a great year, if you like roller coasters! The ups and downs of our economy, high inflation & falling stock markets, kept all of us on our toes. Thankfully, due to the Credit Union's wonderful leadership and hardworking staff, our members were safely secured on the 2023 economic roller coaster and arrived safely back at the end of the ride, ready to do it again in 2024, hopefully with a lot less volatility.

One of the best parts about our roller coaster ride in 2023, was that we still experienced tremendous growth. Our membership has grown to 18,881, which means that since Chautauqua County has a population of 126,807, 14.89% of the County's residents are members at Southern Chautauqua. Also, due to the faith those 18,881 members have in us, our assets have increased to \$141 Million, an increase of \$12.5M since last year. To put last year's phenomenal asset growth into perspective, at the end of 2001, the Credit Union's TOTAL assets were \$12,374,517! Also, due to that tremendous asset growth, we have been able to write 3,487 new loans leading us to be 95.26% loaned out.

As a member of the Board of Directors we meet monthly to provide support to our top-notch management team and staff as they continue to provide our members with the best possible financial products and services in the area. Our goal at Southern Chautauqua continues to be to go way beyond the normal expectations of a financial institution. Here are some highlights of our services:

- The VITA program to prepare income taxes free of charge to our members. 787 members were given help in filing their income taxes. 26 of our staff volunteered to be IRS trained so that they can do the filings properly. The staff did their volunteer work on Credit Union time. Total refunds were \$1,260,639 and the CU saved individuals over \$246,000 in preparer's fees. We are a leader in VITA thanks to our coordinators, Jennifer Johnston, Lindsay Hubbard, Amy Belcher and Alexandra Matos. This is a great community service. SCFCU bilingual employees supported the United Way of Northern Chautauqua County's VITA preparers helping bridge the language barrier.

2023 State of the Credit Union President's Report continued

- The Credit Union donated \$67,464.06 to 100 charities/schools/organizations and community projects this past year, including donations to Collaborative Children's Solutions, Cherry Creek Community Association, WCA Foundation, & United Way of Northern Chautauqua County, just to name a few.
- The CU is now in its tenth year of a car loan program using GPS. This program is for people that cannot get a loan elsewhere because of poor credit, short employment history, and/or an inability to have a co-signer. The GPS unit serves as a replacement for any of those normal loan approval criteria. There are currently 503 loans with \$4.8 million in the portfolio. These loans are monitored carefully and are a viable service that no other financial institution in the area provides.
- The Credit Union opened a new branch in Dunkirk in November 2021 and after two full years of serving our members in the North County, we couldn't be more excited with the results.
- Our Cashback rewards loan program was designed to teach good payment habits. When a member in this program makes their monthly payment on time, we deposit between \$20 - \$40 a month into their account. This program began in 2022 through a Grant and has been fully paid for by the Credit Union since the beginning of 2023 and we have continued it ever since. 525 members have received over \$79,000 in cashback rewards since its inception.
- We have also our school-based branches at Southwestern, Jamestown, & Frewsburg and the latest one in Falconer.
- The CU has an extensive online suite including DX Mobile, where you control your debit card. Great for security reasons. You can deposit checks through our Mobile App, pay bills with Home Banking and apply for a loan on-line. We have also recently added Savvy Money, a free service which allows members using our online banking to see their most up to date credit score and track their credit usage, which will help members track any suspicious transactions across all of their credit accounts and reduce instances of fraud.

2023 State of the Credit Union President's Report continued

These are just a few of the community services offered by your Credit Union. We are second to none in all of Chautauqua County in the way that we support our local community and we look forward to continuing this mission. I wish you all a happy, healthy, and financially secure 2024.

Our Goals: Growth Commitment - Success - Integrity
Boost, Believe in, Build and Support Our Community! That's what we do!

Bill Caldwell, President
Board of Directors for Southern Chautauqua Federal Credit Union

Employees & Length of Service

Felton, John	37	Sostre, Elia	7	Holden, Soleil	2
Margaglio, Kimberly	21	Fancher, Sierra	7	Casini, James	2
Samuelson, David	20	Stravato, Lindsey	6	Smith, Amanda	2
Durnell, De An	19	Rosa, Joseline	6	Farrar, Deborah	2
Kerr, Heather	19	Buck, Leanna	5	Ruggerio, Lauren	2
Weilacher, Michelle	16	Rodriguez, Helen	5	Donnell, Kortnei	2
Hultin, Rebecca	16	Jewell, Katlyn	5	Erickson, Jennifer	2
Rich, Anne	16	Booth, Alisha	5	Pfleuger, Amanda	2
Brown, Amy	16	King, Bobbie Jo	5	Soto Vega, Shakira	2
Rizzo, Amber	15	Devereaux, Victoria	5	Torres, Angelica	2
Gniewecki, Melissa	14	Reding, Melissa	5	Marrano, Caitlin	2
Johnston, Jennifer	14	Williams, Danalee	4	Nazario, Brittney	2
Chau, Teena	14	Sweeney, Tara	4	Overturf, Morgan	2
Gambino, Dana	12	Newman, Mary Jo	4	Siliano, Amanda	2
Moore, Shaa	11	Davis, Kimberly	4	Rearick, Meghan	2
Belcher, Amy	10	Garcia, Kathiria	4	Bankowski, Allyson	1
Hubbard, Lindsay	10	Erazo, Delmaris	3	Johnson, Jennifer	1
Congdon, Madison	10	Davis, Bryanna	3	Sobczak, Erica	<1
Matos, Alexandra	10	Parks, Tammy	3	Crawford, Brittany	<1
Evans, Lacey	10	Popielarz, Stephanie	3	Sweetwine, Monica	<1
Olson, Steven	8	Smith, Jessica	3	Davis, Simon T	<1
Schultz, Mackenzie	8	Gonzalez, Tracy	3	Best, Penny S	<1
Parker, Edith	7	Mitchener, Caleb	3	Martin, Destany R	<1
Gilbert, Krista	7	Rodriguez, Emily	3	Pena Torres, Joyce A	<1
Overbeck, Leslie	7	Nelson, Jennifer	3	Navarro-Ortiz Evelyris	<1
Conner, Rachel	7	Metzer, Madalyn	2		

Board of Directors & Supervisory Committee

Board of Directors

Bill Caldwell.....*President*, 25 years
Rod Beckerink.....*Vice President*, 28 years
Shawn Howard.....*Treasurer*, 21 years
James Casini.....*Secretary*, 8 years
Jared Chrispell, 10 years
Taras Korol, 9 years
Tim Smeal, 5 years
Larry Fiorella, 3 year
Adam Dolce, 2 year
Christine Fosberg.....*Associate*, 6 years
Anthony De Lao.....*Associate*, 1 year

Supervisory Committee

Adam Dolce, Chairman, 2 years
Robert Schruise, 20 years
Jerry Felton, 56 years
Nancy Ferguson, 3 year

“The greatest asset of a company is its people.” - Jorge Paulo Lemann

A Message from John Felton

CEO Report

Two years ago, my report focused largely on Covid19 and the effects of the pandemic on our Credit Union. I am happy to say that I do not need to discuss the effects of Covid19 on the Credit Union this year.

Last year, I talked about the importance of “People”. Not only the people on my staff, not only the people that volunteer for the Board of Directors and other committees, not only the people at our partner agencies within the community, and not only our members, but the community as a whole.

This “team of people” has produced a level of financial stability beyond my wildest dreams. Financial stability for the Credit Union, financial stability for many of the residents of the county, and financial stability for the staff.

We (SCFCU) are well-known in our community as a financial institution that talks to people, we lend money to people, we educate people and especially the youth of the county. We are a resource to the community in many ways.

I am in a position to be able to take great pride in supporting our staff in ways that many in the county have not. For instance, for the past three years, SCFCU has increased every employee’s hourly rate of pay by one dollar (three dollars over these three years). The financial impact to our employees over this three-year period is approximately \$12,000. This increase is separate from their merit increases at their annual review.

I believe by investing in people, we have produced the top staff in the financial field, especially here in Chautauqua County.

As reported in the New York Credit Union Profile Report (Q3 2023), within the peer group of credit unions with assets between \$100,000,000 and \$250,000,000, SCFCU shines above the rest.

Financial performance such as this, is only accomplished when the people of this organization have the vision of “People helping People”, “People serving People”, and “People uplifting People”.

I appreciate ALL of the people in my life who have assisted me in making my dream come true.

Respectfully Submitted, John Felton, CEO

Community Impact Report

The Community Impact Department has been extremely busy for the past year (plus). The Community Impact Department was integral in the following meetings and presentations throughout Chautauqua County.

- Jamestown Public Schools
- Frewsburg High School/Middle School
- Southwestern High School
- The Relief Zone
- Church Ladies (Cherry Creek – The Trillium)
- Striders
- Veterans 4 Christ
- Invest in You
- Chautauqua County Chamber of Commerce
- G. A. Family Services
- Cassadaga Valley HS
- The Resource Center
- Cassadaga Job Corps
- Employment Focused Services Program
- TRC and Office of Probation
- Falconer High School
- Goodwill Goodskills Program (monthly)
- Chautauqua Works
- Collaborative Children's Solutions
- B.O.C.E. S.

Other Community Impact Department work that has proven to be very fruitful are:

- Chamber of Commerce (Networking Events)
- Chamber After Hours
- Chamber Legislative Breakfast - Borello and Goodell
- Chamber Year End Annual Report - Borello and DiNapoli
- I.D.E.A. Meetings (Inclusion, Diversity, Equity, Access)
- Mock Interviews at Southwestern High School
- The Taste of Independence
 - CCR (Patrick Smeraldo) and Safety Village (Jessica Dayton)

Community Impact Report continued

Conferences:

- N.Y.S. CDFI Coalition Conference
- Inclusive Conference

School Based Branches

- Created an Operations Manual
- Marketing Work:
 - Topics
 - Themes
- Interns
 - Southwestern
 - Last Year (2022/2023) ... 8
 - This Year (2023/2024) ... 16
 - Jamestown
 - Last Year (2022/2023) ... 4
 - This Year (2023/2024) ... 12
 - Frewsburg
 - Last Year (2022/2023) ... 2
 - This Year (2023/2024) ... 3
 - Falconer
 - Last Year (2022/2023) ... 0
 - This Year (2023/2024) ... 3

School Based Branches are now in four Chautauqua County Schools. There is NO COST to the school districts. The estimated cost to operate a School Based Branch for a school year is approximately \$60,000. This would relate to a total of \$240,000 of “donation” to the community for operating these in-school branches. School Based Branches are NOT open to the public, they are for the convenience of the students and staff only. As well as allowing juniors and seniors to be interns in the branch to enhance their financial literacy knowledge.

2023 Financial Report

Income Statement

	as of 12/31/2023	
OPERATING INCOME		
Income from Loans	\$	7,750,853.47
Income from Investments	\$	382,803.13
Income from Miscellaneous	\$	3,165,493.41
TOTAL OPERATING INCOME	\$	11,299,150.01
OPERATING EXPENSES		
Operating Expenses	\$	7,518,244.63
Dividend Expenses	\$	1,236,897.62
Non-Operating Expenses	\$	161,553.88
TOTAL OPERATING EXPENSES	\$	8,916,696.13
TOTAL NET INCOME	\$	2,382,453.88

Statement of Financial Condition

	as of 12/31/2023	
ASSETS		
Consumer Loans	\$	106,299,195.90
Real Estate Loans	\$	6,318,430.68
Total Loans		\$ 112,617,626.58
(Less Allowance for Loan Losses)	\$	(1,733,362.26)
Cash	\$	9,620,052.51
Investments	\$	10,669,288.08
Other Assets	\$	9,850,489.49
TOTAL ASSETS		\$ 141,024,094.40
LIABILITIES & EQUITY		
Total Liabilities		\$ 6,848,835.70
Member Deposits	\$	113,350,594.40
Non-Member Deposits	\$	4,875,000.00
Total Deposits		\$ 118,225,594.40
Regular Reserve	\$	483,777.01
Undivided Earnings	\$	15,465,887.29
Total Reserves		\$ 15,949,664.30
TOTAL LIABILITIES & EQUITY		\$ 141,024,094.40

2023 Q3 New York Credit Union Profile

The New York Credit Union Profile provided by the trade association allows credit unions to compare their performance in 6 key categories with other credit unions in their peer group. The below report from 3rd quarter 2023 is the latest published report.

New York Credit Union Profile			Third Quarter 2023		
New York Credit Union Leaders CUs Between \$100 Million and \$250 Million in Assets					
September 2023					
12-Month Share Growth			Net Worth/Assets		
Credit Union Name	Share Growth*	Shares	Credit Union Name	Net Worth/Assets	Assets
UFirst FCU	16.03%	\$119,114,946	MOOG EFCU	24.05%	\$226,034,268
St Josephs Parish FCU	11.10%	\$121,554,480	Greater Woodlawn FCU	21.31%	\$150,462,072
Southern Chautauqua FCU	10.08%	\$120,156,306	Utica Gas and Electric EFCU	17.32%	\$103,202,759
Palisades FCU	5.16%	\$178,129,713	Luffhansa EFCU	15.48%	\$103,374,202
GHS FCU	5.16%	\$210,511,460	Southern Chautauqua FCU	15.09%	\$142,735,435
First Choice Financial FCU	4.94%	\$149,059,215	Western Division FCU	14.19%	\$195,025,997
Western Division FCU	3.81%	\$160,851,296	Syracuse Fire Dept EFCU	13.62%	\$124,313,919
Community Resource FCU	2.81%	\$100,232,576	Financial Trust FCU	13.53%	\$167,765,195
Utica Gas and Electric EFCU	1.76%	\$79,038,253	Genesee Valley FCU	13.10%	\$143,495,333
Inner Lakes FCU	1.75%	\$132,482,206	Ukrainian National FCU	12.95%	\$148,944,815
12-Month Loan Growth			Return on Assets		
Credit Union Name	Loan Growth*	Loans	Credit Union Name	ROA	Assets
Western Division FCU	37.88%	\$121,135,059	Genesee Valley FCU	2.48%	\$143,495,333
TrailNorth FCU	35.19%	\$91,490,482	MOOG EFCU	2.41%	\$226,034,268
Tonawanda Valley FCU	28.85%	\$81,232,971	Meridia Community FCU	2.14%	\$124,844,669
Meridia Community FCU	23.24%	\$100,303,831	Southern Chautauqua FCU	2.10%	\$142,735,435
UFirst FCU	22.27%	\$101,300,696	Greater Woodlawn FCU	1.92%	\$150,462,072
Utica Gas and Electric EFCU	15.73%	\$83,652,253	Oswego County FCU	1.69%	\$127,922,787
St Josephs Parish FCU	15.28%	\$125,675,532	Financial Trust FCU	1.61%	\$167,765,195
Oswego County FCU	13.87%	\$100,806,182	Utica Gas and Electric EFCU	1.42%	\$103,202,759
Ontario Shores FCU	13.29%	\$81,902,042	Syracuse Fire Dept EFCU	1.24%	\$124,313,919
GHS FCU	12.86%	\$162,991,086	Ontario Shores FCU	1.21%	\$143,814,089
12-Month Member Growth			Loans/Shares		
Credit Union Name	Member Growth*	Members	Credit Union Name	Loans/Shares	Assets
Western Division FCU	10.36%	9,948	Utica Gas and Electric EFCU	105.84%	\$103,202,759
GHS FCU	8.09%	19,914	St Josephs Parish FCU	103.39%	\$139,001,078
Southern Chautauqua FCU	5.86%	18,704	Buffalo Metropolitan FCU	95.18%	\$142,385,706
Meridia Community FCU	5.76%	9,696	Southern Chautauqua FCU	94.14%	\$142,735,435
Ukrainian National FCU	5.68%	6,495	Meridia Community FCU	93.19%	\$124,844,669
TrailNorth FCU	4.45%	10,756	Palisades FCU	89.92%	\$200,015,123
Ontario Shores FCU	4.32%	8,570	Oswego County FCU	89.13%	\$127,922,787
Utica Gas and Electric EFCU	4.12%	3,436	UFirst FCU	85.04%	\$132,092,216
Oswego County FCU	3.90%	13,118	Community Resource FCU	85.04%	\$113,950,675
UFirst FCU	3.40%	9,897	Ukrainian National FCU	83.00%	\$148,944,815

Note: For growth tables, credit unions that have had a substantial merger in the previous 12 months are excluded. A substantial merger is a merger where the assets of the acquired credit union are more than 5% of the assets of the acquiring credit union.