

44th Annual Meeting

Tuesday June 8, 2021



Agenda

- Call to Order
- Welcome- Nathan Smith
- Approval of 2020 Annual Meeting Minutes
- Vote- Hank Testa
- Chairperson's Report- Nathan Smith
- Supervisory Committee Report- Merritt Schifano
- Treasurer's Report- Anoel Kelly
- Adjournment- Nathan Smith

Leatherstocking Credit Union

Staff

*Anoel Kelly - Manager (23 yrs)
*Rob White - Asst. Manager & Dir. of Operations (18 yrs)
*AmyBeth Decker - Dir. of Accounting (13 yrs)
*Hank Testa - Human Resource Specialist (5 yrs)
Christopher Spencer - Coord. of Lending Services (11 yrs)
Matthew Marrotta - Coord. of Special Projects (2.5 yrs)
Beth Hasbrouck- Coord. of Member Services (9 mos)
Andrea Parker - Coord. of Accounting (1.5 yrs)
Joshua McMahon - Marketing Assistant (7 yrs)
Lisa Guardi - Senior Member Service Rep. (6.5 yrs)
Clayton Domion- Member Service Rep. (8 mos)
Patrick Shepard - Member Service Rep. (4.5 yrs)
David Chase - Maintenance Specialist (4.5 yrs)

*Management Team

Board of Directors

Nathan Smith - Interim Chairperson
Samuel Hoskins, P.A. - Secretary
Anoel Kelly - Treasurer/CU Manager
Edward Landers - Dir. at Large
Rose Craine - Dir. at Large
Richard Trimble, M.D. - Dir. at Large
Roger MacMillan, M.D. - Dir. at Large
Charles Ellsworth, M.D. - Dir. at Large
Jean Schifano - Dir. at Large

Supervisory Committee

Merritt Schifano - Chairperson
Veronica Pokorny
Maureen Murray

Chairperson's Report

LSRFCU Members and Staff,

Good evening and welcome to the 2021 Leatherstocking Credit Union Annual Meeting. What a year; I am happy to report that 2020 was a good year for the Credit Union, with many of the strategic and operating goals set forth by the Board and Credit Union team being met or exceeded. It was a year that saw us embark on an ambitious renovation project, grow membership and loans, and support the community with donations to local charities and provide scholarships for graduating high school students.

All of this was accomplished while navigating the events that the community, country and world experienced due to COVID-19, the worst pandemic in over 100 years. The resulting societal and operative challenges were navigated with tact and compassion by the dedication and tireless effort of the Credit Union staff who continued to provide exceptional service to its members. Their effort and abilities made what would be considered a successful year under any circumstances truly remarkable. This was made possible by the leadership of the management team and the investment that the Credit Union made in the training and development of its employees.

There are a number of people whom we need to thank for our success in these trying times; the Management Team for their continued dedication and effort, we are so fortunate to have Anoel Kelly, our Manager, Rob White Assistant Manager, AmyBeth Decker Director of Accounting, and Hank Testa Human Resource Specialist, to manage operations and provide support and sound judgement to make the staff and member's experience a positive one. Thank you to the Board of Directors and Supervisory Committee members for your work and dedication through it all. Lastly, we also need to thank all of our members, thank you for your trust and continued support in the Leatherstocking Region Federal Credit Union.

Respectfully,
Nathan Smith, (Interim) Chairperson

Supervisory Committee Report

The responsibilities of the supervisory committee are to make sure the Credit Union's financial records are in order and internal controls are in place to protect the assets of the credit union and its members. We do that by doing four internal audits, four surprise cash counts, and NCUA examinations. I would like to thank my fellow members, Veronica Pokorny and Maureen Murray, for their volunteer work as Supervisory Committee Members. I would also like to thank the Board of Trustee members, and all of the staff for an exceptional year.

Thanks,

Merritt, Chairperson

Treasurer's Report

Good evening.

Let me start with WOW!!! What a crazy year and a half we have all experienced and of course a time that all of us will never forget! Election, Social Injustices, Change, Isolation. Humans are social beings by nature and want to be out and about and to be told we cannot be around other people has been extremely hard, especially here in our small community. We had to close our lobby a couple of times, even though we really wished we didn't have to because we missed seeing and talking with all of you, but we did it to protect all of our members and staff.

Our renovation project started in July of 2020 and is in the final stages. We are incredibly happy that we hired PWCampbell to handle the renovation project (as they handled majority of the bumps and lumps) and love how the interior and exterior (goodbye exterior drive thru wall) has turned out and how we have gained more offices and workspace without changing our footprint too much. We have heard from quite a few of you, members, of how much you all love the improvements to the building. We love seeing and hearing when someone walks into the lobby for the first time in a while and are like a kid walking into a toy store with all the excitement and comments that they love the improvements. The renovation has taken longer due to some of the contractors not having enough people to work or just not able to get the needed materials to do some of the projects in a timely fashion.

With all of this said I want to thank our membership for their understanding, patience, and support during this past year. We understand that at times it probably was not easy, but we greatly appreciate all of you and want to make your credit union a more accessible, welcoming, and future forward institution.

The staff and I want to thank and express appreciation and gratitude to our Board and Supervisory Committee members for their leadership, guidance, and support during the last 15 months. These Rockstar volunteers have helped us navigate all the sweeping changes and supported our decisions that had to be made in these difficult times.

I want to thank the staff for their dedication, compassion, and resiliency as we maneuvered our way thru the Pandemic of 2020 and now 2021 and the renovation. It has not been easy coming into work every day, but this crew put their masks on and gave their all for the credit union and membership.

And now I would like introduce staff / team at Leatherstocking Credit Union. (staffing list on the second page).

Leatherstocking Region FCU continued to have success and growth in 2020.

For the period ending Dec. 31, 2020

The total loan portfolio grew in 2020. Total \$28,091,667.21 in 2019 to \$29,077,205.70 in 2020.

Our total Charge offs for 2020 was \$163,748.22 and our recoveries were \$45,391.13 for a Net Charge off \$118,357.09 for the year.

Member shares majorly increased from \$44,861,873.92 in 2019 to \$53,650,386.52 in 2020.

Total assets increased from \$51,034,105.85 in 2019 to \$60,485,773.09 in 2020.

Our Net Worth Ratio was 11.24% as of December 31, 2020 which makes LSRFCU a "well-capitalized credit union". Net Worth Ratio was 12.03% in 2019. The National Credit Union Administration sets the "well capitalized" regulatory standard at a minimum of 7%.

*Net Worth Ratio: is the Net Worth (reserves amount and undivided earnings) total divided by the Total Assets on Statement of Financial Condition.

Net income was \$654,796.80 in 2020. The reason for our excellent results is due to investment strategy and loan growth this year.

*We did not have to take a mortgage out to do the renovation. We have been able to pay for the expenses from our daily account and will expense the total costs once everything is complete.

*Your credit union donated approximately \$27,000.00 in 2020 to local charities and community projects/organizations.

*In December, we donated a total of \$2,750.00 to 8 area food banks and \$400.00 worth of food and needed items, equally, to the Susquehanna SPCA and Super Heroes in Ripped Jeans

*21 Scholarships totaling \$10,050.00, were awarded to local students in June. Awards ranged from \$200 to \$650. The award is based on the applicant's well-roundedness, community and extra-curricular involvement, and a written essay with the subject "People Helping People".

* Highlights from 2020-COVID-19 hit like a ton a brick's in March and many sweeping changes were made not only to protect our membership but our staff. Started our renovation project in July. Back to School giveaway in August-gave away over 250 back packs full of supplies.

*For 2021- Easter Give-away on April 2nd was a big success. Thank you, Easter Bunny and staff, for braving the cold, harsh elements! Building Renovation Project to be completed. Hope for a return to "somewhat" normalcy. Member shares have increased to \$60,291,406 and our total assets stand at \$67,341,085 as of April 30, 2021 due to stimulus monies, just five years ago we were at \$41,006,386 for member shares and total assets was at \$45,516,470 as of April 30, 2016.

Leatherstocking Credit Union remains a strong credit union.

In closing I want to thank our members for their continued faith, trust and support of Leatherstocking Credit Union.

Sincerely,
Anoel Kelly, Credit Union Manager/Treasurer

STATEMENT OF FINANCIAL CONDITION

Year Ending From 12/31/19 To Year Ending 12/31/20

ASSETS	2019	2020
Loans to Members (net)	\$27,869,590.71	\$28,912,662.39
Cash & Investments	\$21,950,708.96	\$29,337,363.35
Land & Building (net)	\$469,796.84	\$1,509,910.25
Furniture & Equipment (net)	\$149,565.03	\$115,058.91
Leasehold Improvements (net)	—	—
Prepaid Expense	\$91,224.99	\$55,916.10
Accrued Income on Loans	\$40,164.11	\$57,453.27
Accrued Income on Investments	\$56,903.24	\$28,134.79
National Credit Union Share Insurance Fund	\$458,916.60	\$518,475.95
Other Assets	(\$52,764.63)	(\$49,201.92)
<i>Total Assets</i>	\$51,034,105.85	\$60,485,773.09
LIABILITIES & RESERVES		
Accounts Payable	\$20,304.03	\$21,388.72
Notes Payable	—	—
Other Liabilities	\$13,803.39	\$14,165.54
Share Accounts	\$44,861,873.92	\$53,650,386.52
Reserves	\$618,665.65	\$618,665.65
Unrealized Gain/(Loss) on Investments/Undev. Earnings	\$5,519,458.86	\$6,181,166.66
<i>Assets</i>	\$51,034,105.85	\$60,485,773.09
STATEMENT OF INCOME		
Interest on Loans	\$1,344,185.51	\$1,519,246.51
Interest on Investments	\$510,606.31	\$336,942.71
Other Income	\$524,521.67	\$489,841.41
<i>Total Income</i>	\$2,379,313.49	\$2,346,030.63
DISTRIBUTION OF INCOME		
Compensation & Employee Benefits	\$768,956.44	\$886,775.80
Travel and Conference	\$21,426.73	\$6,711.00
Association Dues	\$14,352.58	\$14,264.21
Office Occupancy	\$79,815.85	\$62,855.60
Office Expense	\$290,578.26	\$295,555.82
Advertising	\$30,479.92	\$27,844.59
Loan Servicing	\$30,517.37	\$30,969.29
Professional & Outside Services	\$195,322.99	\$160,031.52
Provision for Loan Loss	\$258,969.62	\$60,823.90
Member/Refer a Friend	\$1450.38	\$765.92
Federal Operating Fees	\$13,649.93	\$13,906.84
Misc. Operating Expenses	\$28,721.24	\$34,896.57
Total Expense	\$1,734,241.31	\$1,595,381.06
Dividends Paid	\$85,561.49	\$95,852.77
<i>Total Income Disbursed</i>	\$559,510.69	\$654,796.80
STATISTICS		
Total Membership	4575	4626
Savings Balance/Members	\$9805.88	\$11,597.57
Loan Balance/Members	\$6,091.72	\$6,250.03



24 Glen Avenue
Cooperstown, NY 13326
607-547-5700 | mylcu.org

Legal Charter Name:
Leatherstocking Region Federal Credit Union
Federally Insured by NCUA

Minutes to the 43rd Annual Meeting of the Leatherstocking Region Federal Credit Union held outside at the Credit Union in Cooperstown, NY on Tuesday, September 8, 2020. Board of Directors Chairman Ed Landers called the meeting to order 4:33pm. He welcomed the members and thanked them for attending.

Ed then asked for a motion to approve the minutes of the Annual Meeting from April 13, 2019. Hank Testa made the motion to approve the minutes and Sam Hoskins seconded the motion. The motion to approve the minutes was unanimously approved.

Chairman Landers then delivered his report. Ed reported that he was pleased that 2019 equaled our best year. Income for the year was \$559,000 which when added to our resources, gave us a fund balance of \$6,100,000. Our assets as of December 31, 2019 were \$51,034,000. He then reported that our loan growth was up 22% which was number one in the state for credit unions in the \$50,000,000 to \$100,000,000 category. Our efficiency rating was 65%.

Chairman Landers then reported that how we accomplished this, as he stated last year was by investing in our own people. The staff continues to do additional coursework, attend seminars and other educational matters outside and inside the credit union. In 2019 the credit union and its staff were busy in the community. We sponsored the Easter Egg Hunt (over 450 people attended), awarded 18 scholarships to member high school students and raised funds for other charitable organizations. He then announced that the credit union has undertaken a major expansion of our building, which should make members more comfortable and staff more efficient.

Chairman Landers concluded this report by thanking the volunteer Board of Directors and Supervisory Committee members.

Chairman Landers then turned the meeting over to Hank Testa who went over the five open positions on the Board of Directors. He called attention of the members to the slate of nominees presented to the membership by the Nominating Committee of the Board of Directors. Edward Landers, Dr. Richard Trimble, Rose Craine, Dr. Roger MacMillan and Anoel Kelly were the incumbent members presented for re-election. Hank then asked the membership in attendance if there were any nominations from the floor. Seeing none, Hank asked for a motion to cast a single ballot for the election of the slate of members presented by the Nominating Committee. Maureen Murray made the motion and Jean Schifano seconded the motion. Edward Landers, Dr. Richard Trimble, Rose Craine, Dr. Roger MacMillan and Anoel Kelly were unanimously re-elected to the Board of Directors. Time of Vote 4:39pm.

Chairman Landers then introduced Anoel Kelly, CU Manager and Treasurer of the Board of Directors. Anoel started her speech by saying how fortunate we were to have such a gorgeous evening for our outdoor meeting. She then spoke of how the last six months have tested all our resilience along with patience, compassion, and courtesy. Then she expressed our gratitude and appreciation for all the Essential and Frontline Workers along with all those working from home and parents who have helped their kids transition from in school learning to home/virtual learning.

Next, Anoel introduced the rest of the staff and indicated how many years each worked at the credit union. She then introduced Elizabeth Hasbrouck, Coordinator of Member Services as the newest member of the team and that today was her first day.

Anoel then provided information from the 2019 4th Quarter CU Date Summary Report from the National Credit Union Administration (NCUA), the New York Credit Union Profile Report for the 4th Quarter 2019 from the New York Credit Union Association (NYCUA).

She then provided the highlights for the period ending December 31, 2019 for Leatherstocking Region FCU:

-The total loan portfolio grew in 2019. Total \$23,359,609.04 in 2018 to \$28,091,667.21 in 2019.

-Our total Charge offs for 2019 was \$221,437.11 and our recoveries were \$45,492.51 for a Net Charge off \$175,944.60 for the year.

-Member shares decreased slightly from \$45,229,251.82 in 2018 to \$44,861,873.92 in 2019.

-Total assets increased from \$50,655,837.74 in 2018 to \$51,034,105.85 in 2019.

-Our Net Worth Ratio was 12.03% as of December 31, 2019 which makes LSRFCU a “well-capitalized credit union”. Net Worth Ratio was 10.64% in 2018. The National Credit Union Administration sets the “well capitalized” regulatory standard at a minimum of 7%.

-Net income was \$559,510.69 in 2019. The reason for our excellent results is due to investment strategy and loan growth this year.

*LSRFCU donated approximately \$21,000.00 in 2019 to local charities and community projects/organizations. And in November, we did a non-perishable food drive, and thanks to you, our members, we delivered over seven full boxes of food to the Hartwick/Mt. Vision Food Pantry.

*The Proceeds from 2019’s Holiday Chinese Auction totaling \$2,200.00 were donated. \$1,000 was given to Opportunities for Otsego, we designated 2 programs to have the monies used for-Client Shelter Needs and their VIP program (Violence Intervention Program) and \$1,200 to The Regional Food Bank of Northeastern NY for the Back Pack Programs in local Schools.

*18 Scholarships totaling \$10,000, were awarded to local students. Awards ranged from \$400 to \$1,000.

* Highlights from 2019-We repaired the side driveway going down towards the stream. We were researching companies regarding instant issue on debit and credit cards (produce cards inhouse), but due to our card company Elan being bought out by Fiserv, we were forced to do a card migration and that plan was put on hold. We hired Contracting Company PWCampbell to help improve on our floor plan of the interior of the building as well as exterior improvements in late July. We did hardware and software upgrades to all three of our ATM’s in October as previous software will not be supported as of June 2020.

*For 2020-Moved into Phase 2 of our Building Renovation Project in January. COVID-19 made life very interesting starting in March and we began our Building Renovation the first week of July, which is expected to be completed at the end of November 2020.

In closing, Anoel announced that Leatherstocking remains a strong credit union. She thanked the Board and Supervisory Committee members for their leadership, guidance, and support and most importantly to our members for their continued faith, trust and support of Leatherstocking Credit Union.

Chairman Landers introduced Merritt Schifano, Chairwoman of the Supervisory Committee to give her report. Merritt informed the membership that the role of the Supervisory Committee is to make sure that the financial records are in order and internal controls are in place to protect the assets of the credit union and its members. She then introduced and thanked her fellow Supervisory Committee members, Veronica Pokorny and Maureen Murray, for their volunteer work and commended the Board of Directors and the Staff for an exceptional year.

Chairman Landers then asked for a motion to adjourn. Merritt Schifano made the motion and Jean Schifano seconded the motion. It was unanimously approved, and the meeting was adjourned at 4:50pm.

Respectively submitted,

AmyBeth Decker & Sam Hoskins