



2016

*Annual*  
**REPORT**

*Celebrating **67 years**  
of Member Service*

**ALLEGANY COUNTY  
TEACHERS**  
Federal Credit Union



# APRIL 16, 2016

## ALLEGANY COUNTY TEACHERS FCU

# Annual Meeting Minutes

The 66th annual meeting of the shareholders of Allegany County Teachers Federal Credit Union convened on Saturday, April 16, 2016, at 6:00 p.m. The meeting was in the form of a dinner and dance for our member-owners.

Richard T. (Bob) Stevenson, Chairman of the Board, welcomed over 170 member-owners and guests. He announced that the staff members would be selling 50/50 tickets, tips and a chance to win (2) tickets to a Pittsburgh Pirates baseball game during the evening with the proceeds going to the Diffuse Intrinsic Pontine Giloma (DIPG) Foundation to help find a cure. Bob expressed appreciation for Cathy McKenzie, as she continued to take the lead role in putting this event together. He also thanked all of the Credit Union team members involved in contacting local businesses to gather door prizes. As part of Allegany County Teachers Federal Credit Union's support of our troops, both active and retired, and the great and wonderful United States of America, Cathy McKenzie not only recognized all of the men and women who have served or are serving in a branch of the United States Military, but also led us in the Pledge of Allegiance. Our guest, Jessica Plummer, sang a beautiful rendition of the National Anthem and Take Me Out to the Ball Game.

A social was held from 6:00 – 6:30 p.m., followed by the invocation given by President/Treasurer Patricia I. Folk. After dinner, Patricia introduced the Nominating Committee: Shawnee McElfish – Chair, Mary E. Powers and David Jones. David Jones was unable to be with us due to a previous engagement. Shawnee McElfish presented the following nominee for the Board of Directors: Richard T. (Bob) Stevenson. Shawnee asked the Secretary to cast one vote to accept the nomination as proposed, as the incumbent was running unopposed.

After dinner, Patricia I. Folk introduced each valuable Credit Union team member. Chairman Richard T. (Bob) Stevenson introduced the Directors, Supervisory Committee, and special guests Fike, Conner & Associate's Jeff Conner and wife Christa, Fike, Conner & Associate's Kim Robertson, HealthCare 1st Federal Credit Union's Connie Powers and Beth McDonald of Romney Federal Credit Union.

Chairman Stevenson made a motion, seconded by, George (Ed) Dawson, to dispense with the reading of the minutes. The minutes were filed for audit.

Supervisory Committee Chairperson, Shawnee McElfish, explained the role of the Supervisory Committee and its commitment to protect and safeguard member assets. She explained that with this great responsibility comes the need to hire an independent third party to perform an annual financial statement audit and review of internal controls. For this, we request the assistance of Fike, Conner &

Associates. Shawnee McElfish introduced Jeff Conner of Fike, Conner & Associates, who presented a brief overview of the 2015 Independent Audit and the overall condition of Allegany County Teachers Federal Credit Union. Jeff specifically mentioned that Allegany County Teachers Federal Credit Union has one of the friendliest teams when compared to other financial institutions in the area. A motion to accept the Supervisory Committee report was made by Mary E. Powers, seconded by George (Ed) Dawson and passed unanimously.

President/Treasurer Patricia I. Folk reviewed the highlights of the 2015 Treasurer's Reports which included ending 2015 with a net income of over \$596 thousand. She also reported that Allegany County Teachers Federal Credit Union was able to return over \$450 thousand to member-owners in the form of dividends and that we continued to make positive financial trends with a loan to share ratio of 75.76% and a net worth of 10.91%.

At the time, Patricia reported that Allegany County Teachers Federal Credit Union was over \$100 million in assets and had over 9,050 member-owners. She also mentioned that the Credit Union, as a whole, remained committed to our core values that encompass the concept of people helping people.

Patricia stated that Allegany County Teachers Federal Credit Union was excited about the future and on behalf of the Board of Directors and our Credit Union team, thanked guests for their continued support. She also personally thanked our employees for their loyalty and support and expressed appreciation to our volunteers and our community partners. She thanked guests for being a part of the evening and attending our 66th annual membership meeting.

President/Treasurer Patricia I. Folk finished her report with a shout out to the "best group of employees a business could ever hope to have" and presented 5 Year Employee Service Awards to: Carrie Witt, Jessica Crites and Kathy Warnick. She also presented a 30-Year Service Award to G. Ed Dawson.

There was no unfinished business or new business.

The office staff distributed door prizes.

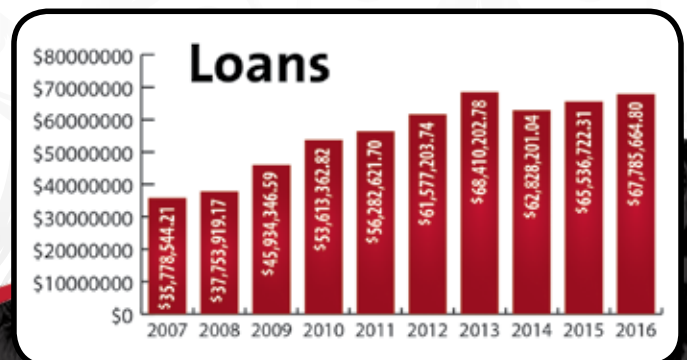
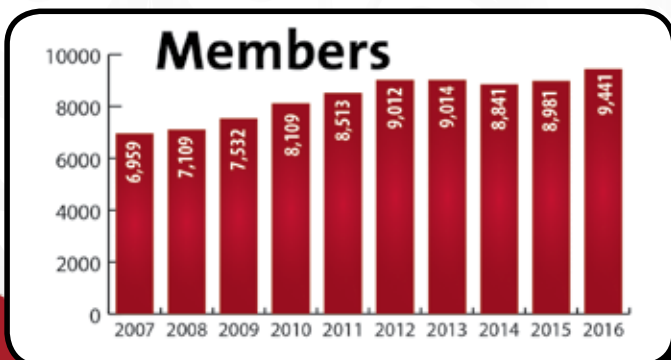
The meeting was adjourned at 8:00 p.m. and was followed by dancing and music provided by The Chinese Bandits.

The next meeting of the shareholders will be Saturday, April 8, 2017.

Respectfully Submitted,

*Mary E. Powers*  
Secretary

*Richard T. Stevenson*  
Chairman of the Board





## Statement of Financial Condition Years Ended December 31, 2016 & 2015

ASSETS	2016	2015
Loans	\$ 66,935,960.72	\$ 64,757,003.85
VISA Loans	1,186,020.14	1,163,299.90
Allowance for Loan Losses	(350,215.47)	(404,979.02)
Cash Adv. In Process	(322.61)	0.00
Overdrawn Shares/All Types	13,899.41	21,397.58
Net Loans	\$ 67,785,342.19	\$ 65,536,722.31
M&T Bank	81,876.69	81,811.04
Medallion Wealth MMA	353.17	346.73
Change Fund	1,211,531.45	944,889.34
Equifax/VISA Clearing Fund	19,744.07	20,142.07
Mid-Atlantic - Corporate FCU	6,191,147.21	5,885,185.38
Government Securities	0.00	750,000.00
Bank Certificates, Net of Discounts	18,682,000.00	17,084,180.34
Deposits in other Credit Unions	3,077,902.90	2,777,338.80
Investment in FHLB Stock	93,202.82	0.00
NCUA Share Insurance Capitalization	870,523.79	860,670.71
Prepaid and Deferred Expenses	241,489.73	171,071.87
Land	408,482.47	408,482.47
Building, Net of Accum. Depreciation	2,521,278.72	2,526,181.86
Furniture and Fixtures, Net of Accum. Depreciation	579,865.12	620,601.28
Leasehold Improvements	0.00	3,788.45
Credit Union Vehicle	1.00	1.00
Accrued Interest on Loans	120,139.93	116,585.07
Accrued Investment Income	53,675.42	35,167.44
Accrued CSCU Dividend/Equity Int.	4,609.63	5,299.92
Assets. Acq. Liq. of Loans	0.00	35,000.00
<b>Total Assets</b>	<b>\$101,943,166.31</b>	<b>\$97,863,466.08</b>

### LIABILITIES AND EQUITY

Accounts Payable	\$ (7,512.55)	\$ 717.88
VISA Payments in Process	4,954.95	4,776.63
VISA Charge Back in Process	0.00	0.00
ATM Clearing	25,633.64	38,316.99
Visa Credit Card Clearing	0.00	0.00
Misc. Accrued Expense Payable	1,084.14	0.00
Accr. Acct/Audit Expense	21,500.00	21,500.00
Compensated Absences	103,280.76	83,392.37
Share Accounts	36,719,502.49	34,378,926.05
Share Draft Accounts	7,606,883.44	7,179,413.91
Christmas Club Accounts	101,230.12	103,875.48
Summer Accounts	263,953.21	279,520.62
Individual Retirement Accounts	8,283,500.49	7,371,474.45
Share Certificates	21,159,340.17	20,239,468.85
Money Market Accounts	16,472,467.92	17,489,087.68
Regular Reserve	1,064,179.40	1,064,179.40
Undivided Earnings	10,123,168.13	9,608,815.77
<b>Total Liabilities and Equity</b>	<b>\$101,943,166.31</b>	<b>\$97,863,466.08</b>

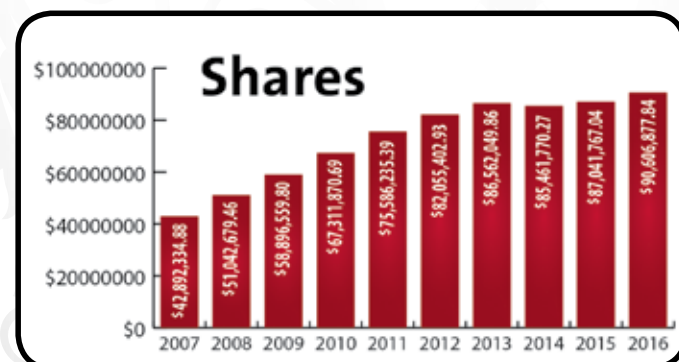
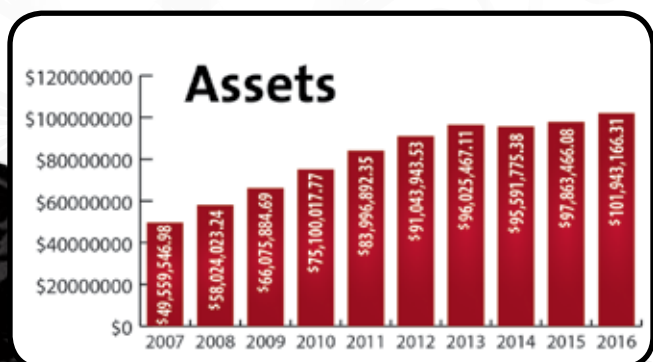
## Statement of Income & Expenses Years Ended December 31, 2016 & 2015

INCOME	2016	2015
Interest On Loans	\$ 3,056,398.79	\$ 2,970,357.57
Income from VISA Lines of Credit	94,375.45	94,069.42
Income from Investments	293,265.31	238,603.25
NCUA Share Insurance Income	0.00	0.00
Fees and Charges	367,734.79	311,910.84
VISA Late Fee Income	6,372.37	7,747.41
VISA Credit/Debit Card Interchange	298,240.13	273,267.40
Miscellaneous Operating Income	90,704.93	94,383.49
<b>Total Operating Income</b>	<b>\$4,207,091.77</b>	<b>\$3,990,339.38</b>

### EXPENSES

Compensation	\$ 1,099,268.94	\$ 975,428.33
Employee Benefits	332,711.54	299,597.55
Travel and Conference Expenses	43,974.11	31,501.62
Association Dues	15,920.87	16,070.16
Office Occupancy Expenses	174,389.08	195,155.74
Office Operations	541,938.13	410,120.51
Educational and Promotional Expenses	190,515.19	166,398.20
Loan Servicing Expenses	98,743.10	128,146.74
VISA Credit Card Program Expenses	54,857.99	57,499.75
Check/Debit Card Program Expenses	187,656.84	167,183.07
Professional and Outside Services	219,854.47	257,109.70
Provision for Loan Losses	145,533.51	192,344.46
Member's Insurance	0.00	0.00
Fed. Supervisory and Exam Expenses	17,809.19	17,478.00
Cash Over and Short	(307.96)	(143.15)
Interest on Borrowed Money	0.00	4.67
Annual Meeting Expenses	6,503.50	6,518.70
Miscellaneous Operating Expenses	44,863.05	23,733.02
<b>Total Operating Expenses</b>	<b>\$3,174,231.55</b>	<b>\$2,944,147.07</b>

Income Before Dividends	1,032,860.22	1,046,192.31
Gain (Loss) on Investments	0.00	0.00
Gain (Loss) on Disposal of Assets	(20,001.00)	(12.00)
Other Non-Operating Gain/(Loss)	0.00	0.00
<b>DIVIDENDS</b>	<b>498,506.86</b>	<b>449,534.07</b>
<b>Net Income</b>	<b>\$514,352.36</b>	<b>\$596,646.24</b>





# 2016

## CHAIRMAN'S & PRESIDENT'S REPORT

Just like most families, Allegany County Teachers Federal Credit Union has stories. These stories have been passed from one generation to the next and they connect us with the past and help us plan for the future. Some stories are humorous, some are serious, but all tell the story of a shared history, helping us strengthen the ties that bind families together. At Allegany County Teachers Federal Credit Union, that's how we view our Board of Directors, Volunteers, Credit Union Team Members and our member-owners. We are FAMILY. Therefore, our story is your story.

During 2016 and the first couple of months of 2017, the most recent chapter in our story, we witnessed the end of an era as four highly respected members of our family started a new chapter in their lives. Director, Mary E. Powers, retired after an amazing 50 years of dedicated service. Director, Richard T. (Bob) Stevenson, retired after 35 years of dedicated service. Director, G. Ed Dawson, retired after 30 years of dedicated service. Finally, our President and Treasurer, Patricia I. Folk, retired after 39 years of dedicated service. She will be forever remembered for her many accomplishments over the years as the Credit Union grew to over \$100 million in assets and over 9,000 members. Allegany County Teachers Federal Credit Union extends a huge thank you to all four of these amazing individuals and offers best wishes in their retirement. Although it is with a heavy heart, we ask that no tears are shed. Instead, we ask that you smile, because you were a part of all the great things that have happened over the years.

Thankfully, this was not the end of the book, just an end of a chapter. How does our next chapter begin? It begins with Dr. James M. Snider being appointed as Chairman of the Board, David R. Jones being appointed as Vice-Chairman, Candy K. Canan being appointed as Secretary, Corrine L. Lamm being moved from the Supervisory Committee to the Board of Directors and Rebecca L. Ruppert taking on her official role on the Board of Directors. Shawnee L. McElfish remains a valuable member of our Board of Directors and Chair of our Supervisory Committee.

Who is your new CEO/President/Treasurer? My name is Christie L. Clark and I have been a member of the Credit Union team since 2003. I began my career with Allegany County Teachers Federal Credit Union as the Administrative Assistant. In 2006, I was promoted to Vice President of Member Services. In 2008, I became the sole Vice President and took on the role of both Chief Financial Officer and Chief Operations Officer. Finally, on March 1, 2017, I humbly took over as the new CEO/President/Treasurer and owe a great deal of gratitude to the Board of Directors for this opportunity. I have a Bachelor of Science in Accounting from Franklin University and an MBA from Frostburg State University. I am married to a wonderful man and have six beautiful children.

Our Senior Management team has grown. K. Renae Holt was promoted to CFO/Vice President of Lending and Heather Dent was promoted to COO/Vice President of Member Services. We have an amazing and continually growing Credit Union team and we are super excited about the future.

In 2016, Allegany County Teachers Federal Credit Union successfully rolled out Remote Deposit Capture (RDC). This service allows our member-owners the option of using a mobile device to take a picture and submit a check with our convenient and easy to use mobile app. The Credit Union also introduced MoneyDesktop; a user-friendly personal financial management tool linked directly to online banking.

In 2016, Allegany County Teachers Federal Credit Union continued to support our community. Through the diligent efforts of our extraordinary staff and volunteers and kindness of our member-owners, we were able to raise \$1,700.00 for the March of Dimes, \$62.53 for the Credit Union Foundation of MD & DC in support of financial literacy, \$1,700.00 for Emma's Wish, Inc., \$700.00 for the American Cancer Society and \$800.05 for the Alzheimer's Association. We donated more than \$400.00 worth of merchandise to the Martinsburg VA Medical Center, raised \$595.01 to purchase Christmas presents for the Family Crisis Resource Center to help a family in need and finally, throughout the 2016-2017 Christmas season, donated more than \$1,250.00 and loads of toys to Toys for Happiness. There were contributions made to Allegany County United Way, ACTA Read Across America, Western Maryland Food Bank, Cumberland Food Pantry, Union Rescue Mission and several other well deserving community groups and organizations. Allegany County Teachers Federal Credit Union also continued to play a crucial role in the Financial Reality Fair created for Allegany County high school students. In 2017, we will broaden our community outreach efforts to include St. Jude Children's Research Hospital, the Allegany County Animal Shelter and Windy Pines Rescue, Inc.

Allegany County Teachers Federal Credit Union ended 2016 with a net income in the amount of \$514,352.46 and assets of \$101,943,166.31. We continue to maintain positive financial trends with a loan to asset ratio of 75.20%, recognizing that our most profitable investment is lending to member-owners. Allegany County Teachers Federal Credit Union was not only able to offer affordable loan rates at competitive levels, but also able to return \$ 498,506.86 to our member-owners in the form of dividends. The Credit Union ended 2016 with a 10.97% net worth and a .52% return on assets. Finally, there were positive trends in market, net worth, loan and asset growth; 4.10%, 4.82%, 3.33% and 4.17%, respectively.

Looking forward to 2017, our strategic initiatives remain strong and committed to safety and soundness. These initiatives include but are not limited to the introduction of Home Equity Lines of Credit (HELOC), a transition from VISA Check Cards to MasterCard EMV Check Cards which feature a long awaited rewards program, a favorable and well executed name change and increased growth opportunities as we make plans to offer products and services in other counties and across state lines.

Our 2016 Mission Statement, Vision and Core Values remain focused on our success by embracing change, encouraging teamwork, employee growth and development and providing high quality products and services in a fair, friendly and professional manner.

On behalf of the Board of Directors and our Credit Union team, we thank you for your continual support and membership. We would also like to thank the Dream Team, also known as, the entire staff of Allegany County Teachers Federal Credit Union for their loyalty and support and want to express our appreciation to our volunteers and community partners. Tell your friends, tell your family and tell everyone you know, that Allegany County Teachers Federal Credit Union offers Premium Products and Platinum Service!!!

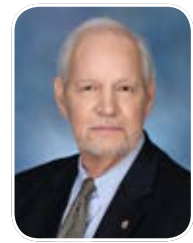
Sincerely,

*Dr. James M. Snider*  
Chairman of the Board

*Christie L. Clark*  
CEO/President/Treasurer



## BOARD OF DIRECTORS



**DR. JAMES M. SNIDER**  
CHAIRMAN



**DAVID R. JONES**  
VICE-CHAIRMAN

## SUPERVISORY COMMITTEE



**SHAWNEE L. MCELFISH**  
CHAIRPERSON



**EUGENE A. BLANK**



**CHRISTIE L. CLARK**  
TREASURER



**CANDY K. CANAN**  
DIRECTOR



**CORRINE L. LAMM**  
DIRECTOR



**TERRY A. HOSTETLER**



**JOHN P. REUSCHLEIN**



**SHAWNEE L. MCELFISH**  
DIRECTOR



**REBECCA L. RUPPERT**  
DIRECTOR

## VISION STATEMENT & CORE VALUES

As we remain committed to the credit union movement and our core values, Allegany County Teachers Federal Credit Union will offer innovative products and services in an effort to create a diversified membership that provides for adequate, yet controlled, future growth and development of assets, market share, loans and net worth. Through employee growth, development and empowerment, we will create a team atmosphere that embraces and efficiently executes "change" that will support strategic and stable growth and development in the long-term. As a team, we will seek to be the primary financial institution of ALL of our members-owners by providing and cross-selling prompt, competitive and high quality financial services in a fair, friendly and professional manner.

## MISSION STATEMENT

The mission of Allegany County Teachers Federal Credit Union is to fulfill the needs of ALL of its member owners by becoming their primary financial institution and providing innovative products and services to meet the financial goals of individuals of all ages.

# CREDIT UNION STAFF



**CHRISTIE L. CLARK**  
CEO/PRESIDENT/TREASURER



**K. RENAE HOLT**  
CFO/VICE PRESIDENT  
OF LENDING



**HEATHER M. DENT**  
COO/ VICE PRESIDENT OF  
MEMBER SERVICES



**TAWNI R. BOUCH**  
MEMBER SERVICE  
REPRESENTATIVE



**STEPHANIE N. BOYD**  
LOAN OFFICER



**TRACEY R. CONNER**  
MEMBER SERVICE  
REPRESENTATIVE



**JESSICA M. CRITES**  
SR. MEMBER SERVICE  
REPRESENTATIVE



**JULIA F. CAMPBELL**  
AUTOMATED OPERATIONS  
SPECIALIST



**TAMMY J. HAGGERTY**  
COLLECTION MANAGER



**KATEE R. HETZ**  
MEMBER SERVICE  
REPRESENTATIVE



**ANNE E. HUTZELL**  
DIRECTOR OF MARKETING



**ROXANNE S. KING**  
HR/COMPLIANCE  
OFFICER



**MEREDYTHE A. LINT**  
BRANCH MANAGER



**SHEILA E. MCAVOY**  
BRANCH MANAGER



**MORGAN M.  
MCCORMICK**  
LENDING MANAGER



**CATHERINE D.  
MCKENZIE**  
RECEPTIONIST/  
ADMINISTRATIVE SECRETARY



**MOLLIE A. MCKENZIE**  
LOAN OFFICER



**MISTY D. MICHAELS**  
COLLECTION ASSISTANT



**KAYLYN R. RAFFERTY**  
MEMBER SERVICE  
REPRESENTATIVE



**SARAH M. REXRODE**  
MORTGAGE/HOME EQUITY  
SPECIALIST



**YUNG L.  
SCHMIDT-PURDY**  
SR. LOAN OFFICER



**DANIELLE E. SHAFER**  
MEMBER SERVICE  
REPRESENTATIVE



**KATHY L. STAIR**  
LOAN OFFICER



**MARY M. SWEITZER**  
SR. MEMBER SERVICE  
REPRESENTATIVE



**LORRIE A. TERRY**  
MEMBER SERVICE  
REPRESENTATIVE



**SARAH M. UNKEFER**  
MEMBER SERVICE  
REPRESENTATIVE



**KATHY L. WARNICK**  
PLASTICS SPECIALIST



**MADISON P.  
WATSON**  
MEMBER SERVICE  
REPRESENTATIVE



**MICHAEL S. WEADON**  
MEMBER SERVICE  
REPRESENTATIVE



**DESTINY R. WILLISON**  
MEMBER SERVICE  
REPRESENTATIVE



**CARRIE L. WITT**  
LOAN OFFICER



**PEYTON E. WOLFE**  
LOAN OFFICER

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**ALLEGANY COUNTY  
TEACHERS**  
Federal Credit Union

Federally insured by NCUA

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