



A Message from our CEO

John Felton

2011 Financial Reports



While preparing for our first staff meeting of 2012, I came across an interesting fact that parallels the evolution of Southern Chautauqua Federal Credit Union. Carrots have not always been orange; they were purple and red originally. Over time, carrots evolved because of seasonal growing changes and soil changes. Carrots have not changed much in their nutritional value or taste, but the color is dramatically different. You might be wondering

what this has to do with Southern Chautauqua Federal Credit Union. In my twenty-five years with this credit union, I have seen many changes. The economy has swung like a pendulum, just as regulations that govern our operations have gone from being strict to loose and back to strict again. The one constant is Southern Chautauqua Federal Credit Union's commitment to helping our members succeed.

For the past ten years, we have made it a priority to ensure that the residents of Chautauqua County lead lives of prosperity and security. Many of our decisions are framed by our desire to be a resource to everyone in this county. One of the initiatives that we are proud of is the Kid's Credit Union program. This program currently reaches over one thousand children each school year and is growing as quickly as the kids who have chosen to start their savings habit early. Just think of the effect 1000 or more children will have on this area when they graduate with \$10,000 in savings. Not every child who hears the monthly savings lessons in the six schools that we visit each month will open an account. However, they will get a positive message about saving and responsible consumer choices that will serve them into adulthood.

We also seek to collaborate with area service organizations when a partnership has potential to change lives for the better. We are so proud of the Loan-to-Own Program that we developed in conjunction with Community Helping Hands. We hope to reach people who are kept in poverty by Rent-to-Own companies. We have established a revolving loan fund to help people purchase necessary appliances at extremely low interest rates. We also provide support and financial coaching throughout the process to help the participants meet this goal and plan for future goals.

These are but two examples of the ways that we are making a difference in Chautauqua County. We believe that the new building that we constructed for our Cherry Creek Branch is a physical example of our faith in the communities in Chautauqua County. The investment that SCFCU made in Cherry Creek exceeds all of the permits granted in the last fifteen years, combined. We believe that the rural parts of Chautauqua County and the residents there should have all of the advantages that the credit union can offer and membership has grown rapidly as a result.

In conclusion, the one constant is change. We look forward to the evolution that is sure to come in the future. We will continue to operate under the guiding principal that what is good for membership and Chautauqua County is good for Southern Chautauqua FCU.

Statement of Financial Condition

		as of 12/31/2011
ASSETS		
Consumer Loans	\$ 25,122,123.07	
Real Estate Loans	\$ 16,877,898.89	
Total Loans		\$ 42,000,021.96
(Less Allowance for Loan Losses)	\$ (263,083.44)	
Cash	\$ 1,355,425.45	
Investments	\$ 8,370,486.55	
Other Assets	\$ 3,053,376.27	
TOTAL ASSETS		\$ 54,516,226.79
LIABILITIES & EQUITY		
Total Liabilities		\$ 2,401,864.10
Member Deposits	\$ 47,038,342.26	
Non-Member Deposits	\$ 1,392,985.00	
Total Deposits		\$ 48,431,327.26
Regular Reserve	\$ 445,708.39	
Undivided Earnings	\$ 3,237,327.04	
Total Reserves		\$ 3,683,035.43
TOTAL LIABILITIES & EQUITY		\$ 54,516,226.79

Income Statement

		as of 12/31/2011
OPERATING INCOME		
Income from Loans	\$ 3,216,079.76	
Income from Investments	\$ 35,333.83	
Income from Miscellaneous	\$ 705,074.85	
TOTAL OPERATING INCOME		\$ 3,956,488.44
OPERATING EXPENSES		
Operating Expenses	\$ 2,310,670.39	
Dividend Expenses	\$ 582,983.03	
Non-Operating Expenses	\$ 440,737.16	
TOTAL OPERATING EXPENSES		\$ 3,334,390.58
TOTAL NET INCOME		\$ 622,097.86



Southern Chautauqua FCU

Mission Statement:

Southern Chautauqua FCU is committed to providing its members with the professional financial services they have come to expect. It will use its assets wisely and be held accountable to its members.

Vision Statement:

Southern Chautauqua Federal Credit Union's vision is to be a resource to the community by offering its membership the best financial service and value... period.

Value Statement:

Southern Chautauqua Federal Credit Union values the financial well being of its members.

We achieve our vision of being a resource to the community not only by helping our members, but also through our charitable work and donations to several area organizations. Briefly listed: SWCS, Children's Safety Village, Roger Tory Peterson, Community Helping Hands, Pine Valley Scholarship Fund, Cherry Creek Food Pantry, Clymer Central School, Lakewood Volunteer Fire Department, Westfield Academy, Little Theatre, Southwestern Soccer, Cal Ripkin Baseball League, JHS, Frewsburg Central School, Striders, YMCA, Relay for Life, JNP, Creche, George Batitis Open, Russ Germaine Memorial, Italian American, Marie Barone Memorial Golf Tournaments and many other organizations.

Supervisory Committee Report
Frank Pidgeon, CFE completed the 2011
supervisory audit and no major
deficiencies were found.

Treasurer's Report
The December 31, 2011 financial reports
are available above.

A Report From Mel Feather, Board President



Welcome to the Thirteenth Annual Meeting of the Southern Chautauqua Federal Credit Union and the 58th year since our inception in 1954. I take this opportunity to report to you, our members, on the State of the Credit Union.

The local, state and national economies continued to limp along over the past year with few glimmers of a turn around. Certainly, on the local level, the economy remains a major concern. We work to manage and

minimize risk but still seek out existing opportunities for growth. Our Credit Union continues to enhance the quality of our products, and the level of service we provide to our members.

This year, my thoughts turned again to the word community. We are, first, a community credit union. Everybody who lives, works, attends school or worships in Chautauqua County is eligible for membership. However, this Credit Union has not waited for people to join as members in order to provide them with services. We are one of the very few credit unions that received a Federal CDFI Capital grant of \$1,700,000 to help serve the low-income communities in our county. We have begun to use those funds to expand services to the working poor of our area.

Our Credit Union has, in cooperation with Community Helping Hands, developed a no interest Loan-to-Own lending program. It is now available for people of modest means to purchase a necessary appliance without having to rent from a high interest business that preys on the poor. The working poor can now buy a needed appliance, establish some credit, raise their credit score, and learn responsible financing. The Kids Credit Union is now functioning in six school districts. Our Credit Union employees are working with 2nd, 3rd and 4th graders and their teachers to establish a regular pattern of saving some of their money. The goal is to send these students out into the community as high school graduates who know how to save and manage their money. Our Credit Union donated close to \$10,000 in 2011 to support community fundraisers. Organizations in all six of our founding school districts received our support.

Your Credit Union's employees, for the fifth year, donated and raised money for scholarships for six graduating seniors last June. The winners were required to write an essay about their commitment to helping others in their community as expressed by the Credit Union Philosophy: People Helping People.

Volunteer members of our Credit Union staff have undergone training and are now part of the VITA program. Eligible members of our community can come to the Credit Union and get free help with filling out and submitting their federal income taxes.

So, your Credit Union serves not only its members, but also the whole community in many ways. We are truly a community credit union that is striving to boost, build and believe in Chautauqua County and its residents.

Southern Chautauqua FCU is, I believe, doing a common job, uncommonly well. I wish you a happy, healthy, and financially secure 2012.

Sincerely submitted,
Mel Feather, President

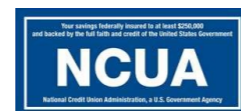


**Credit Union
Board Of Directors**
President, Melvin Feather
Vice President, John Ireland
Secretary, Katrina Fisher
Treasurer, Rodney Beckerink
Supervisory Chair, Sheryl Ramsey
Security Officer, William Caldwell
Bill Penfold, Shawn Howard and Ted Kapuscinski

Jerry Felton
John Felton
Debbie Williams
Julie Fisher
Mary Sarno
Lisa Peterson
Kim Margaglio
David Samuelson
Amy Hanson
DeAn Durnell
Heather Kerr
Megan Austin
Beckie Hultin
Michelle Weilacher
Amy Brown
Anne Rich
Pat Howe
Sue O'Boyle
Molly Brown
Amber Gustafson
Amy Jasper
Lyle Roof
Melissa Gniewecki
Joshua Babcock
Teena Calimeri
Nathan Peterson
Steve Halovich
Jennifer Johnston
Holly Welka
Laura Simons
Alyssa Harenda
Amber Yokom
Candace White

Credit Union Staff

Investment Specialist	46 yrs. of service
Chief Executive Officer	25 yrs. of service
Sr. Loan Officer	17 yrs. of service
Branch Coordinator	16 yrs. of service
Purchasing Agent	15 yrs. of service
Chief Operations Officer	11 yrs. of service
Branch Coordinator	8 yrs. of service
Lending Manager	7 yrs. of service
Call Center Supervisor	7 yrs. of service
Branch Coordinator	6 yrs. of service
Compliance Officer	5 yrs. of service
Financial Svc. Rep	4 yrs. of service
Administrative Assistant	4 yrs. of service
Financial Svc. Rep.	3 yrs. of service
Financial Svc. Rep.	3 yrs. of service
Chief Financial Officer	3 yrs. of service
Reception/Teller	3 yrs. of service
Teller	3 yrs. of service
Teller	2 yrs. of service
Branch Coordinator	2 yrs. of service
Teller Manager	2 yrs. of service
Chief Information Officer	2 yrs. of service
Collections	1 yr. of service
Call Center/Teller	1 yr. of service
Reception/Teller	1 yr. of service
Accounting Clerk	1 yr. of service
Teller/Collections	1 yr. of service
Accounting Clerk	1 yr. of service
Teller	1 yr. of service
Marketing	1 yr. of service
Teller	New Hire
Teller	New Hire
Kid's Credit Union	New Hire



Discover the
**SOUTHERN
CHAUTAUQUA**
FEDERAL CREDIT UNION
Difference

2011 Annual Report

665-7000
www.665-7000.com

Lakewood Branch
168 E. Fairmount Avenue

Cherry Creek Branch
6834 Main Street

Clymer Branch
562 Clymer-Sherman Road

Jamestown Community College Branch
Hamilton Collegiate Center
525 Falconer Street

Westfield Branch
7 Elm Street