

# Stepping Into The Future.



**2017** ANNUAL  
MEETING  
May 12, 2018

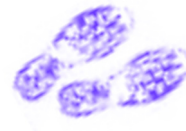




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## AGENDA

Registration & Appetizers	5:00 - 5:30 pm
Welcome & Call to Order	Jason Budman, Board Chair
Report of Credentials	Mark Shearer, Secretary/Treasurer
Minutes (in booklet)	Mark Shearer
Treasurer's Report (in booklet)	Mark Shearer
Supervisory Committee Report	Jeffery Rearick, Supv. Comm. Chair
Election Results	Mark Shearer, Nominating Comm.
Installation of Officers	Jason Budman
Guest Speaker	Tim White
A Look into 2018	Brenda Raker, President/CEO
Video Presentation	Chase Bobb
Dinner with music	6:30 pm
Door Prizes	Brenda Raker
Adjournment	Jason Budman

Please join us after the meeting for music,  
dancing and photo booth fun by Monster  
Sound Entertainment.



# Director Election

One of the primary purposes of the Annual Meeting is to elect the Directors who will make decisions concerning the operation and well-being of your credit union.

The job of a Credit Union Director is completely voluntary. The position involves the dedication of time to attend monthly board meetings and conferences in order to stay well-informed and make the best decisions for the members of the Credit Union.

Choosing members to serve on the Credit Union's Board of Directors is a serious responsibility. As an active member, it is your duty to vote for a candidate that you believe will serve the Credit Union members' best interest while promoting the core values of the credit union philosophy, "not for profit, not for charity, but for service".

According to the credit union's bylaws, nominations from the floor are permitted. The Nominating Committee submitted four nominations to fill the vacancies this year. Their nominations are listed below. All nominees are agreeable to having their names placed on the ballot and will accept office if elected. Election will be determined by plurality vote and shall be by ballot when there are more nominees than open positions. When instructed, please refer to the ballot for directions on casting your vote.

## NOMINEES:

### ***Dale Walize, Incumbent (3 year term)***

Dale owns the Lewisburg Hotel and the Scarlet D. He lives in Mifflinburg and has been a member of the credit union since 2001. He currently holds the position of Board Vice-Chair.

### ***Jeffrey Shaffer, Incumbent (3 year term)***

Jeff is the Communications Director for the Central PA Chamber of Commerce. He currently holds the position of Membership Officer. He and his wife live in Sunbury. He has been a member since 2014.

### ***Susan Giberson, Incumbent (3 year term)***

Susan is the Principal of Grace Beck Elementary in Sunbury, PA. She has been a credit union member since 1998 and is currently a Director on the Board.

Since there are sufficient nominees for the open positions, if there are no nominations from the floor, nominations will be closed and the Secretary will be asked to cast a unanimous ballot.

# 2017 Meeting Minutes

## **Minutes of the Pinpoint Federal Credit Union Annual Meeting held April 29, 2017 at the Watson Inn, Watsontown, PA, recorded by Wendy Wirth.**

There were 86 members and 6 guests present.

Board Vice-Chair, Dale Walize called the meeting to order at 6:39 pm. Secretary, Jason Budman confirmed that there was a quorum present.

The minutes of the April 16, 2016 annual meeting were read and approved. Motion: Matthew Wirth. Second: Elsie Miller. Motion approved.

The treasurer's report for December 31, 2016 was presented. There were 2565 members. Assets were \$18,622,893.58. The treasurer's report was accepted as read.

### **Supervisory Committee Report**

Ginny Wirth reported that the 2016 audits have been completed and the credit union is operating with a system of strong internal controls and is a sound financial institution. The committee worked with the National Credit Union Administration (NCUA) and Feather CU Services, LLC to maintain compliance with legal and regulatory requirements.

**Old Business**-No old business.

### **Election of Board of Directors & Supervisory Committee**

The names of Jason Budman, Mark Shearer, Susan McLean and Ashley Mullay were presented. Three board positions and one supervisory committee position are open. There were no nominations from the floor. Matthew Wirth made a motion to close nominations. Second: Bob Keifer. Motion approved. The secretary was instructed to cast a unanimous ballot.

### **Installation of Officers**

Jason Budman, Mark Shearer and Ashley Mullay were installed at the meeting.

### **Chair's Report**

Susan McLean thanked the board and staff for their commitment to the credit union and members. She also thanked the members for supporting the credit union and our local community. The board will continue to look at new products and services to serve the members better.

### **President/CEO Report**

Brenda Raker thanked the members for their continued commitment to the credit union. She discussed the two main changes that occurred in 2016. The credit union completed a data processing core conversion, which will allow us to serve our members more efficiently, provide continuation of services as part of our disaster recovery plan and grow our products and services in order to meet the changing needs of our membership. We also obtained the trademark necessary to complete our name change and began a rebranding campaign to introduce the community to Pinpoint and reiterate our commitment to our Select Employee Groups. The credit union has added six new member groups in the past year. 2017 will bring enhancements to home banking and bank by phone as well as the introduction of Card Valet. She reiterated how much we appreciate the members and that they are what makes us successful. She introduced the employees and thanked them for their high level of service and commitment to the members.

After the prize drawings, the meeting was adjourned at 7:40pm. Motion: John Shultz. Second: Gail Hollenbach. Motion approved.

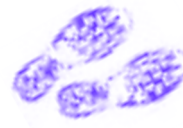




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## CHAIRMAN'S REPORT

In 2017, we, once again, set out to exceed expectations by providing unmatched service, cultivating a sense of belonging and helping you stay the course on your path toward financial freedom. Tonight, we are proud to share our thankfulness with you, our members.

Whether it was through our guidance to those who are just starting on their financial journey, helping members navigate their way out of debt, guiding members through transitional times in their life, or lending money to members inspired to dream bigger, this commitment took center stage in 2017 and was a catalyst for the year's success.

We take great pride in always doing what's in your best interest, wherever you are in your financial journey. We also recognize that there are times in life when a little more guidance is needed. This is the primary reason that we opened our first branch in the Lewisburg Campus of McCann School of Business & Technology. While this branch is open to all members, the primary vision for this branch was to be able to assist students in making better financial choices; to provide externship opportunities for students and to serve our members within the Lewisburg community. We are proud to report that we exceeded the branch's 4th quarter financial projections, provided several financial education courses within the school and successfully completed our first student externship. We continue to plan for the building and relocation of the Main office in order to better serve our members within the Community. We thank you for your patience and support as we continue the planning process.

With the accomplishments of 2017 in our rearview mirror, we shift our attention to shaping the road ahead. This year, we have partnered with Ancin Cooley of Synergy Credit Union Consulting to continue to drive the credit union forward, through the introduction of new talent, expansion of lending products and low-cost services to meet your financial needs more effectively. We have begun to implement strategic initiatives related to new talent through the hiring of our VP of Operations, Nicole Sovic and an additional Lending Relations Officer, Lynn Swank, both with over 20 years of lending and managerial experience. Your Board of Directors is active and continues to support an aggressive strategic plan built around smart growth and sound decision making. While delivering exceptional experiences continues to be the current that steers us, convenience and technological enhancements will be our vessels in 2018.

It has been an exciting first year as Pinpoint Federal Credit Union and we look forward to many more successful years to come. We welcome the new members who have recently joined our credit union family and thank all of our members for your past and continued support. The Board of Directors is excited about working closely with you, our members, our management team and our employees throughout the next leg of the Pinpoint journey.

**Jason Budman, Board Chair**



## *President's Report*

As President & CEO of Pinpoint Federal Credit Union, otherwise known as the “Captain of this ship”, it is my privilege to work with an outstanding crew of professional volunteers and employees who give their all, every day, to provide you with the best possible service experience. Every decision we make has your financial needs in mind. That is the way we have conducted business since 1956 and will continue to do so—with our members’ needs at the forefront of our strategic initiatives.

In 2017, our crew faced high winds and heavy seas with regulatory and compliance changes around every turn. We needed all hands on deck to navigate through it successfully. Occasionally, we needed to change gears or steer around obstacles ever so slightly to stay on the course of our strategic plan. I am sure you have heard the common saying “Sink or Swim”, which basically means succeed or fail, according to the competence and diligence of your own effort. On many occasions, crew members needed to swim, like never before, in order to learn new skills and processes quickly so we could continue to provide the level of service you have become accustomed to and deserve.

As Chairman Budman mentioned, our focus in 2018 will be to continue to accomplish our strategic objectives through additional technological advances and new products and service offerings. In the first quarter of 2018, we successfully completed the conversion of our online bill pay product. The new service adds PopMoney® functionality and Person to Person ACH payment options as well as faster payment options. Currently, we are in the process of designing the Pinpoint mobile app that will enhance and personalize your mobile banking experience and incorporate biometric security features, eliminating many of the challenges associated with the browser-based security features. We have just rolled out our new GAP Plus product for vehicle loans and motorsport vehicles. The new product offers deductible assistance when your vehicle has been in an accident but is not a total loss. Our third quarter initiatives include the enhancement of our debt protection products with the addition of Life Plus offerings for consumer loans, home loans and credit cards. Additionally, in the third and fourth quarters, we will be adding options for more convenient automobile financing, small business loans and investment property loans. We continue to listen to our members needs and respond with low-cost, convenient product and services. We hope that you will continue to share your financial needs with us and to grow with Pinpoint for generations to come. Thank you, again, for allowing us to step forward into 2018 with you, our members and our credit union families!

**Brenda Raker, President & CEO**



# *Treasurer's Report*

We have mentioned a lot about our strategic initiatives and how we intend to achieve our objectives. Maintaining a positive financial position is one of the primary functions needed to support the new products and services that we intend to provide to our members in 2018 and beyond.

Although, we had some bumps in the road in 2017, we ended the year in a positive financial position. 2017 was a year of consistent growth for Pinpoint; loans grew by 9.74% and membership increased by 2.22%. Throughout the year, we remained a fiscally sound and secure financial institution. Our Capital Ratio declined slightly due to strong share growth and higher than normal delinquencies, but remained strong at 11.37%. Delinquency in mortgage products increased from the previous year. However, charged off loans decreased by nearly 33%. We were able to recover nearly \$24,000 of losses. Return on Assets were higher than in the prior year and in line with our peer group. We paid, back to our members, \$66,282.67 in dividends and were ranked #5 among our peer group for our overall return to the member, with a score of 99.46% for total Return on Member (ROM). These successes are a direct reflection of more members, like you, using our products and services and choosing Pinpoint FCU as their preferred financial institution.

We worked diligently and in conjunction with our auditors and regulatory examiners to strengthen our internal controls and to streamline processes so we could function more efficiently. Pinpoint remains a leader among our peers for consistently strong financial performance. We look forward to continued growth in 2018 and the expansion of products and services offered to our membership. We remain well-capitalized and positioned for growth and stability for many generations to come. We want you to consider us as not just your financial institution, but your trusted financial partner.

As you can see, the credit union acted prudently to protect members' financial assets – your financial assets. After all, your membership makes you an owner as well as a valuable contributor to our mutual success. So, I join Jason Budman, Chairman of your Board, and Brenda Raker President and CEO, in personally thanking you for your continued support of Pinpoint FCU. The entire Pinpoint team is passionate about helping you achieve your financial goals. As we work by your side, I believe we have another successful year ahead for your credit union in 2018.

## FINANCIAL COMPARISON

	As of December 31, 2017	As of December 31, 2016
Total Membership	2622	2565
Total Shares	\$17,528,455.95	\$16,535,833.46
Total Loans & Visa	\$14,508,442.97	\$13,219,619.73
Total Assets	\$19,643,167.55	\$18,622,893.58
Total Net Income	\$55,683.58	(\$7,295.16)
Capital Ratio	11.37%	11.80%
Return on Assets	.29%	-.04%
Loan/Assets	73.86%	71.00%
Delinquent Loans/ Total Loans	3.16%	.90%
Net Charge offs/Ave. Loans	.13%	.51%
Market (Share) Growth	6.00%	2.41%
Dividends	\$66,282.67	\$59,598.85
Cost of Funds/ Ave. Assets	.34%	.32%
Operating Expense/Ave. Assets	4.23%	4.21%
Yield on Ave. Loans	4.61%	4.85%

Full financials are available upon request by contacting us at 570-742-3903.



**KEY BALANCE SHEET ITEMS****December 31, 2017**

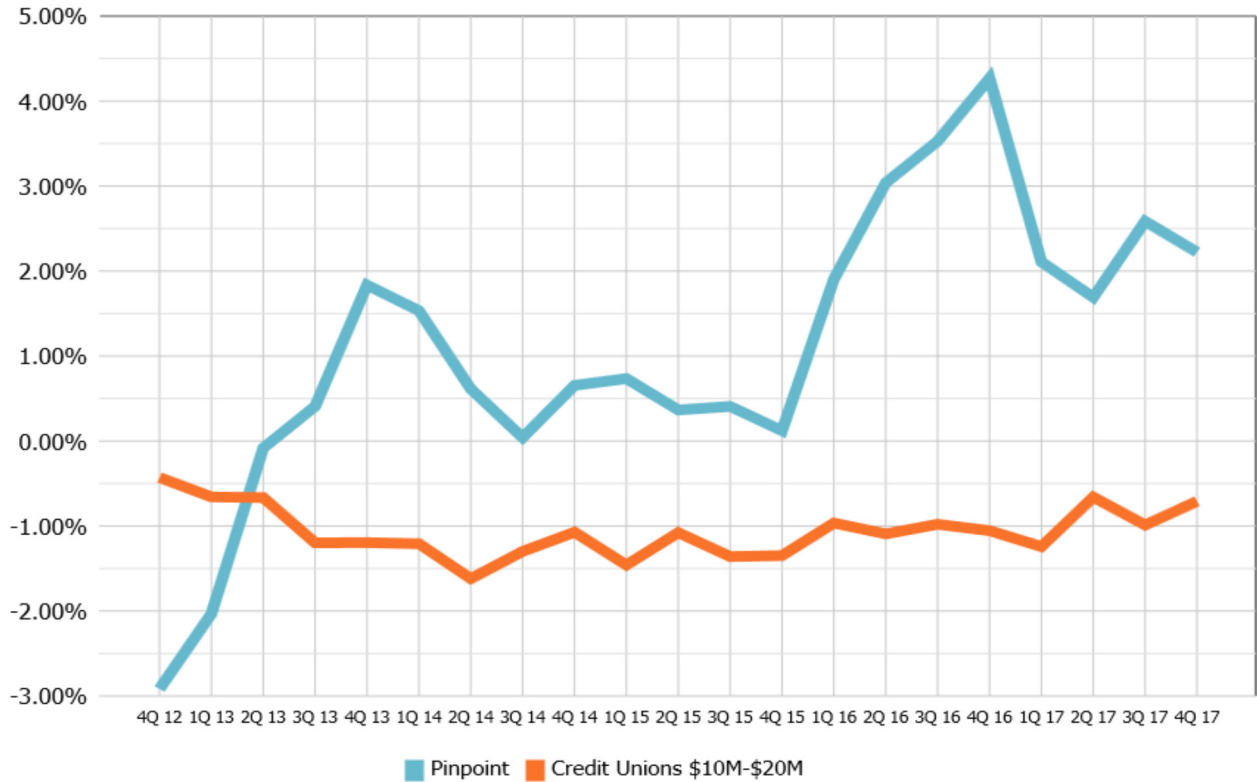
Loans and Visa	\$14,508,442.97
Allowance for Loan Losses	(101,392.12)
Accounts Receivable	208.46
Cash & Cash Equivalents	442,882.23
Investments	3,981,128.15
NCUA Share Insurance Fund	165,421.00
Prepaid Expense	40,538.26
Fixed Assets (net of depreciation)	535,233.41
Accrued Income	23,555.59
All other Assets	47,358.06
<b>Total Assets</b>	<b>19,643,167.55</b>

Liabilities	14,379.18
Card Transactions in process	(21,542.92)
EFT Clearing	(35,234.89)
Unapplied Data Processing Exceptions	20,772.28
Total Shares	17,528,455.95
Regular Reserves	153,512.85
Undivided Earnings	1,981,249.65
<b>Total Liabilities &amp; Equity</b>	<b>\$19,643,167.55</b>

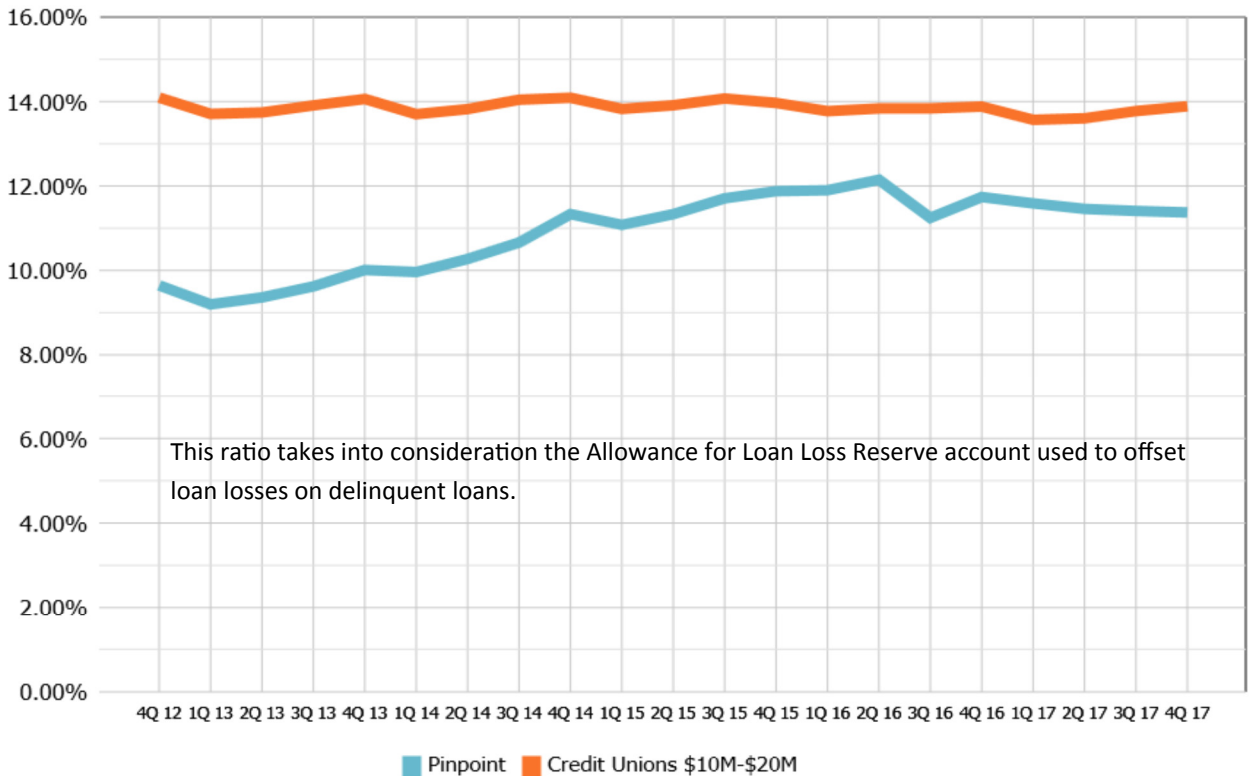
**KEY INCOME STATEMENT ITEMS**

<b>Total Operating Income</b>	<b>\$944,057.11</b>
<b>Total Operating Expenses</b>	<b>823,090.86</b>
<b>Dividends to members</b>	<b>66,282.67</b>
<b>Net Income/(Loss)</b>	<b>\$55,683.58</b>

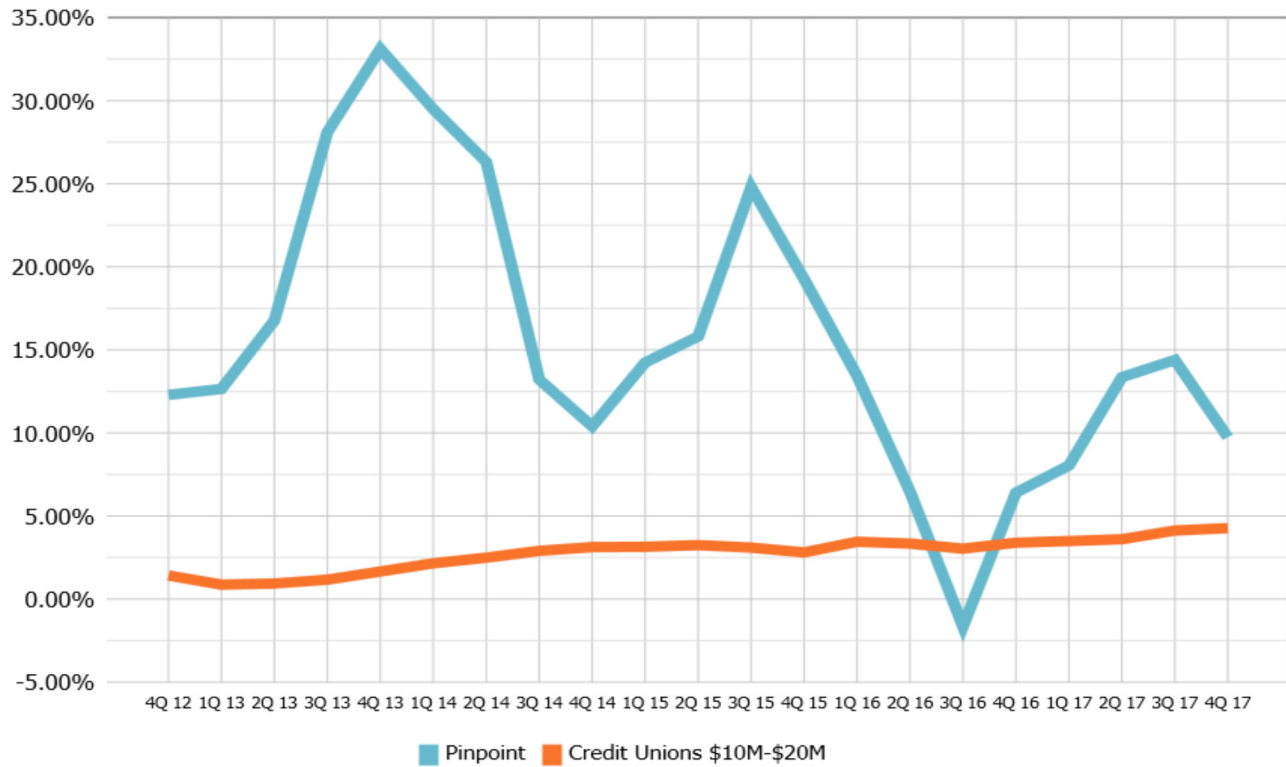
## Member Growth



## Capital to Assets

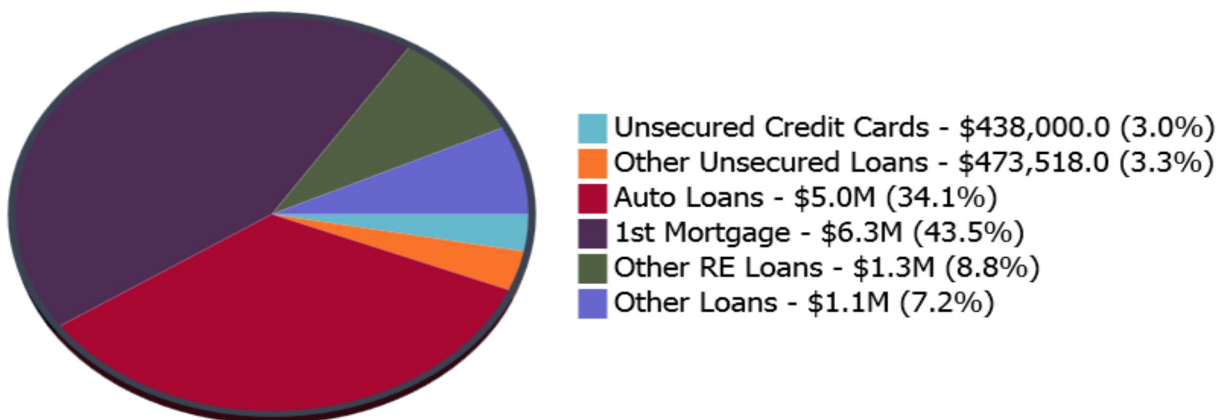


## Loan Growth



Source: Callahan & Associates

## Loan Composition - Pinpoint



Source: Callahan & Associates



# *Supervisory Committee*

The Supervisory Committee is appointed by the Board of Directors for the purpose of ensuring accurate records, protection of members' funds and maintaining quality systems of checks and balances in accordance with the rules and regulations of the National Credit Union Administration (NCUA). The committee utilizes the support of external auditors to review selected areas of credit union operations on an ongoing basis. Committee members as of December 2017 were Jeffery Rearick, Ashley Mullay and Lillian Rodarmel.

The Supervisory Committee monitors that operations are conducted in accordance with governing rules and regulations and assets are properly administered. The committee retained the services of an outside auditing firm, Feather CU Services, LLC to perform a comprehensive annual audit and received a positive audit report. Additionally, the National Credit Union Administration, our regulatory agency, has conducted thorough examinations of the credit union's operations and has found it to be of low to moderate risk. We continue to take their recommendations into consideration in regards to our daily operating processes and procedures.

The Supervisory Committee conducts additional reviews of internal controls, including surprise cash counts, review of expense reports, maintenance reports and review of closed accounts, in addition to our regular audits. No material exceptions were found during these reviews.

Based on their interaction with the Board of Directors, Management, and external Auditors, it is the opinion of the Supervisory Committee that Pinpoint Federal Credit Union is conducting its affairs in a fiscally safe manner and that the financial statements presented in this annual report fairly represent the condition of Pinpoint Federal Credit Union at year-end 2017.

The Committee is pleased with the actions taken and standards upheld in 2017. We look forward to continue working side by side with the Pinpoint FCU Board, management and members in 2018.

As the Chairman of the Supervisory Committee, I am pleased to report that the credit union ended 2017 in a strong financial position and is prepared to continue to serve the needs of our members in 2018. We invite you to contact the Committee to share questions or concerns regarding regulatory compliance or credit union policy. Thank you for your trust in our supervision. We are committed to maintaining your confidence in Pinpoint Federal Credit Union.

**Jeffrey Rearick, Supervisory Chairperson**



# *Saving Smarts*

You've heard it from a million places: Budget your money! Make a firm plan and stick with it. It's the pathway to prosperity! For many people, though, that advice just doesn't resonate. They feel constricted by a budget. Keeping cash in separate envelopes makes

them feel like they can't have a life. It takes too much planning and too much rigid denial. They break their budget and sometimes wind up in serious financial trouble. Other people have an inconsistent cash flow, making creating and keeping a budget difficult. Maybe they're freelancers who work gig-to-gig. Maybe they're in commissioned sales. Maybe their hours fluctuate from month to month. Whatever the reason, it's hard to make a detailed plan when your bottom line changes every month. The answer isn't to give up on budgeting. The collective wisdom, that monitoring your expenses and income streams is the way to stability, still holds true. It might just require a different approach to budgeting: cash flow focus. Cash flow focus is the strategy used by most businesses. They pay their fixed costs, and whatever is left is used to grow the business. You can manage your finances the same way. Just follow these four steps:

- 1.) Automate your savings.** Even if you disregard everything else in this article, implementing this one tip can be life-changing. Figure out how much of your income you can save, then take that out as soon as you get paid. You can set up transfers from your draft account to your savings account. Like the saying goes, pay yourself first. This savings provides you the flexibility to cover big expenses or make major purchases on your schedule. It's the single most important step in any budget, but it's even more important with cash flow budgeting. When you automate your savings, you remove the money you saved from consideration. You can't spend it; you've already spent it on savings.
- 2.) Pay your needs and your priorities.** Make a list of your essential expenses each month. Include your rent or house payment, your car loan and your utilities. Also include your student loan payments, your insurance and other necessary expenses. These are your "fixed costs." They get paid after your savings contributions are made. Next, make a list of your priorities. Include your charitable contributions, vacation savings and retirement account contributions. These are your "growth expenses." They get paid after your fixed costs. If you don't have enough money to pay these bills, you don't need a better budget - you need to lower those bills or increase your income. No amount of spreadsheet magic will change that bottom line. It's helpful to automate savings for these expenses, too. That way, you never get caught short on these bills. Transferring this money to a check-only draft account can be a helpful way to ensure you don't spend it.
- 3.) Spend the leftovers.** This message may sound peculiar for personal finance advice. Remember, you've already automated your savings. What you're spending here is the leftovers - the extra that's left at the end of the month. Spend this money however you like - don't worry about putting this much in entertainment and that much in travel. Just keep track of how much you've spent so you don't accidentally overdraft your account.
- 4.) Roll over what's left.** You don't have to spend it all. If you have money left over at the end of the month, then you have more to spend the next month. If you have a month with slightly higher expenses, you can cover it from a previous month's slightly lower expenses. Your spending will change from month to month, as might your income. So long as you keep the former smaller than the latter in the long run, you'll be fine. That's what cash flow budgeting is about: flexibility. You don't have to write your unbudgeted spending purposes in stone. You don't have to mess with cash envelopes or other strategies. You can spend when you have money and save for when you don't.

If you're thinking about adopting a cash flow budget, Pinpoint can help. A friendly, knowledgeable representative can walk you through the savings tools you need. You can automate your savings, flex your spending and build toward financial security.



# *Corporate Values*

**Mission:** To cultivate financial relationships with members so they are able to Grow. Progress. Succeed.

**Vision:** To create a member-centric experience within every touch point.

## **CORPORATE VALUES:**

**Accountability:** Taking responsibility for our actions, which influence the lives of our members and co-workers.

**Balance:** Maintaining a healthy life and work balance for employees.

**Collaboration:** Collaborating with co-workers and other organizations to provide the best service possible.

**Commitment:** Commitment to incorporate great products, services and other initiatives that impact our lives, both inside and outside the credit union.

**Community:** A sense of responsibility and contribution to society that define our existence.

**Efficiency:** Being efficient and effective in our approach to provide the best solution every time.

**Empowerment:** Empowering our employees to take initiative and give their personal best on a daily basis.

**Fun:** Having fun and celebrating small successes in our journey to achieve big things.

**Innovation:** To come up with new creative ideas that have the potential to change our members' lives.

**Integrity:** To act with honesty and integrity without compromising the truth.

**Leadership:** Having the courage to lead from the front and shape the future.

**Respect:** Giving due respect to self and others to maintain the environment of team work and growth.

**Service Excellence:** Providing members with exceptional service and achieving excellence with each passing day.





# *Business Partners*

Pinpoint Federal Credit Union would like to extend its thanks to our business partners who donated prizes for tonight's event. We encourage our members to utilize other members for services that they may need, whenever possible. If you are a member who has a business, feel free to add your business cards to our lobby display so that other members can contact you.

Charlene's Petal Talk

Dreese Services

Feather CU Services

Heaven's Best Carpet Cleaning

JOPRI's Lawn Care

Lewisburg Hotel

Main Street Member Services

NetBankStore

RDJ Specialties

Tastefully Simple, Elsie Miller

Pampered Chef, Geraldine Walters

Vizo Financial

## *Thank You!*

# Your Leadership Team

## BOARD OF DIRECTORS

JASON BUDMAN, CHAIRPERSON  
DALE WALIZE, VICE CHAIRMAN  
MARK SHEARER, TREASURER/SECRETARY  
SUSAN GIBERSON, DIRECTOR  
JEFF SHAFFER, DIRECTOR & MEMBERSHIP OFFICER  
SUSAN MCLEAN, DIRECTOR  
GARRY DREESE, DIRECTOR

## SUPERVISORY COMMITTEE

JEFFERY REARICK, CHAIRPERSON  
ASHLEY MULLAY, SECRETARY/MEMBER  
LILLIAN RODARMEL, COMMITTEE MEMBER

## ASSET LIABILITY COMMITTEE

BRENDA RAKER, COMMITTEE MEMBER  
NICOLE SOVIC, COMMITTEE MEMBER  
REBECCA DRESSLER, COMMITTEE MEMBER  
SUSAN MCLEAN, COMMITTEE MEMBER

## BUILDING COMMITTEE

JASON BUDMAN, COMMITTEE MEMBER  
DALE WALIZE, COMMITTEE MEMBER  
JEFF SHAFFER, COMMITTEE MEMBER

## MANAGEMENT AND STAFF

BRENDA RAKER, PRESIDENT/CEO  
NICOLE SOVIC, VP OF OPERATIONS  
REBECCA DRESSLER, FINANCIAL SERVICES SPECIALIST  
LYNN SWANK, LENDING RELATIONS OFFICER  
GAIL HOLLENBACH, MEMBER RELATIONS TEAM LEAD  
PAULETTE MCGINNISS, EDUCATION/BUSINESS DEVELOPMENT COORDINATOR  
JESSICA KIPP, MEMBER RELATIONS REPRESENTATIVE  
ARACELI GUTIERREZ, MEMBER RELATIONS REPRESENTATIVE

## SERVICE LOCATIONS

603 CENTER ST. MILTON, PA  
7495 WEST BRANCH HWY (INSIDE MCCANN) LEWISBURG, PA  
OVER 5,500 SHARED BRANCH LOCATIONS NATIONWIDE  
SEE THE CONTACT PAGE AT [PINPOINTFCU.ORG](http://PINPOINTFCU.ORG) FOR COMPLETE LIST