

# PILLARS OF THE COMMUNITY

**Alternatives Federal Credit Union**  
2015 Annual Report



Features



5  
Our Pillars



14  
Business Members



21  
Volunteering



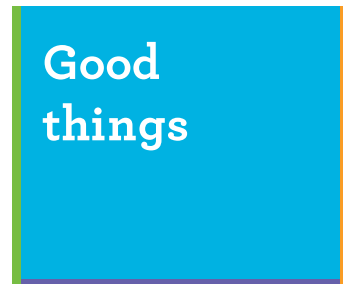
22  
Technology



18  
Member Spotlight



21  
Living Wage



23  
Brand Identity

Reports

2  
CEO, Tristram Coffin

4  
President, Kenny Christianson

26  
Treasurer, Jim Fravil

26  
Supervisory Committee

27  
Financial Statements

29  
Donor Roll of Honor

Community Programs

17  
Business CENTS

20  
Community Programs Overview

22  
Partnerships and Affiliations

28  
Alternatives Impact

**Right:** Natasha Tall has been a member at Alternatives for 20 years and has obtained multiple loans with us. When asked why she chooses Alternatives, she answers, "this credit union is so special. One is greeted warmly from the reception to the teller line. If I have any questions Sully in the service department or Rebekah in community programs are there to answer them. I feel lucky to be here."







**CEO**  
**Tristram Coffin**

Thank you for being part of Alternatives Federal Credit Union. With your support, Alternatives has experienced remarkable growth, with membership approaching 10,000 and nearly \$100 million in assets. The credit union has reached a high level of financial strength, while community programs impact more individuals, families and businesses than ever. Your credit union has made substantial investments in technology and employee development to offer the convenience associated with a larger financial institution, while redoubling efforts to provide the unique products, account features and educational opportunities that help members succeed.

Alternatives is unique among financial institutions in our area. In the business world this is often described as a genuine brand; a set of benefits to members and clients that competitors cannot duplicate. Alternatives is a small credit union, but we have a wide breadth of programs and services. With so many elements, the Alternatives brand story is often a complicated one to tell. Our story can be distilled into four different brand pillars: Social Responsibility, Member Experience, Culture and Values, and Community Programs.

We strive to incorporate social responsibility into all we do. In 2015, we completed an updated Living Wage Study. As a result of this, starting wages for Alternatives employees were raised to \$13.77 (plus health insurance), a standard which was adopted by one hundred other employers in Tompkins County. Alternatives continued its leadership in lending to support the transition to clean energy. In 2015 we funded 48 solar installations (25 with Home Equity loans and 23 as Unsecured Consumer loans).

Our member experience is different from that of other financial institutions. Members consistently express their appreciation for the warm, friendly and personal service from our dedicated staff. For times when access to the branch is not practical, we offer a full suite of mobile conveniences designed to make your life easier. In 2015, we introduced Remote Deposit Capture (RDC). RDC enables individuals and businesses to deposit checks through a smartphone, while also expanding our ATM presence.

Alternatives internal culture and values make the credit union a special place to work. Employees developed our values of ownership, innovation and collaboration to guide our actions as we seek to deliver the benefits of Alternatives membership

and lead an economic movement of thriving communities with financial freedom for everyone. Cross-functional teams work to involve all of us in building employee engagement, workplace diversity, operational excellence and environmental sustainability. I am honored to partner with the dedicated people at Alternatives to help provide you rungs on the ladder toward financial security as well as the assistance to climb successfully.

Our community programs have continued to make an impact. Business CENTS expanded networking opportunities, and in 2016 will be offering a myriad of business training solutions to meet the busy schedules of today's entrepreneurs.

Finally, our volunteer tax preparers served over 2,500 people. To encourage a savings habit, Alternatives offered a certificate account with an unbelievable 10% rate to tax preparation clients. The student credit union maintained branches in all local elementary schools and conducted several "Mad City Money" simulations for young adults. Meanwhile, hundreds of Alternatives members received free financial and credit counseling and accessed matching funds toward their purchase of a home or other financial asset. These programs were generously supported by donors to Alternatives Impact. In 2015 Liz Hudson joined Alternatives as Development Director, launching new appeals to increase the funding base of these important programs.

The theme of this report is "Pillars of the Community". We hope you see some of your aspirations and values in the pillars I have described. More than that, we believe that your membership in Alternatives makes **you** a pillar of the community. By coming together as borrowers and savers, across all demographic, geographic and financial divides, each of us through our membership helps to sustain the dreams of our neighbors and make our community a special place for all. On behalf of our volunteers and staff, thank you for the opportunity to serve you.

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**Right:** Mycena Phillips with Liam and Blake Terry represent the Student Credit Union at Alternatives. For years they have been developing good habits with money thanks to the Student Credit Union providing local youth with a space to learn about savings and financial responsibility.







**President**  
Kenny Christianson

Greetings! Thanks to the hard work of our dedicated staff and board, 2015 was another successful year for Alternatives. We ended the year with 9,937 members and \$95.1 million in assets, for an annual growth rate in assets of 6.02%. As we grow we are able to provide services to more members of our community. Due to several grants we received last year, our net income for 2015 was \$469,653, up from \$253,845 in 2014. We provided many services to the Ithaca community last year. We completed tax forms for 2,581 individuals, bringing more Earned Income Tax Credit into the region. We had 102 IDA participants last year, 692 financial counseling appointments, and 367 individuals involved in Business CENTS. In 2015 we assisted 28 families in purchasing their first homes. These services genuinely make our area a better place, assist those in need, and help to make us a pillar of the community. I am proud to be a part of this institution.

In the past few years, especially with the current presidential campaign, we have witnessed American politics and society in general becoming more divisive. Fortunately, there are still arenas where people can work together to improve society. Alternatives provides such an arena for the Ithaca community. When the political system fails we must rely on the economic system to achieve our social goals. Working together we can help people to gain the financial assets necessary for a full and productive life.

In a recent TED talk, our founder, Bill Myers, discussed the importance of how we spend our money. Our dollar votes help to determine what is produced around the world. By depositing money in Alternatives, we make a choice to use our funds to try to help people in the community, rather than enriching the stockholders of some large bank holding company. We use our dollar votes to help those in need. Personally, I cannot think of a better way to use my money. It's nice to know that by being members of Alternatives, we are collectively helping to improve people's lives.

Looking forward, we are poised for growth into new services and geographic areas, so we can spread our mission to more people and help others outside the Ithaca area. In our industry, if we don't grow we are moving backwards. As a start, Alternatives will be opening a small branch in Collegetown this summer at the new GreenStar. This is our first step in expanding outside our comfortable little world.

Thanks for being a member and helping us to be a pillar of our community.

**2015 Board of Directors**

Kenny Christianson  
**President**

Alison Christie  
**Vice President**

Jim Fravil  
**Treasurer**

Gvozden Dokic  
**Secretary**

Maria Klemperer-Johnson  
Yvette Rubio  
Leonardo Vargas-Mendez  
Diane Cohen  
Brian DeYoung  
Daryl Anderson  
Kenneth McLaurin



**Director of Brand Marketing**  
Tammy S. Drost

# OUR PILLARS

At Alternatives Federal Credit Union, our mission is to build wealth and create economic opportunity for underserved people and communities.

Our vision is to lead an economic movement to create thriving, empowered communities with financial freedom for everyone.

Our people are committed to a common purpose—building valuable relationships with each other, our members and the community.

Our brand reflects who we are at our core, our promise to our members, our reputation, our culture, values and commitment to the community we serve.

Our brand strategy is how we communicate and deliver on our position. Consistent, strategic branding adds value to the products and services we bring to our members.

Alternatives has built a strong brand equity over time through our reputation in the community, our relationships and the unique products and services we offer.

To meet the needs of our members and community we have positioned our brand promise into four pillars:

- Social Responsibility
- Member Experience
- Culture and Values
- Community Programs

These pillars demonstrate our commitment to our mission and vision through ethical and responsible business practices, improved member experiences, a culture of diversity and inclusion and giving back to the community.

Come along with me as I introduce you to each pillar and some of our exceptional members and employees who represent our brand. Their efforts and accomplishments stand as testimony to our reputation and serve as inspiration for our future.

## Foundation of Social Responsibility

Since 1979 Alternatives has been dedicated to building wealth and creating economic opportunity for underserved people and communities. We are leading an economic movement to create thriving, empowered communities with financial freedom for everyone.

With a reputation as the “Head and Heart Credit Union”, we are focused on ethical and responsible business practices that allow us to put our energy, money and time back into our community. We create long-lasting social change by paying it forward through volunteerism, partnerships with like-minded organizations, dedication to social and economic opportunity, human rights, sustainability, and environmental initiatives.

Alternatives is a place where people from all walks of life come together in service to our community. We championed the living wage concept long before it grew into a national movement. As momentum builds around specific socio-economic issues, Alternatives serves as an incubator where ideas are exchanged, opportunities are made, and goals are met. It is a place where thought is set into motion and social change is made.

We celebrate a long history of leadership and innovation regarding financial growth of our community. A community development credit union is more than just a bank or run-of-the-mill financial institution. A relationship with Alternatives brings value to individuals, families, businesses and community.

### Key areas of focus

- Board of Directors
- Economic opportunity
- Environmental initiatives
- Ethical and responsible business practices
- Living Wage Study
- Sponsorships and partnerships
- Sustainable business practices
- The Credit Path™
- Volunteerism

# 2,435

Hours of service by the collective employees at Alternatives in 2015.

# 24

Participants in the Employee Volunteer Program in 2015.

# 57

Local organizations received volunteer hours from Alternatives Employee Volunteer Program.

# 358

Hours of service at group events including Habitat for Humanity and Mad City Money by employees and their families.

*“Never believe that a few good people can’t change the world because that’s all that ever have.”*

—Margaret Mead  
Cultural Anthropologist



### Maija Cantori

Member since 2004

Volunteer  
Free Tax Preparation Program

#### Why a Credit Union and not a bank?

When I was moving to the area a friend recommended Alternatives. I have always chosen to be a member of a credit union and not a traditional bank to help grow a stronger local economy and build a stronger local community.

#### Why do you choose to bank with Alternatives?

Whenever I have had a financial need or issue, the people at Alternatives have always worked with me to find a solution. I do not feel like I would get the individualized help at a larger financial institution.

#### Describe volunteering with Alternatives?

I love a challenge and I am always up for learning new things. Helping families and individuals save money and meeting new members of my community made for a rewarding experience. Plus, I have further explored and deepened my interest in finances!



## Dedicated to Member Experience

At Alternatives, we love our members. We are happy to report that the feeling is mutual. Happy members keep Alternatives growing, focused, and ahead of the technical curve.

We strive to have meaningful relationships with our members. We encourage members to be engaged, share their feedback and their insight to help us understand how we can better tailor our products and services for their needs. To ensure a positive experience for every member, we train our people to serve our members on an individualized basis. We recognize that your needs are as unique as you.

Membership with Alternatives opens the door to opportunity. In 2015, members made transactions that made a difference through Community Support Accounts dedicated to helping support local non-profit organizations. We welcomed: Running to Places Theatre Company, Finger Lakes ReUse Inc., Friendship Donations Network, Ithaca Health Alliance, Cancer Resource Center, Habitat for Humanity, Ithaca Community Gardens and Natural Leaders Initiative.

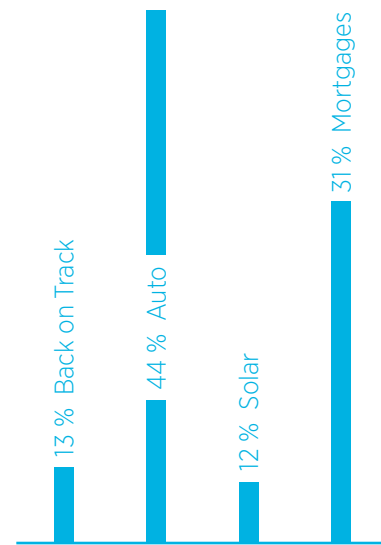
To provide the convenience of technology and security, we implemented our Mobility+ campaign to highlight our on-the-go services such as: Shared Branching, Apple Pay, Remote Deposit Capture, EMV and new ATMs. In 2016, watch for Android Pay, Samsung Pay and Shared ATM Network Access.

We continue to be a leader in offering unique loan products. Our solar loans open the door to alternative energy solutions. Back on Track loans provide crucial funds in a time of crisis, personal emergencies and unexpected expenses. New and used car loans offer great rates and options for financing used cars up to 11 model years old.

In 2016 we will evolve The Credit Path™ to better align our products and services in order to map out the steps along the road to financial freedom.

### Key areas of focus

- Checking and Savings Accounts
- Community Support Accounts
- Fresh Start Accounts
- Lending: Business, Consumer and Mortgages
- Line of Credit
- Member Appreciation events
- Mobility+ services and technology



Loan categories at a glance.

*“Alternatives works with me to help with personal finance as well as business. They encourage responsibility through education, trust and by finding creative ways to help their members and the larger community grow and flourish.”*

—Richie Stearns  
Member



## Kumiko T. Korf

Member since 1979

### What services and programs do you use at Alternatives Federal Credit Union?

We have several accounts. The first one was for my husband Richard Korf’s publishing company in 1979. Our family account started about the same time, Alternatives was new then. This relationship is almost 40 years old.

Later in 1979, I opened my own business account when I established my art studio, Studio KTK.

### Why do you choose to bank with Alternatives?

My husband chose the credit union. He believed Alternatives could do much more for the Ithaca community than a regular bank.

Long-time customers like us staying with the same bank means a lot.

### How does Alternatives help you prepare for the future?

Some of my children, and at least one grandchild have opened accounts at Alternatives, I believe that is the future.



## Building our Culture and Values

Our organization is as extraordinary as our people. At Alternatives our people are our greatest asset! We have a culture of employees who “live” our brand values and contribute to the success of our credit union. They believe in our mission, vision and values, and are inspired to work hard for each other and our members. As an engaged workforce, we make meaningful, emotional connections with our members and community through the products and services we offer.

Empowered by our employee engagement process, 2015 was a year of employee feedback and key initiatives with a continued focus on our values of ownership, innovation and collaboration.

Kim Ritter, IDA Coordinator and Financial Counselor, painted “our values” in our board room. We expanded and improved employee benefits. New positions were developed to ensure separation of lending responsibilities. Project Clean Sweep created a functional, multi-use area in our second floor storage room. In our lobby, we renewed our commitment to green initiatives by moving towards paperless transactions.

We rolled out our new Community Support Accounts and our Universal Employee Model increased efficiency to provide a better member experience. For member convenience we started offering Money Wise classes on Saturdays and implemented Mobile Remote Deposit Capture to electronically deposit checks.

We continued building a culture of collaboration through training initiatives such as: PRIDE, Everything DiSC and introduced our new web-based training platform from BAI. We worked collaboratively to adjust and implement the most recent the Living Wage Study, roll-out Shared Branching and installed a second ATM at the Ithaca’s Farmer’s Market. To pay it forward, our employees came together to fill backpacks for a local school through Foodbank’s Backpack Program and our women’s team delivered some girl power at our first Women’s Build for Tompkins County Habitat for Humanity.

### Key areas of focus

- Diversity programs
- Employee programs
- Hiring practices
- Onboarding
- Supplier diversity
- Talent recruitment
- Work environment

# 45/8

45 employees spoke a total of eight languages to serve our diverse member base in 2015.

### How you fit and why you matter

*“We have worked hard in 2015 to align our people processes and develop management to become better coaches and mentors for our employees. An important element is making sure each member of our team knows how they fit in our organization, how their actions, behaviors and work activities align with our strategic intent and, ultimately, why it matters. When an employee understands this, their emotional connection with our mission and engagement level for the organization soars and in return, our people, community and members benefit.”*

—Lydia K. Wickham  
Director of Human Resources



## Junito Cubero

Member since 2005

Staff member  
Computer Support Specialist  
and ATM Manager

### What products and services have you used as a member?

I have done The Credit Path™ full circle—personal loan, car loan and my home mortgage.

### What is the best part of working at Alternatives?

The people, they are super supportive and we treat each other like family. My position is

unique in the credit union in which each day is a different adventure or problem to solve. There is never a dull moment in my line of work.

### What is the Employee Volunteer Program?

Every employee can volunteer for another organization for three hours a month.

In the past I have volunteered for the Greater Ithaca Activities Center (GIAC) tutoring students and assisting with homework. I have also been involved with the Student Credit Union and the Mad City Money™ program the last few years.



## Empower People and Business with Community Programs

Alternatives Federal Credit Union's Community Programs are supported by contributions to Alternatives Impact, the 501(c)3 affiliate of Alternatives Federal Credit Union. Alternatives Impact raises funds to build wealth and create economic opportunity for underserved people and communities in Tompkins and six contiguous counties in Central New York.

We champion asset ownership, retain local money in local communities, and foster financial fortitude. As a community development credit union, Alternatives is a mission-driven, cooperative non-profit providing community programs such as:

- **Business CENTS** – to connect and strengthen a robust network of aspiring and established entrepreneurs.
- **Financial Wellness** – to empower community members to be in control of their finances.
- **Free Tax Preparation Program** – to build wealth for families, individuals, and business owners.
- **Student Credit Union** – to develop familiarity with saving and spending through hands-on learning for children and teens.

2015 was recognized by the U.N. as International Year of Evaluation. To remain ahead of the curve in its field, Alternatives formed an Evaluation Team tasked with a long-term project to gauge the quality of our work and understand our impact in the community. To date, initiatives range from soliciting feedback from new members to building logic models to help us understand how our activities contribute to the outcomes we know our community deserves.

As we move ahead, we continually seek to better understand our community members' financial hopes and to enhance our measurement techniques to align them with our strategic goals.

To get involved with planning or offer feedback, contact Program and Development Assistant Rebekah Scott at [rscott@alternatives.org](mailto:rscott@alternatives.org).

# 367

Business CENTS clients served in 2015.

# 692

Free Financial Counseling appointments made in 2015.

# 102

IDAs opened in 2015.

# 2,581

Tax returns made through the Free Tax Preparation Program in 2015.



**Emily Bordlemay**  
Member since 2015

Volunteer  
Student Credit Union

### How are you involved with the Credit Union?

I've participated in the Bill Myers student internship program which has been a great experience. This program has helped me to learn a lot of important skills that I will be able to apply in future workplaces and I've learned more about how the credit union works from the inside. I've also learned

about all the great opportunities and services that the credit union has to offer.

### In what ways has the Student Credit Union helped you?

The Student Credit Union puts a big emphasis on saving money, which I think is a good thing for a lot of young people. The student credit union has

helped me to realize how important it is to save money.

### What would you tell a friend who is not a Student Credit Union member?

I would tell a friend to join the Student Credit Union! It's an awesome opportunity to learn how to be in charge of your own finances.



# GOOD BUSINESS *in* COMMON

Local business owners agree that what's good for business must also be good for the community.



**Above:** Member Andrew Douglas owns and operates local favorite Homegrown Skateshop on the Commons. **Left:** Asha Sanaker, General manager at the cooperatively run Buffalo Street Books is happy to be a member at Alternatives.





“Think globally, act locally” is a bumper sticker you see all over the United States. But in few places can you see it in action as vibrantly as you can in Ithaca and surrounding areas.

Ithaca’s downtown market place, known as The Commons, is an epicenter of locally owned retail and service outlets that have been able to stand up to outside market pressures from the corporate owned chain stores. These businesses survive through Ithaca’s commitment to buying local and with financial support through Alternatives.

It was hard to decide which businesses to highlight to show Alternatives commitment to locally owned business since 50 loans were issued in the last fiscal year for a total of \$1,790,359.

The businesses we chose are all within a stones-throw of our branch. They are doing well and have a great story to tell.

**Buffalo Street Books** is a Community Owned bookstore that works hard to redefine the ways a bookstore can serve its community. With regular events featuring local and national authors, and artists, Buffalo Street Books is one of the

premier venues for literary events in a city with a vital literary arts scene and a rich literary history.

**Homegrown Skateshop** is Ithaca’s mecca for skaters and people looking for quality footwear and casual clothing. Since opening in 2005, they have designed their own products—all made in the U.S. The store also hosts monthly art shows where local artists can show their work.



**Bici Cocina** is a newcomer on the scene and will be pedaling and feeding their way into notoriety. They are a bike powered food vendor specializing in Colombian street fare. Owners Carolina Osorio Gil and Samuel Bosco got a business loan from Alternatives, fashioned a mobile kitchen that they pull with their bike and will be stuffing locals with arepas all over town this summer.

**Fine Line Barber Shop** is just the kind of low-key place to hangout and get a haircut that owner Elvir Bahtie dreamed of having since he was a teenager. He was so driven that he started the business when he was still a teenager, now five years later the shop is doing well and the locals look better because of it.

**Home Green Home** is where your entire home can embrace the buy local or buy organic credo that has infiltrated so many kitchens these days. Owners Joe Nolan and Megan Vidler have stocked the store with locally made furnishing from dressers to bathrobes. Art and furniture collide in good way and sustainability is high on the priority list.

**Finger Lakes ReUse** has become a must stop for the recycle minded. After the first store near the mall was a big hit, owner Diane Cohen expanded her formula for selling used and reclaimed goods into a new downtown branch. They gather residential and business



goods and building materials that otherwise would be headed to the landfills and organize them for resale.

*“I approached Alternatives at age 20 with a business plan and a little bit of ambition, a decade on and I’ve just celebrated the shop’s 10th anniversary. Alternatives has been there every step of the way and has always shown tremendous support through all the ups and downs of running a small business.”*

—Andrew Douglas  
Owner of Homegrown Skateshop

**Opposite:** Joe Nolan and Megan Vidler of Home Green Home know that green is the new black. Bici Cocina partners Carolina Osorio Gil and Samuel Bosco will feed and inspire many with their small business on wheels.

**Above:** Team members at Finger Lakes ReUse appreciate how their workplace gives back as much as they put into it. Elvir Bahtie celebrates independence with one of a kind service at Fine Line Barber Shop.

## Business CENTS



### Kathleen Clark

Consultant and Trainer brings vision to expand Business CENTS.

#### Why do you love the Business CENTS Program?

The people. It is inspiring to be surrounded by such passion and excitement.

#### What are your plans for growing Business CENTS?

Accessibility of services. We understand that it is not always possible to make it to our branch. That does not diminish the need for services in outlying areas. We are working hard to extend the reach of Business CENTS.

I’ve heard the desire for our program to provide ongoing support as folks work to get their business going then remain as an ongoing presence. We are really good at getting people started. It benefits our entire community to expand our focus to ensure we provide the continual support needed by businesses to thrive and succeed.

#### What drives you to make Business CENTS great?

The success of clients. I am so lucky to be part of the transformation as someone with a dream becomes a business owner and to offer support through challenging times and celebrate achievements.





## “A” is for Abracadabra

Dave Moreland proves that bringing financial education to local student communities doesn't take magic, but it can.

Well known magician, actor and merry-maker Dave Moreland always wanted to pass on a financial education to his daughters. Back in 2007 he helped Alternatives start the Fall Creek branch of the Student Credit Union (SCU) allowing local kids to get involved in managing their money.

four tellers and they worked every week, they handled every deposit... they were dependable and responsible and capable. It was their first job in a way and good training for the jobs they got next.”

“The lessons we learned in the SCU led to a family-wide consciousness about money and allowances,” Dave said. “My girls were responsible for buying things for themselves, birthday presents for friends, movie tickets. It allowed them to possibly fail with it early on rather than when they got their first credit card in college.”

*“I started my account at Alternatives in the second grade at my school and had a really fun time saving. I wanted to save up for something really special like a trip.”*

—Mycena Phillips  
Member, age 15

The Student Credit Unions offers free accounts with no minimum balance or monthly fee. It's a great kick-start to begin their financial education with a good saving habit. The students get to be on both sides of the banking transactions as they also work as tellers. Both Dave's daughters were tellers and he says it shaped them and the other kids in great ways.

“Now there are many tellers at Fall Creek,” Dave explains. “The first year there were only

**From left:** Kelly and Dave Moreland together at their victorian home in Fall Creek. Warm inside, the Morelands restored home stays nice and cozy when it counts. Kelly Moreland and Emilee Tracy are all smiles at work at Mama Goose. Dave Moreland mystifies at a show in Ithaca. Kelly Moreland is at home in Mimi's Attic, a unique and sustainable shop named to honor her grandmother.

## Community is Comfort

Local business owners, fun folks, and Fall Creek dwellers explain how finding community through Alternatives was high on their very first “to do” list.

Within their first week of moving to Ithaca back in 2002, Kelly and Dave Moreland became members at Alternatives. “We knew that as a Credit Union their services were better, and ultimately they work in the interest and welfare of their members not stockholders,” Dave Moreland recalled.

The Morelands had a vision and big ideas when they arrived in town, and Alternatives helped them with loans to start what has become **Mama Goose** and **Mimi's Attic**. The Morelands also helped start the Student Credit Union at Fall Creek Elementary and obtained a unique home mortgage.

“On our house, Alternatives was able to give us the type of loan that nobody else could offer. We wanted to buy a house in really bad shape in a good neighborhood,” Dave explained. “It needed a new roof and a new paint job. . . they gave us a loan to buy the house and get the work done right away. At the time that kind of loan was uncommon, now it's more common. Alternatives was a pioneer.”

Now, nearly 15 years later, they have started crossing things off their “to do” list. Their local retail and entertainment businesses are all doing well, their girls are getting ready to go off to college with good financial habits, and their home is in great shape.

## Mama Goose and Mimi's Attic Grow their own Local Employment Opportunities

**2003**  
Mama Goose  
opened with two  
partners and  
no additional  
employees.

**2015**  
Sister stores Mama  
Goose and Mimi's  
Attic have **23**  
employees, seven of  
whom are full-time.  
The Mama/Mimi  
team is a very close-  
knit, hardworking,  
community that  
includes a wide range  
of staffing roles.



## Creating Opportunity for All

Our Community Programs offer resources for financial empowerment to members and non-members alike.



**Business CENTS**

A small business development program offering training, consultation and relationship building opportunities for entrepreneurs.



**Financial Wellness**

1:1 financial counseling program that takes a holistic and personal approach to financial wellness. We create a safe, supportive and comfortable environment with counselors who are trained to be active and careful listeners. We encourage clients to track expenses, and empower them to take ownership of their financial decisions.



**Free Tax Preparation**

Free tax preparation service for individuals and families with a modest income. Volunteers help tax filers receive their maximum available tax credit.



**Student Credit Union**

Financial education and savings program for school-aged children and youth in Tompkins County.

Who we are

What we do

What people say

- Consulting and Mentoring
- Business Education
- Relationship Building
- Business Services

- Financial Counseling
- IDAs
- Money Matters
- Money Wise
- Balance

- Free Tax Preparation
- Tax Savers Certificates
- Financial Counseling
- Share Secured Loan
- Credit Report Review

- Matched Savings Accounts
- College and Savers Clubs
- Mad City Money™
- Internships
- Apprentice Programs

*“Alternatives is a financial institution with unique community values and is the leading post-university business education in Central New York.”*

—Sam Frederick  
Trainer and Volunteer

*“Alternatives has not only assisted me with the start up of my business financially, but has also provided the tools and supportive community needed for success.”*

—Sarah Gotowka  
Textile Artist,  
Earth Grown Shades

*“I am grateful for the Free Tax Prep Program. Alternatives is local and works with you to get what you need to get done financially. They're great!”*

—Tom Orlow  
Member and Tax client

*“I think that it is good to be able to save money. It is nice to have money to spend when I need to. Alternatives makes saving easy and fun.”*

—Liam Terry  
Member, age 12

## Volunteering



### Building Pillars

How we built a strong and enduring relationship with Habitat for Humanity.

Women in Tompkins and Cortland Counties were invited to help address the need for affordable housing throughout our community during Habitat for Humanity of Tompkins and Cortland Counties' (TCHF) 5th Annual Women Build Weekend event. This two-day build was part of Habitat for Humanity International's 8th Annual National Women Build Week. TCHF is one of more than 300 Habitat affiliates nationwide hosting Women Build projects with support from Lowe's, Habitat's long-time partner in the event.

On May 9th, Kim Hazelton, Alternatives Federal Credit Union Chief Operations Officer and Women Build Team Captain, along with our 2015 Women Build Team: Becky Bordonaro, Amy Chapman, Mary Chapman, Carol Chernikoff, Anna Detar, Hunter Hazelton, Becki Hawley, RuthAnn (Rubi) Noe, Sullymar Pena-Vazquez, Kim Ritter and special guest, Leni Hochman shined as they worked together at the annual event.

*“I have been involved with Habitat for Humanity for the past 10 years. It is a cause I am passionate about—sustainable housing for families in need. Habitat for Humanity builds communities and provides a stable environment in which families thrive.”*

—Kim Hazelton  
Chief Operations Officer

## Living Wage

### Leaders of an Economic Movement

The first Living Wage Study in 1994 determined how much Alternatives should pay its employees as a starting salary. Today it is a national movement.

Start livable wage “wage watchers” clump and reach a formula on livable wage.

**1993** Start Local Sustainable Quality of Life Economic Indicators meetings (the precursor to Livable Wage).

**1994** Start livable wage “wage watchers” clump and reach a formula on livable wage.

**2009** Living Wage Study indicates that at least 2,500 workers, more than 5% of the County's workforce, would see an increase in pay as a result of its work.

**2011** Awarded the **NEXT Award**/\$25,000 for Alternatives policy and advocacy leadership on Living Wages.

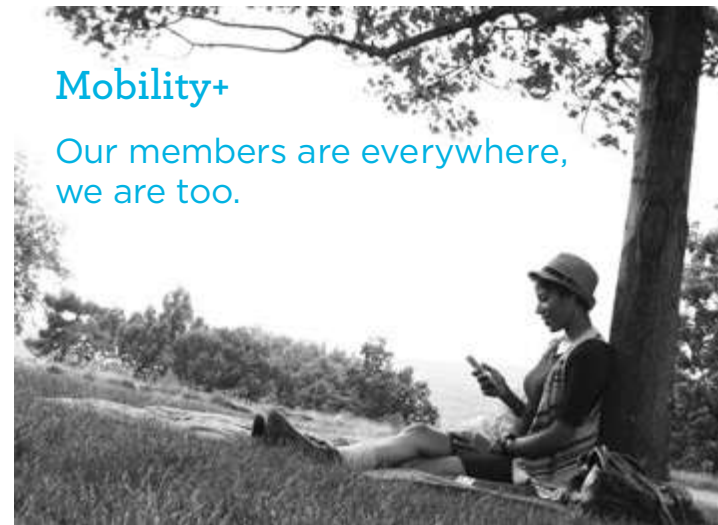
**2013** The annual Jeff Furman Award for Social Responsibility in Business awarded to Mandi Meidlinger of Jillian's Drawers for their dedication to paying their employees a living wage.

**2015** The Living Wage is \$28,637 a year or \$13.77/hour.

In 1994, the Alternatives undertook a study of what it costs to live in Tompkins County, NY. Alternatives publicly announced the study, making the distinction between a living wage and the official minimum wage and their commitment to paying a living wage to all employees. Rather than looking at what competitors paid, or what the statutory minimum wage was, we wanted to look at what it took to support a person above the poverty level. We have continued to update this study bi-annually.

Based on our study, Tompkins County and City of Ithaca governments voted that organizations receiving their funding must meet Living Wage guidelines. Private employers in and outside Ithaca have adopted a living wage, and people in other cities have used Alternatives' study as a model for their own efforts to improve the lives of the working poor.





With a focus on security, Alternatives implemented products and services designed to provide our members with the convenience of mobility.

Our participation in the CO-OP Shared Branch network gives members the ability to visit any one of 5,000+ locations around the country where the CO-OP Shared Branch logo is displayed, and conduct transactions just like they were at Alternatives.

Online Banking provides members access to their accounts anytime for balances, transfers, free Bill Pay and other financial needs. With our mobile phone app, members can bank on-the-go, including depositing checks by simply taking a picture with their or mobile device.

Our new and improved Visa Debit card comes standard with a security computer chip built in. Referred to as “EMV cards” or “EMV debit cards,” these cards use a smart chip instead of a magnetic stripe to hold data that is required to process a transaction. Countries that use EMV have seen a huge decline in counterfeit card fraud. With our rebranded color scheme, members can quickly and easily identify their personal, Business, and Health Savings Account cards.

But EMV chips are just the beginning of enhanced card security. New Digital Wallets, with their ability to allow a member to pay (both in store and online) without ever disclosing their card number (instead a “Token” or substitute number is given) means you no longer have to fear replacing your card when a merchant is hacked. Alternatives members can enjoy the benefits of Apple Pay and Visa Checkout today, while summer of 2016 will see the arrival of both Android Pay and Samsung Pay.

With Transaction Alerts in our Online Banking (know when any activity happens with your account, either by text or email), as well as Visa Purchase Alerts (coming this October), members have unprecedented power to monitor activity on their account and their card, day and night, wherever in the world they may be.

## Partnerships and Affiliations

Creating strong ties in the community.

### **BusinessLoanConnection.org**

A unique collaboration between community development credit unions in Central and Upstate New York. By connecting existing and aspiring business owners to financial and skill-building opportunities, we work to cultivate successful small businesses throughout our combined service area.

### **Community Support Accounts (CSA)**

A CSA is a way for you to help your favorite local non-profit organization by opening an account or being approved for a personal loan with Alternatives. Existing Alternatives members can also designate their current accounts for inclusion in the CSA. Alternatives makes payment to the non-profit based on the balances in select account types.

### **Cornell University**

In addition to hosting an Alternatives ATM (in Martha’s Café, located in the Human Ecology Building), Alternatives is frequently invited to provide financial education workshops or participate in panel discussions on campus.

### **GreenStar Coop**

GreenStar and Alternatives have a decades-long relationship based upon similar values as progressive, community-minded cooperative organizations. For several years, GreenStar has served as the site of two Alternatives ATMs at its Westend and DeWitt Mall locations. In the summer of 2016 Alternatives will have a retail presence at GreenStar’s newest market in Collegetown.

### **Hospitality Employment Training Program (HETP)**

HETP is a job readiness and training program of the Greater Ithaca Activities Center (GIAC). HETP was formed to provide a pool of employment ready staff for hotels, restaurants and other service businesses in the county. Alternatives provides financial education for each class of HETP students.

### **Ithaca Youth Bureau**

The Bill Myers Internship provides high school juniors or seniors the opportunity to gain valuable work experience at the credit union. An intern works 250 hours during the school year and receives a stipend of \$2,000. The credit union partners with the Youth Employment Service (YES) of the Youth Bureau. Internship applicants are screened through YES.

### **NYS CDFI Coalition**

To serve more people and have a greater impact, Community Development Credit Unions, Banks and Loan Funds in New York State are collaborating to increase their capacity and expand sources of funding. Alternatives has served as the host location for the NYS CDFI Coalition. Mary Beth Bunge, former Director of Development for Alternatives is the Coalitions’ Coordinator and CEO Tristram Coffin serves as board chair.

# Story Tellers

Coming from years of experience building one of the top brands in the world to a small non-profit community development credit union was a refreshing change. It was coming home to the place I grew up, the place of fond memories, and where artistry and creativity had no limits. It was here that I mastered the strategy of brokering deals with my grandfather for endless summer days of swimming, boating and skiing on the lake.

When I took the reins of the Marketing Department in February 2015, I discovered a place where good things happen and a design team that was up for a challenge.

I was fascinated by Alternatives story but at the same time felt a disconnect with the brand—chances are others were feeling it too. So... armed with a strategic plan and teaming up with a design firm with flexibility and vision, we began the monumental journey of rebranding.

We are evolving the brand to build upon our rich history and continue our story while positioning us effectively for future technologies and growth.

Our visual (how we look) and verbal (how we speak) brand identity system provides tools and resources designed to help our employees live our brand, improve our member experience, make an impact in the community and grow our organization. As we continue to roll out the new identity, our members will benefit from a more consistent and holistic experience, while our people will have the tools and resources they need to make a difference in the community.

Throughout 2016 we will continue to rebrand our advertising, marketing materials, website and the branch. Please enjoy my interview with Kim and Steve Macauley of The Visual Team as they take you through some of the elements.

Looking forward to our journey,  
Tammy S. Drost



**T: How did The Visual Team become involved with Alternatives?**

**K:** In 2010 my Visual Team and life partner Steve and I moved to Ithaca. We bought a fixer-upper in the Longhouse cooperative community. Alternative's COO at that time was Leni Hochman and she was our new neighbor. I think her first words were "Welcome!" and shortly after "Do you have a Credit Union?" We became members and were invited to design the following year's Annual Report. With that piece, which was driven by beautiful photography, the relationship was made.



**T: The Visual Team was asked to make significant changes to the visual identity. How do you feel about the changes?**

**K:** As we made changes to the visual identity it was always important to be authentic. A significant change was the move away from an illustration based identity to a photography driven one. The key to doing this was having many members who wanted to share their stories. In the first years of the credit union, member testimonials were used in their ads—so in some ways, we have taken the Alternatives identity back to its roots.



**T: What inspires the design solutions you create for Alternatives?**

**K:** The members. It's not everyday that we get to create beautiful stuff for great clients who happen to be doing amazing things in the community. All the people we work with—from employees to the members we interview and photograph—are all so happy to help and spread the word.

**T: How does the visual identity support Alternatives brand strategy?**

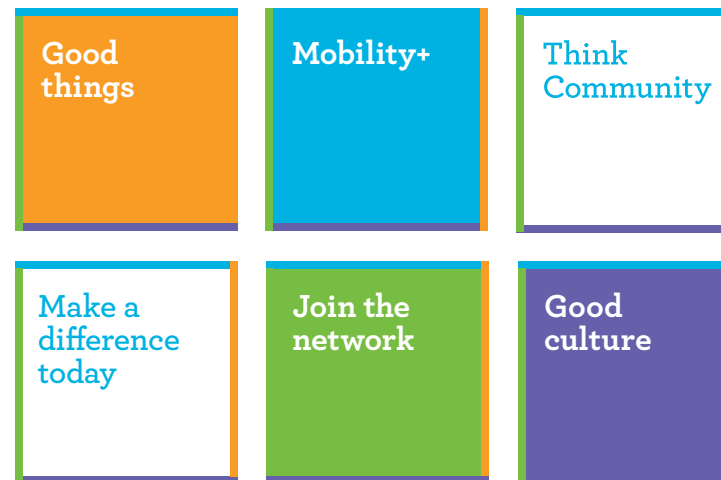
**K:** The identity system has evolved into an organizational tool that works to define the many products and programs at Alternatives. The logo and lotus mark, designed by Tim Youngs, had a lot of history and we liked it. We repositioned it as the cornerstone and created a color system around it that would distinguish the services and programs from each other.

**T: Steve, as the photographer, how do you feel about our photography direction?**

**S:** I love it. As a photo journalist at heart, it takes me back to my roots. Most ads



**Clockwise from top:** Kim and Steve Macauley are The Visual Team. Photo by Niels Alpert. A cross-pillar welcome poster for the branch lobby. Alternatives Impact has a redesigned logo that positions them as the 501(c)3 affiliate of Alternatives Federal Credit Union. The "Peace of Mind" ad from the Mobility+ campaign which features employees utilizing the mobile services. The A+ icon used for the Student Credit Union.



**Above:** The Happy Member campaign highlights members and employees through black and white images and testimonials. Cross-pillar tiles are used to highlight articles, announcements and invitations on social media. **Left:** T-shirt design utilizes an excerpt of the Alternatives vision statement as an illustration.

use stock photos where the person in the shot has no connection whatsoever to the message. Every photo I take for Alternatives is a real life, true story with a great message.

**T: The use of black and white photography is a strategic choice, why does it work?**

**S:** The elements of an image are more clear in black and white. When you strip away the colors it becomes all about subject, light and a moment in time.

**T: We lead with content versus design. What role does design play?**

**K:** In a way, my job here is not to design. The look is very clean. We have made a conscious decision to remove clutter and to speak directly. I remember a band in Los Angeles called *Free Chicken and Waffles*. Their shows were always packed. This is a similar phenomenon.

**T: We see a lot of white space in our rebranding, why?**

**K:** We love white space! It is rare to have a client brave enough to use it. Using less ink is also good for the environment.

**T: What has been your team's biggest challenge in developing our visual identity?**

**K:** The challenge was to create a visual system that could support all of the programs and services at Alternatives. Early on, we learned that there was a lot of confusion about what the programs were and what they did. We organized them in a way that positions them under the Alternatives brand versus sub-brands.

**T: What is your favorite thing about the Alternatives brand?**

**K:** Alternatives mission and vision is in line with our personal beliefs. As an artist I find great satisfaction in the work that we are creating. As part of the community we find fulfillment in the action that surrounds each piece we create. Sometimes when I'm designing I think, "I wish I had known about this program back when..." That wish is why the work is so important and why we are so happy to be a part of it.





**Treasurer**  
Jim Fravil

While 2015 was an important year for Alternatives Federal Credit Union in building its capacity to ignite positive change, it was also a strong financial year for your cooperative. Assets grew by over \$5 million to reach the \$95 million mark. Total loans in our portfolio grew by 4.7% to over \$66 million. Lending is a strong indicator of success in fulfilling our mission (because each mortgage, consumer or business loan helps someone work toward their dreams) and progress in maintaining a sound financial position (as loans provide a greater return to our bottom line). Asset quality remains strong. Our loan delinquency and charge-off rates compare favorably with most banks, even though we are making loans to borrowers who may be denied credit at other institutions. Alternatives has consistently proven adept at making responsible loans to credit-challenged borrowers who nonetheless have the propensity to repay.

Alternatives realized a net income of \$466,000, to maintain a strong capital ratio to support a growing balance sheet. Our financial position was further strengthened when we were selected to receive a \$2 million award from the U.S. Treasury Department's CDFI (Community Development Financial Institutions) Fund. The award is made through a highly competitive process that considers the performance of certified CDFIs in meeting the full range of their communities' needs. We are honored to be among a select group of credit unions to be recognized. These funds will be deployed over the next three years to help us expand lending to underserved borrowers.

Board volunteers work closely with employees to maintain sound asset and liability strategies that allow us to remain unquestionably viable while allowing us to take prudent risks in support of your needs. We appreciate your support of a small local credit union that has become recognized as a national leader.

## Supervisory Committee

The Supervisory Committee is made up of volunteer members appointed by the Board of Directors of Alternatives in accordance with the Federal Credit Union Act to help ensure the safety and soundness of the operations and activities of your credit union. The Committee evaluates the financial operation of the Credit Union as well as management procedures and practices to safeguard member assets and serve the community. To carry out these responsibilities, the Committee retained Sciarabba Walker & Co., LLP to perform required annual audits for the year ending December 31, 2015. The auditors issued an opinion that the reports of Alternative's financial performance are fairly presented and comply with generally accepted accounting principles. In addition, the Committee performed internal audits and conducted review of practices and procedures throughout the year with the assistance of an employee.

In order to represent membership, the Committee should be aware of your concerns. You may contact our regulator, the National Credit Union Association (NCUA) or the Supervisory Committee ([supervisory@alternatives.org](mailto:supervisory@alternatives.org)) and your inquiry will be addressed in an impartial and confidential manner.

Our special thanks to Evie Westbrook for her years of service on the Supervisory Committee.

## Statement of Operations

	2015	2014
<b>Interest income</b>		
Mortgage	\$ 1,904	\$ 1,990
Consumer	741	765
Business	368	402
Investments	192	177
<b>Total interest income</b>	<b>3,205</b>	<b>3,334</b>
<b>Interest expense</b>		
Member shares and savings	197	229
Interest on borrowings	126	152
<b>Total interest expense</b>	<b>323</b>	<b>381</b>
<b>Net interest income</b>	<b>2,882</b>	<b>2,953</b>
Loan loss provision	110	139
Net income after provision	2,772	2,814
Operating expenses	(4,073)	(4,121)
Other operating income	1,661	1,561
<b>Net income</b>	<b>\$ 360</b>	<b>\$ 254</b>

For the year ended 12/31, all figures in thousands of dollars

## Statement of Financial Condition

	2015	2014
<b>Assets</b>		
Mortgage loans	\$ 49,790	\$ 47,011
Consumer loans	9,347	9,689
Business loans	7,137	6,560
<b>Total loans</b>	<b>66,274</b>	<b>63,260</b>
Allowance for loan loss	(479)	(463)
Cash	1,655	2,059
Investments	23,881	20,797
Fixed assets	2,744	2,804
Other assets	1,003	1,273
<b>Total assets</b>	<b>\$ 95,078</b>	<b>\$ 89,730</b>
<b>Liabilities and member equity</b>		
Liabilities	\$ 1,598	\$ 2,127
Checking	27,823	24,086
Regular savings	35,390	33,996
Certificates	11,657	12,087
Retirement savings	8,274	8,220
Total deposits	<b>83,144</b>	<b>78,389</b>
Secondary capital	4,194	3,538
Capital	6,142	5,676
<b>Total liabilities and equity</b>	<b>\$ 95,078</b>	<b>\$ 89,730</b>
Capital ratio	10.43%	10.27%





## Creating an Impact that Lasts

2015 brought vital support to our Community Programs—along with it came a spirited advocate. Meet Impact's new Director of Development, Liz Hudson.

### What is Alternatives Impact all about?

Alternatives Impact is all about finding the funding to meet the mission. It's about allowing children and teens to develop familiarity with saving and spending through hands-on learning. It's about connecting and strengthening a robust network of aspiring and established entrepreneurs. It's about building wealth with local families. It's about empowering community members to be in control of their finances. Alternatives Impact is the bridge that connects funders to the outcomes our community deserves.

### What vision do you have for the next phase of Impact?

Our community is growing and changing. Alternatives, as a mission-driven community development credit union, must continually adapt to meet the needs of an evolving population. Our Business CENTS Program is adding personalized coursework and group workshops to better serve area entrepreneurs. Our financial counselors are realizing greater capacity to serve individuals through our matched Individual Development Accounts. We are looking forward to year-over-year improvements for clients in our Free Tax Preparation Program. We're adding another grade school to our Student Credit Union. For teens, we're expanding the reach of Mad City Money. And we've "newly minted" an Evaluation Team, led by Development Assistant Rebekah Scott, to improve our tracking and ensure our outcome analysis is robust. But we can't do it alone. Alternatives provides the expertise, tools, and guidance; it's your funding that makes it happen.

### Share a moment in your new position where you thought to yourself, wow, this really is impactful!

Without a doubt, it was learning the history of community development credit unions. This designation of distinction applies to credit unions with a mission to serve low- and moderate-income communities. Serving those who have been customarily underserved, Alternatives promises to provide members with the advocacy, education, and full service that traditional banks tend to expend only on the very rich. At a time when income inequality continues to rise markedly, organizations like Alternatives work against that tide. To me, that's something worth fighting for.

### 2015 Alternatives Impact Board of Directors

Samantha Castillo-Davis  
**President**

Richard Furnas  
**Treasurer/Secretary**

Dan Apfel  
Leslyn McBean-Clairborne  
Peter McCracken  
Mike Katz  
Ray Weaver

**Ex-Officio**  
Tristram Coffin  
**CEO**

Karl Graham  
**Director of Community Programs and Outreach**

**Staff**  
Liz Hudson  
**Director of Development**

Rebekah Scott  
**Program and Development Assistant**



*In memory of Richie Berg whose passionate and life-long love of our community will certainly be missed. Richie was a committed member and dedicated volunteer at Alternatives for over 30 years. He served on the Alternatives Federal Credit Union Board beginning in the 1980s, then continued to serve as a board member of Alternatives Impact until 2015. We celebrate his life filled with energy, allegiance, and a sense of humor.*

## What's your Impact?

I have one of the best jobs. Alternatives is a place where good things happen. As the Director of Development at Alternatives Impact, I see proof, every single day, of how true that is.

Not just cooperatively owned, Alternatives is an economic justice organization built by dedicated, talented staff and volunteers. It is a community development credit union, a designation of distinction even among credit unions. And Alternatives Impact has long served as the bridge between our good work and the good will of donors like you.

I will never forget the first time I saw elementary school students, with small hands clutching change, proudly make a deposit into their very own Student Credit Union account. Or observed the seed of collaboration sown between two local business people, one established and one aspiring, during Coffee Talk. Or witnessed local families working one-on-one with our Free Tax Preparation volunteers, their faces transformed from anxiety to relief knowing they're in good hands.

I have come to believe that some of our most important work is done within the four walls of our financial counselors' offices. Alternatives creates economic opportunity where there was none—for folks like our neighbors, our friends, ourselves. Traditional banking serves the few; Alternatives serves us all.

I invite you to be part of an economic movement built on trust, equity, and expertise—and fortified by a genuine respect for the people and communities we serve. Together, we can do better.

Gratefully yours,  
Liz Hudson



## Donor Roll of Honor

### Individual Support

Anonymous (+)  
Theresa Alt  
Dan Apfel and Emily Reiss  
Brett Bossard and Kerry Barnes  
MaryBeth and John Bunge  
Samantha Castillo-Davis  
Joseph Catlin  
Alison Christie and Thompson Terry  
Anne and Pierre Clavel  
Joy Cousminer  
David Currie  
Kenneth and Donna Dauria  
Jerry Feist  
Richard Franke and Barbara Chasin  
Richard Furnas  
Constance and Karl Graham  
Ellen Haith  
Rebecca Hawley  
Leni Hochman and Tim Joseph  
Liz Hudson and Trisha Wilson  
Nancy and Conrad Istock  
Michael Katz and Ellen Cohen-Rosenthal  
Margaret and Gregory Kimbell  
Tamara Lovell  
Alan and Mary Mathios  
Leslyn McBean-Clairborne  
Kenneth McClane and Rochelle Woods  
Peter McCracken and Jennifer Germann  
Taylor Peck  
Dave Ritchie  
John Rogers  
Rebekah Scott  
Phil Shay  
Deirdre and Mark Silverman  
Chuck Tauck and Fran Littin  
Judith Van Allen and Al George  
Mark Witmer and Ann Herzig




### Institutional Support (Government, Foundations and Corporations)

CDFI Fund of the U.S.  
Department of Treasury  
Community Foundation of Tompkins County  
Empire Justice Center  
Empire State Development  
Federal Home Loan Bank of New York  
First Niagara Innovations for Poverty Action  
Internal Revenue Service  
Johnson Community Impact Fund of the Community Foundation  
National Credit Union Administration  
New York Credit Union Foundation  
Park Foundation  
Sciarabba Walker & Co.  
Strebel Fund for Community Enrichment of the Community Foundation  
Tompkins County Legislature  
Tompkins Trust Company  
U.S. Department of Health and Human Services  
U.S. Department of Housing and Urban Development  
United Auto Workers  
Local 2300  
United Way





[alternatives.org](http://alternatives.org)

alternativesFCU   
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