

ALTERNATIVES FEDERAL CREDIT UNION
2017 ANNUAL REPORT



A journey of a thousand miles
begins with a single step.

—Lao Tzu

In 1995 Alternatives developed
The Credit Path[®] to guide our members
out of debt and into ownership.

The Credit Path[®] is a registered trademark of Alternatives Federal Credit Union.

Like our members, every path is unique.

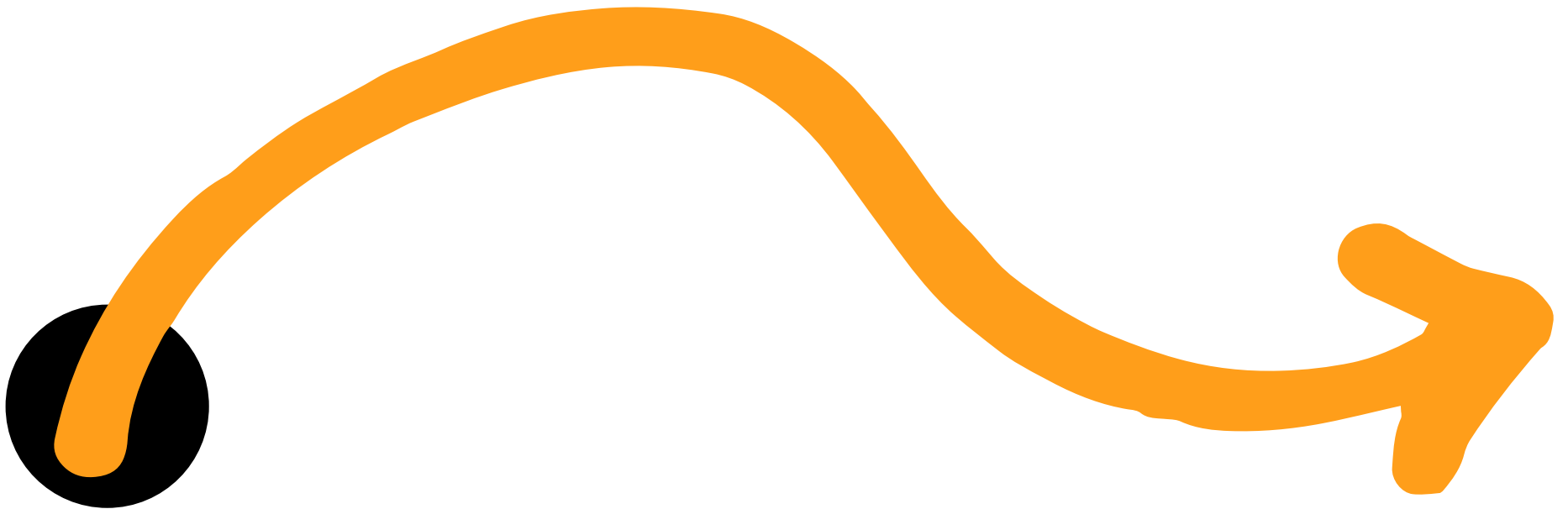


Some paths aim high.

Some paths are straight and narrow.



Some paths have twists and turns.

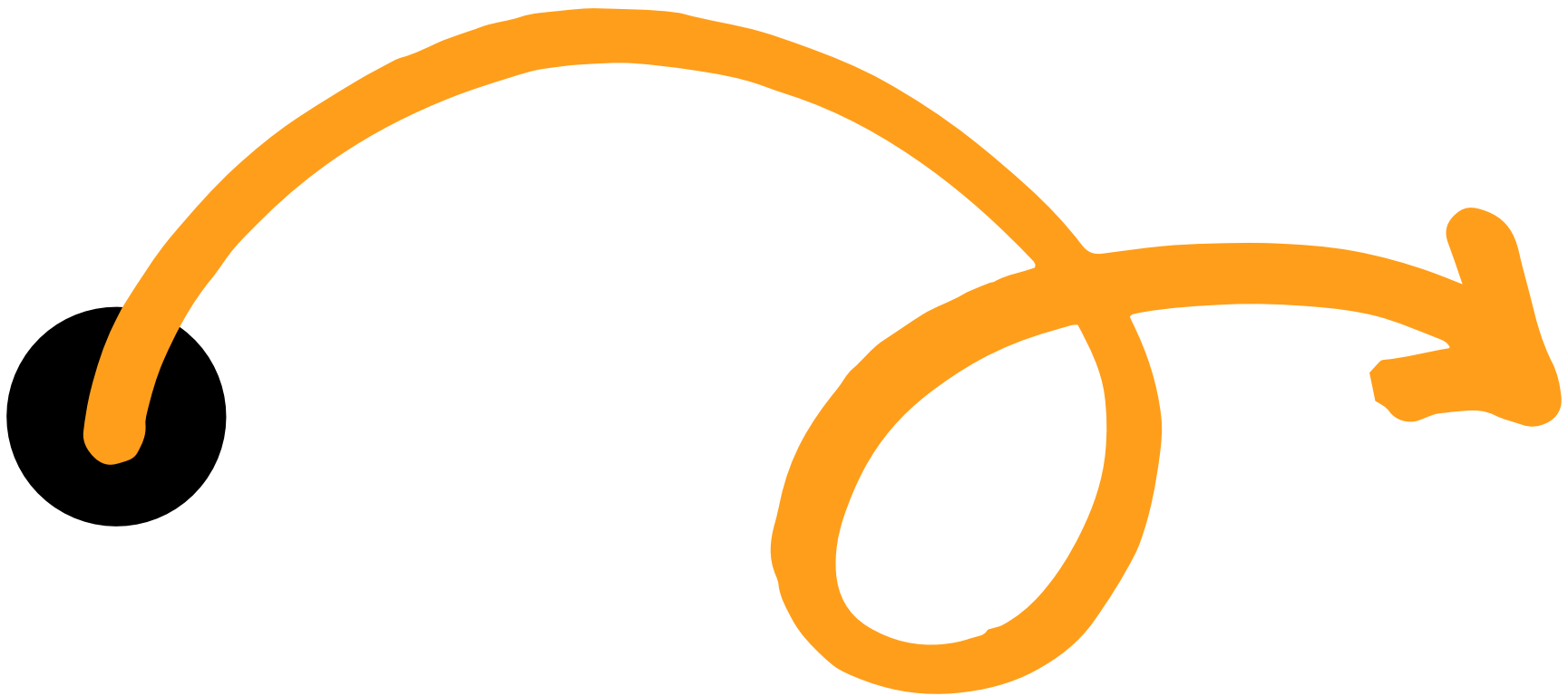


Some are up,



some are down.

Some paths explore all the options.





No matter your path...

every step leads to opportunities
for financial freedom.



What could your path be?

OUR MISSION

To build wealth and create economic opportunity for underserved people and communities.



Forging new paths

Alternatives enjoyed a very successful 2017, with increased net interest income, assets, and core capital. Likewise, Alternatives increased its capacity to deliver its mission with significant impact, remaining the only local financial institution with extensive Community Programs. These non-profit programs consistently provide the community with free financial and credit counseling, financial education and coaching, technical assistance for small businesses, and asset building programs with grant-matched savings. Since 2003, our volunteer Free Tax Preparation Program has prepared more than 24,000 tax returns and returned more than \$44 million in refunds to taxpayers who support our local economy. Our Student Credit Union not only teaches kids the value of a savings habit but demonstrates it by providing high-interest savings accounts for college.

At the forefront of economic justice, Alternatives completed its biennial Living Wage Study and increased its staff minimum wage to the living wage of \$13.90 per hour (\$15.11 for employers who do not offer health insurance). Alternatives is the only financial institution certified as a Living Wage Employer by the Tompkins County Workers' Center.

Alternatives continues to empower the community with non-predatory lending programs which provide inclusive access to credit and capital. To further support such lending, Alternatives was awarded \$686,500 by the CDFI Fund to develop a car loan program for the underserved,

*Eric Levine,
Acting CEO*



in partnership with local not-for-profits. Our focus will be on people who need automobiles but may not qualify for traditional financing, for reasons such as re-entering the workforce or insufficient work history for a credit application.

The NCUA provided a \$23,000 grant to help us develop an exciting and innovative partnership with Planned Parenthood of the Southern Finger Lakes, for loan and financial support services related to the transgender community. Alternatives is a welcoming place for this underserved community, where one can open an account with their most recent identification, apply to finance aspects of their transition, and take advantage of our financial education workshops.

Alternatives also grew its innovative Energy Efficiency/Solar consumer loan portfolio, with an affordable extended 15-year term and low-interest rate, which is partially subsidized by the installer. We closed 115 of these loans totaling nearly \$1.5 million in 2017, and we were the first to provide individual borrower financing for one of the first solar farms in the United States.

Our volunteer Board of Directors approved substantial investments to enhance member experience and service to the community. The newly

developed website provides simple and secure mobile access and the ability to open accounts remotely. The Board approved several new hires including a second Business Consultant Trainer to provide more technical assistance to entrepreneurs, two additional Member Experience Associates for enhanced member service, a third Consumer Loan Officer to provide more convenient access to credit, a Social Media Specialist to deliver communications across various digital channels, and a new position to support both loan servicing and collections, for greater quality control and communication with members. Fittingly, the collections department was renamed the "Solutions" Department, because our collectors work with our members to help them get back on track, with trust and mutual respect.

Exciting new community sponsorships in 2017 include: (1) the Beverly J Martin Elementary School, (2) The Sophie Fund to support mental health education and awareness for young people, and (3) the summer Thursday evening Farmer's Market (visit our booth!).

Alternatives remained committed to the latest technologies and conveniences of digital banking, with a focus on data security. Our 2017

annual Information Technology third-party audit produced a 150-page report covering 120 audit controls, resulting in a single recommendation.

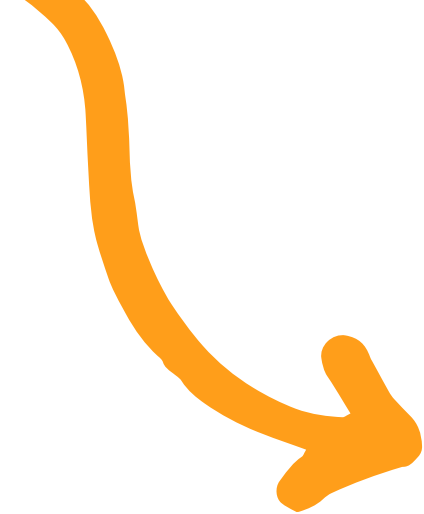
2017 provided a solid foundation to kick off 2018 with strategic planning, growth, and innovation. We look forward to continuing to partner with our membership and the local community to provide responsible financial services along every step of The Credit Path while promoting economic justice. We appreciate the support our members provide in many forms including deposits, debit card swipes, borrowing, and donations to Alternatives Impact, an affiliated 501(C)(3) not-for-profit which partially supports our Community Programs. Thank you for your commitment to Alternatives and the mission to build wealth and create economic opportunity for underserved people and communities.



THE CREDIT PATH®

Steps towards financial freedom

Our goal is to provide full banking services and give our members the opportunity to advance along the path to financial freedom by offering educational and asset-building opportunities. Credit report review, financial counseling, workshops, seminars, and matched savings accounts can empower members to save for their future and make great financial decisions. At any time, one may be in several stages at once along the path.



TRANSACTION

A transactor is anyone using a financial institution for cash services.

- Free Checking
- Free Debit Card
- Fresh Start Account
- Free Financial Counseling
- Free Tax Preparation

eStatements are required to have the \$2 monthly maintenance fee waived

SAVER

A saver is a transactor who puts money aside in a savings account towards a goal.

- Direct Deposit
- Automatic Transfers
- Shares
- Share Certificates
- Savers Club
- IDA (Matched Savings)

BORROWER

A borrower takes out a loan or a line of credit.

- Credit Report Review
- Share Secured Loan
- Share Secured Line of Credit
- Line of Credit
- Car Loans
- Personal Loans
- Solar Loans

OWNER

An owner has assets such as a home or business. An owner may also be a borrower.

- Mortgage Loans
- Home Equity
- Business Loans
- Share Certificates
- Green Certificates

Capturing stories along the way

In 2017 Jamie Love joined our creative team as lead photographer. Our mission is reflected in her images which celebrate the empowerment of our happy members and local entrepreneurs. Jamie is also a happy member with her own story of financial growth along The Credit Path.

jamielove.photography



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Over the course of one year, I saved enough money to earn my matched funds and with that money, I purchased my lighting equipment so I could get my photography studio started.

I began my financial journey at Alternatives after another local institution had piled overdraft charges on my account, and left me sunk into a hole of debt. What I noticed right away was the understanding and human empathy that each employee at Alternatives carried with them as I shared my story. They set me up with an account right away, and have helped me grow and succeed ever since.

The first loan I had with them was for a new car that I intended to purchase. I had a sizable down payment, but not the best credit because of student

loan debt. They were the only lender who approved me. The car was essential to my independence as a newly single mother, and the staff at Alternatives were caring and ensured that I would receive a payment plan that I could afford each month. Several years later, through the help of Alternatives' Money Wise course, I learned how to save up a sum of money to put a down payment on a house. Again, where other lenders would not work with me, Alternatives came through with a fixed mortgage with a low-interest rate and a monthly payment that was doable for my family.

Fast forward a few years, I wanted to start my photography business, yet had no investment money put aside to do so. I went to college for photography many years prior but after having several children, did not have the funds to get myself started with equipment costs which are pricey in my industry. Kathleen, Alternatives' Business Development Manager, connected me with Kim Ritter who helped me get started with the IDA Assets Program. Over the course of one year, I saved enough money to earn my matched funds and with that money, I purchased my lighting equipment so I could get my photography studio started.



*Left: Jamie at a portrait shoot.
Above: Kathleen Clark of Business CENTS® and Jamie Love.*

Business CENTS® is a registered trademark of Alternatives Federal Credit Union.



Kathleen has been an angel to me over the past two years as I have grown and expanded my business offerings. She helped me to develop a rock solid business plan, referred me to marketing opportunities in the community, assisted me with my quarterly tax filing, and has answered the many questions that have arisen as I began my business ownership journey as a sole proprietor.

As some of my equipment needs appeared this year for my photography business, Alternatives worked me to create a low-interest business loan to pay off my existing credit card debt. Being a small business owner in a difficult to thrive industry (photography) has felt effortless with Alternatives' continued support throughout the past few years. I am so grateful to each staff member who has uplifted me with their positivity on a regular basis as I make deposits, or have financial questions.

Alternatives feels more like an understanding family to me than they do a financial institution. I'm forever grateful to them for pulling me out of a financial hole and helping me to succeed and support my children and their futures.

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Alternatives is more than a “bank” or even a credit union. They empower our entire community with legit financial education and help people succeed in all of their financial endeavors.

—Jamie,
Happy member since 2014



Above: Jamie at a portrait shoot.
Left: Jamie and our Acting CEO, Eric Levine at the Annual Report photoshoot.



MEMBER EXPERIENCE

Feeling good at Alternatives

To Eddie, being a member of Alternatives means our staff cares about him as an individual. After interacting with other financial institutions, he was refreshed by Alternatives' straightforward account policies and the attentiveness of the Member Experience Associates (MEAs). With their help, Eddie received personalized service and information about the good things we do at Alternatives, leading him to successfully graduate from our Assets Individual Development Account (IDA) program. Now an MEA himself, Eddie knows how it feels to be on the other side—and how impactful it is to offer the same assistance to members that was once given to him.

2017 CONSUMER LOANS AT A GLANCE

- **725 consumer loans** for \$5,923,406
- **30 Back on Track loans** for \$73,772

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Alternatives has had my back since 2012. Now, I got yours!

—Eddie, Staff member and happy member



RESPONSIBLE LENDING



The journey to homeownership

Our mission to serve finds a home with members through our First Home Club and a lending department that feels like family.

Josh and Kyle

Josh and Kyle were living outside of Albany when Josh accepted a new position at Renovus Solar in Ithaca. Having to sell their current home, they planned to rent in Ithaca during that process. Upon discovering the cost of rentals in Ithaca, they opted to look into purchasing a home instead.

They started their search and soon put an offer on a home, which was accepted. To their surprise, their house in Albany sold more quickly than anticipated, putting pressure on them to close on their Ithaca home. Josh researched local mortgage options, and felt Alternatives had the best options

for their situation. Josh also heard about Alternatives' work with solar loans from other Renovus staff.

With Josh starting a new job, in graduate school and faced with relocating himself, his wife, baby, and dogs, there was a lot to do. Josh and Kyle were impressed with how quickly the mortgage process moved along. They credit Amy Chapman, Alternatives' Mortgage Department Administrator, with going above and beyond to make sure their loan closed as soon as possible. Amy answered every email promptly and came to work on a Saturday to make sure they could close on time. They add that the credit union's attorney, Sharon Sulimowicz, was also instrumental in expediting their closing. Josh and Kyle are grateful to everyone involved and are happily settled in their new home.



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We specifically chose Alternatives as our financial institution because of its mission to serve the underserved and its focus on having a strong and positive impact on the community.

—Shira and Jeffrey, Happy members since 2012



2017 HOME LOANS AT A GLANCE

- **115 solar loans** for \$1,484,133
- **101 mortgage loans** for \$12,407,997
- **23 First Home Club mortgages** for \$2,833,400



Moving in the right direction

In 2017, Alternatives continued to record healthy, manageable growth. Assets grew, finishing the year at \$103.7 million. Our loan portfolio grew to reach \$76.3 million. Growth came from all three areas of lending: consumer, business, and mortgage.

For Alternatives, lending is not only the key driver of our credit union's income; it is the manifestation of our mission to build wealth and create economic opportunity for underserved people and communities. Loans to 38 first time homebuyers (including 23 First Home Club participants) not only generate interest income to sustain Alternatives, they also help provide our community with greater stability and become a source of wealth for the families who live in them. As a not-for-profit institution, Alternatives seeks to return value to members and the communities we serve in any way possible.

I chose Alternatives because of the positive reputation. It is a credit union where you can see its positive impact and vested interest in our community.

—Megan, Happy member since 2016

To succeed in our mission of community reinvestment, we must also maintain a profitable bottom line to remain financially sound today and into the future. Your credit union finished the year with a return on average assets of just under .50% and net income of \$506,000, sufficient to maintain a well-capitalized position. Our overall capital/asset ratio increased to 8.32%.

The credit union is working on a strategic plan that focuses on member engagement to obtain membership, loan and asset growth. Alternatives will adapt to an uncertain funding environment while we build on positive net income and seek grants and additional sources of finance, including individual donations made to Alternatives Impact, to meet demand from our community for our Community Programs. We encourage you to support Alternatives so that we may continue to make an impact in our community.



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We feel that using the products and services at Alternatives supports our financial goals while helping the community.

—Gentry and Eleanor, Happy members since 2012

Our team is your team from start to finish, and then some

We recognize that the key to moving along the course for business success is knowledge.

Our goal is to help members reach their dream by offering a suite of products and services: 1:1 counseling, classes and seminars that are designed specifically for start-up or growing businesses.



Two Goats Brewing

Business members since 2009

Longtime members Jessica and Jon Rodgers bring responsible business vision and some really good tasting ale to our local community.

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Alternatives' mission of social responsibility, sustainability, and fiscal education resonates perfectly with our vision of using business for good in the world.

—Jessica, Happy member since 1999

twogoatsbrewing.com



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It's always a bonus when you walk into a credit union, and the service is professional, yet friendly, and the tellers know you by name.

—Jessica, Happy member since 1999



Above: Jessica and Jon in action at Two Goats Brewing





Seneca Sol

Business members since 2016

Our story is a bit more like a fairytale than a standard bio. We only have so much time and so much space to tell this tale so let's begin... Christine and Cameron met on a whim. Cameron was in town visiting his aunt from the west coast eco-camping his way up and down the Pacific Rim. Christine had just gotten back into town from island hopping and glamping through Central America. Christine had a good job, and a beautiful piece of property overlooking Seneca Lake in Burdett, NY, and Cameron was taking a class at Binghamton University. In less than a month after meeting and finding out they were pregnant, life sped up.

The decision to start their own glamping business in Burdett began with a conversation with a CPA and board member of Alternatives Federal Credit Union. We proposed the business plan to a loan officer at Alternatives based upon our CPA's advice and received a loan.

The business opened Memorial Day weekend in 2016. In our second year, the property to the north and south

of Seneca Sol became for sale. To preserve the tranquility and serenity of the Seneca Sol property we purchased both properties with the help of Alternatives. With the addition of another 15 acres, Seneca Sol soon will have a trail riding business to compliment guests coming and staying at Seneca Sol from all over the world. Another enhanced experience provided by Seneca Sol are guided wine tours through wine country. Our wine tour is five hours long, stopping at five hand-selected wineries by Sommelier and owner Christine McAfee.

Thanks to a credit union that is willing to work with our seasonal business, we have a line of credit to help us kick off each season with new posh amenities. In the past year, Seneca Sol has been featured in Mountain Home Magazine, Rochester Magazine, and Men's Journal.

Glamping is becoming a household term and based on the number of visitors; it's not a trend going away anytime soon.



Above: Cameron sets up a teepee for the upcoming season. Right: Cameron and Christine enjoy the natural spaces they have created.

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Thanks to a credit union that is willing to work with our seasonal business, we have a line of credit to help us kick off each season with new posh amenities.

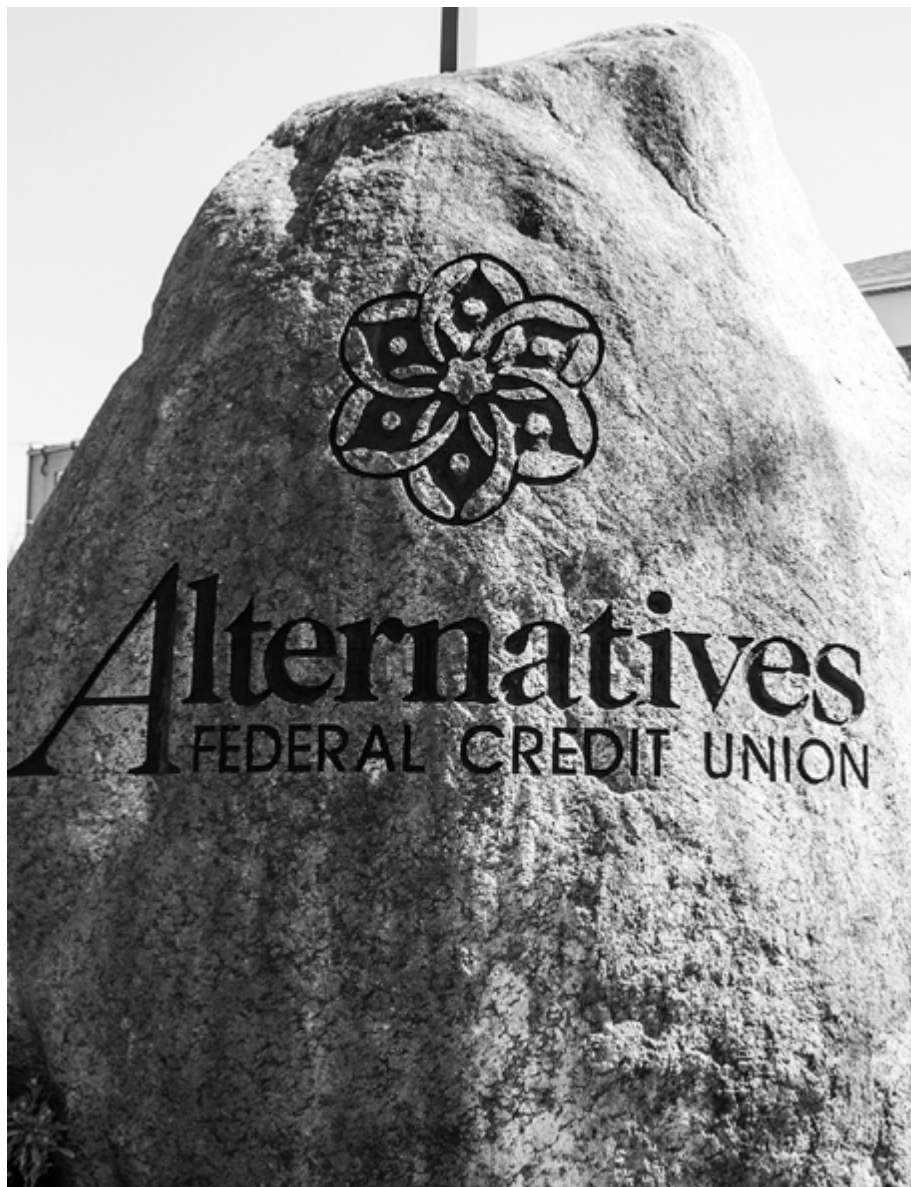
—Christine, Happy member since 2016



SUPERVISORY REPORT RICHARD LANSDOWNE**On course**

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, 2017. The auditors issued an opinion that the reports of Alternatives' financial performance are fairly presented and comply with generally accepted accounting principles. Also, the committee retained Sciarabba Walker quarterly to perform additional reviews and procedures for the purposes of monitoring internal controls in conjunction with procedures carried out by Melissa Pollack, Alternatives' Director of Compliance.

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 at supervisory@alternatives.org. Your inquiry will be addressed in an impartial and confidential manner.



FINANCIAL STATEMENT

STATEMENT OF FINANCIAL CONDITION

Assets	2017	2016
Mortgage loans	\$ 58,792	\$ 57,864
Consumer loans	10,413	9,186
Business loans	7,122	6,684
Total loans	76,327	73,734
Allowance for loan loss	(458)	(339)
Cash	13,370	8,782
Investments	10,128	14,308
Fixed assets	2,564	2,670
Other assets	1,790	1,979
Total assets	\$ 103,721	\$ 101,134

Liabilities and member equity

Liabilities	\$ 2,762	\$ 3,423
Checking	30,662	30,133
Regular savings	43,607	40,414
Certificates	10,417	10,913
Retirement savings	7,640	7,901
Total deposits	92,326	89,361
Secondary capital	1,400	1,600
Capital	7,233	6,750
Total liabilities and equity	\$ 103,721	\$ 101,134

Capital ratio	8.32%	8.26%
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STATEMENT OF OPERATIONS

	2017	2016
Interest income		
Mortgage	\$ 2,468	\$ 2,253
Consumer	775	776
Business	380	409
Investments	242	243
Total interest income	3,865	3,681
Interest expense		
Member shares and savings	181	205
Interest on borrowings	101	145
Total interest expense	282	350
Net interest income	3,583	3,331
Loan loss provision	281	116
Net income after provision	3,302	3,215
Operating expenses	(5,142)	(5,186)
Other operating income	2,346	2,562
Net income	\$ 506	\$ 591

**All figures are listed in thousands of dollars, e.g. \$506 = \$506,000*



OUR VISION



We are leading an economic movement to create thriving, empowered communities with financial freedom for everyone.

Trailblazing *by and for* leaders of color

In 2017, Alternatives forged an official partnership with Business Leaders of Colors (BLOC), LLC. BLOC is a network of business owners, entrepreneurs, consultants, and social justice leaders—all focused on helping persons of color succeed in business.

*Gladys Brangman,
Managing Member,
Business Leaders of Colors*



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Our missions are aligned as we both desire to build wealth and create economic opportunities for diverse communities.

—Gladys, Managing member of BLOC, Happy business member since 2017

Entrepreneurs can connect on the BLOC website.

Our partnership with BLOC is supported primarily through our Business CENTS Program. We are committed to BLOC’s mission to develop and strengthen the entrepreneurial efforts of people of color through our ongoing partnership. Kathleen Clark, Business Development Manager, said, “We recognize the need for a concentrated effort to support aspiring and existing business owners in our communities of color, and we are grateful to BLOC for their efforts. We look forward to a long

relationship and being able to provide necessary resources and assistance needed by BLOC members to succeed in business development, management, and growth.” BLOC members will receive unique sponsorship and fee discounts to Business CENTS workshops and classes.

Gladys Brangman, Managing Member, Business Leaders of Colors, stated, “Getting this support from Alternatives is a huge win for BLOC

because our missions are aligned as we both desire to build wealth and create economic empowerment and communities. One of BLOC’s goals is to help businesses of color thrive and supporting one another, is a great place to start.”

Business Leaders of Color provides access to connections, education, and shared resources and events. The network was started to create a cooperative space for commerce that will serve both business owners and anyone looking to use the services of our member businesses. By joining the BLOC network, business members gain an enhanced web presence, access to Chamber of Commerce events and listing in their business directory. You can also post your events and specials on the website! And best of all, as a member of Alternatives, you get discounted BLOC membership.

To learn more about BLOC and to become a member, visit **businessleadersofcolors.com**.



PLANNED PARENTHOOD

Building bridges for transformation

NCUA grant awarded \$23,000 to support TransAction, a groundbreaking transgender financial empowerment initiative.

Liz Hudson, Director of Development and Reiley Schoen, Branch Manager, empowering the transgender community.



This is a huge groundbreaking partnership.

—Devon Ritz Anderson

As Alternatives seeks to support our most vulnerable community members, we are continuously evaluating which populations require greater focus in our community. In the summer of 2017, the National Credit Union Administration (NCUA) began accepting grant applications for an Underserved Outreach Initiative—which links directly to Alternatives' mission of serving the underserved. Given this opportunity, Alternatives knew we could extend our reach even further.

After much discussion among staff, our focus became our transgender and non-binary neighbors—a population often ignored by mainstream institutions. In fact, at the national and state levels, transgender and non-binary people are at a higher risk for unemployment, poverty, food insecurity, violence, lack of housing, health care, and financial resources. Moving forward with our plan to provide outreach to this population, Alternatives approached Planned Parenthood of the Southern Finger Lakes (PPSFL) for their expertise.

According to Devon Ritz Anderson, Senior Educator and Transgender Patient Navigator at PPSFL, finances and other institutional barriers often keep the transgender and non-binary communities from accessing the care and services they need: “This is constantly coming up as a barrier to [transgender and non-binary clients], who have not been able to access the care and/or resources they need to thrive, feel safe, or for their own personal well-being.”

PPSFL has been proudly providing transgender hormone therapy and preventive health services since 2013. At that time, there were 28 unique patients utilizing PPSFL's transgender services. As time goes on, PPSFL continues to respectfully and compassionately serve a growing number of transgender and non-binary clients with their health care needs. In fact, by end of year 2017, PPSFL's number of unique patients increased significantly to nearly 600.

Both Alternatives and PPSFL were excited at the opportunity to collaborate to expand options for our community, and our partnership began. Together, both organizations determined that the first steps in making an impact would be to provide education, outreach, and a suite of lending

TransAction

PURPOSE OF THE NCUA GRANT

To expand product reach and development services into the Transgender Community via a collaboration with Planned Parenthood of the Southern Finger Lakes (PPSFL).

JOINT EDUCATION

PPSFL to train Alternatives' staff on providing a welcoming and inclusive atmosphere for the Transgender Community.

Alternatives' staff to train PPSFL staff on access to transaction services, fairly priced lending products, and community development education.



EXPECTED OUTCOMES

- To leverage the power of collaboration among like-minded organizations to do better work in our community.
- Creation of a Financial Resources Guide for the Transgender Community to be disseminated throughout PPSFL's regional footprint.
- Recognition on PPSFL's outreach materials of Alternatives as a preferred financial institution.
- Targeted outreach advertising to expand our reach into a growing community and offer position Alternatives' expertise as a progressive resource.
- Reserve Fund to allow for the development of curated lending products for the Transgender Community.

products designated for needs around social and/or medical transition, such as hormone therapy, vocal coaching, new wardrobes, legal documentation updates, and surgeries/procedures.

With the support of PPSFL, we coined our initiative "TransAction: a transgender financial empowerment initiative" and applied for NCUA's Underserved Outreach grant. Then, in November 2017, Alternatives was awarded \$23,000.00 from the NCUA, backing our partnership and the services we aimed to provide. Alternatives' and PPSFL's staff were thrilled to receive the grant, along with the encouragement that the NCUA values the potential of this initiative as much as we do.

As a member of Alternatives and now as a community partner, Devon Ritz Anderson is glad to see so much staff, Board, and community support for TransAction. As Alternatives and PPSFL's partnership approaches its one year anniversary, Ritz Anderson reflects that it "just feels right."

A common practice Ritz Anderson sees for those who want to or are in the process of medically transitioning is to accumulate high credit card bills in order to receive the care they need. In the same way, many clients may

not be able to work with the doctors and professionals they want because of strict—and often unfair—insurance practices.

Now, instead of suffering under debt and high interest rates, Ritz Anderson says TransAction will provide the transgender and non-binary people in our community with another option: responsible lending created specifically for their needs.

"Those options are ... really important because they haven't existed in the past, or they are not accessible to everyone," she says. "This is a huge, groundbreaking partnership."

As Alternatives and PPSFL continue to take steps forward with the TransAction initiative, Ritz Anderson sees the impact it will have in our community and beyond.

"[TransAction] sets a national precedent ... [This initiative] happened in a small little piece of the country. So what does this mean for the bigger places? What does this mean for just recognizing in general what your local credit union can do for you?"

Imagine a job where your values are shared *and* celebrated

I started working at Alternatives in the summer of 2005 and was so excited to be a part of the member service team. I had been working at a military credit union in New Jersey before my move to Ithaca, and Alternatives' membership base was so different than where I had started.

Alternatives was more than the credit union philosophy of "people helping people"; we were serving the underserved which was more in alignment with my values.

Alternatives' work is to look at gaps and build bridges for people and our communities. Treating people as people versus just a credit score, bank account, or lack thereof and helping them along their Credit Path®. Alternatives has always nurtured innovative ideas that benefit our community. Alternatives' new partnership with Planned Parenthood of the Southern Finger Lakes and our collaborative initiative "TransAction" is another bridge for our community.

In February 2014 I started my gender transition from female-to-male and went to Planned Parenthood of the

Southern Finger Lakes (PPSFL) to begin my hormone replacement therapy. The staff at PPSFL treated me with such care and compassion and helped me on my journey of transition. From counseling, blood work, annual exams and weekly shots of testosterone I finally see the person in the mirror that I've known I am.

Alternatives played a big part in my transition, as well. In October 2014 I underwent top surgery with a plastic surgeon to have my chest contoured to appear more masculine. My health insurance didn't cover the operation so I needed to pay out of pocket. I went to the lending team of Alternatives for options. After reviewing different options, I chose the right one for me and moved forward with a loan that would cover the surgical expense. Personally, I cannot express the pride I feel that we are building this bridge. As a transgender person, I feel incredibly blessed to work at an inclusive organization as Alternatives and to have access to health care across the street at PPSFL. The competent and kindhearted lending team at Alternatives will help make the process comfortable and respectful for those

looking at our "TransAction" products. The staff at PPSFL is amazing, and I cannot say enough about how wonderfully they have treated me and others over the years. Everyone's journey is unique and "TransAction" is a helpful component in taking steps along your path.

*Reiley Schoen,
Branch Manager*



MATCHED SAVINGS **ALYSSA**

Two paths become one

Alyssa, owner of Dynamic Body Massage + Energy Healing is a healing artist who offers Chakra based energy healing, massage therapy, combined with breath work, guided meditation

and intuitive readings. Her practice is a creative synthesis of intuitive Soul Guidance, various forms of bodywork, Channeled Light Work, Chakra based Energy Healing and Emotional Release. She helps connect people to their soul's process and

works through old unreleased trauma to move forward and live an authentic and empowered life.

In 2015, Alyssa was interested in expanding her online outreach and creating pathways for people to access her in her office, through workshops and online consultations. At the time she was rebranding her website and expanding her reach locally but

wanted to establish an online presence beyond the local market. The Assets Individual Development Account (IDA) Program provided Alyssa with a great way to expand her business offerings and online reach.

Alternatives' Assets IDA Program is open to people in Tompkins and the adjacent counties. Participants can save up to \$1,000 (maximum of \$125 per month) for a match of 2:1. Up to \$1,000 of savings are matched with \$2,000 for a total of \$3,000 to go towards the asset goal of homeownership, business start-up, and expansion, or post-secondary education for the participant or a dependent. Eligibility is based on household income.

Alyssa also participates in Business CENTS, classes and workshops geared towards helping small business owners better market their business.

“

I chose Alternatives because it seemed like a totally different approach to banking.

—Alyssa, Happy member since 2012



dynamicbodymassage.com

STUDENT CREDIT UNION

Mad about money

In 2017, Alternatives was proud to hold another successful year of Mad City Money. Each year, Alternatives partners with Cornell Cooperative Extension and Ithaca High School (IHS) to coordinate Mad City Money, a financial education simulation. Interacting with volunteers from all parts of the community, including local businesses, organizations, and individuals, IHS seniors spent an afternoon navigating through the adult world of responsibilities, budgets, and bills. Luckily, if students ran into financial trouble or had questions about what they could afford, they were able to receive guidance from Alternatives staff. In a brief poll, over half of 2017 IHS seniors reported that their knowledge of personal finance significantly improved because of the simulation and 82.5% said they would recommend Mad City Money to a friend. As Alternatives continues to provide this simulation each year, we deepen our commitment to providing practical financial experience to the next generation of young adults.

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The most rewarding part of volunteering for Mad City Money was watching the importance of budgeting click for the students. The kids were really taking it seriously and thinking about their finances holistically, which is such an important lesson to learn.

—Grace Rychwalski, Social Media and Grant Specialist,
First-time Mad City Money Volunteer



COMMUNITY PROGRAMS

Pathways for everyone

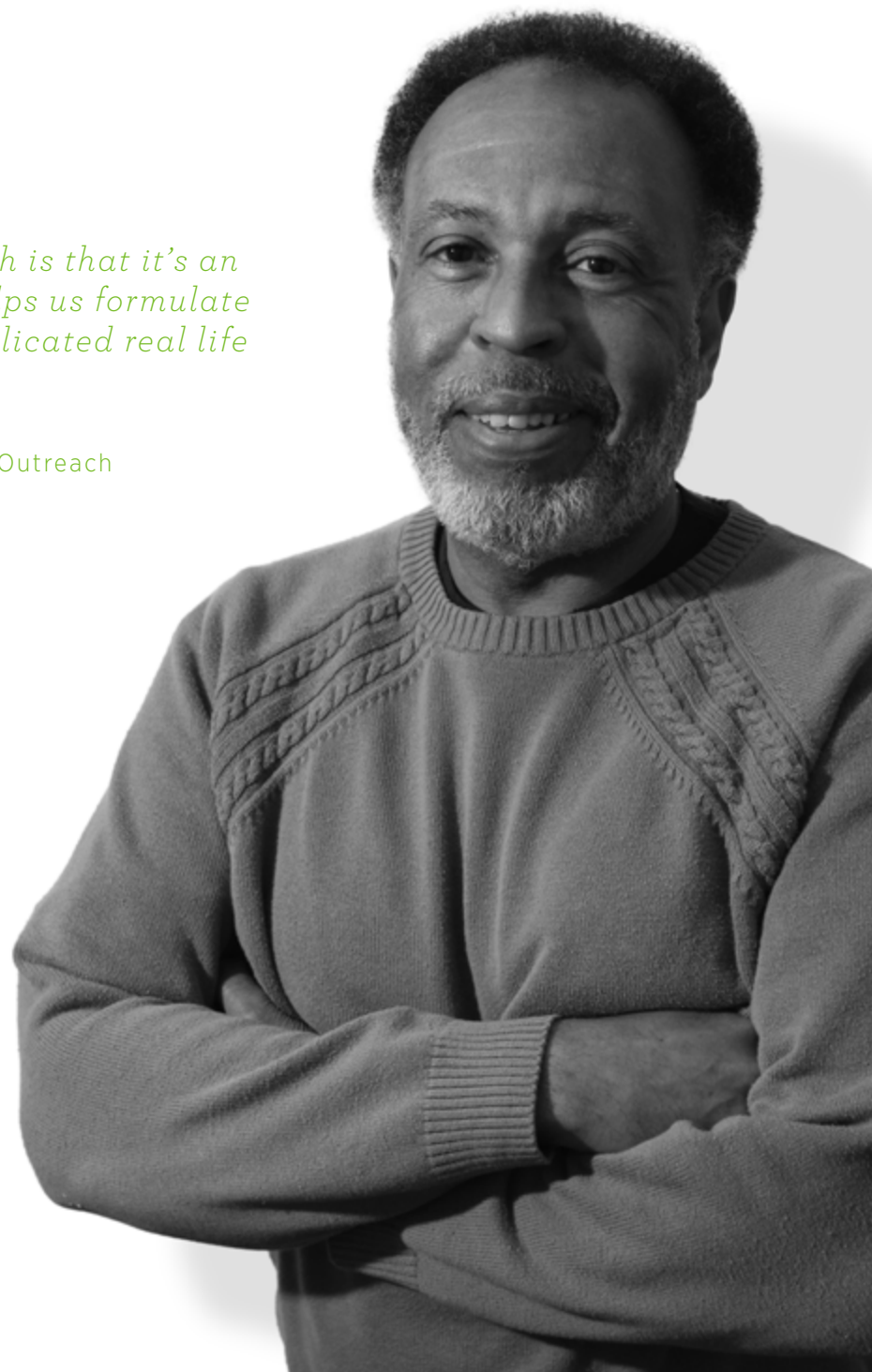
Community Programs are at the heart of Alternatives' mission and vision. Alternatives is a Community Development Credit Union (CDCU), a special type of Community Development Financial Institution (CDFI). A CDCU is a credit union with a mission of serving low-income people and communities. CDCUs specialize in serving populations with limited access to safe financial services, including low-income wage earners, recent immigrants, and people with disabilities.

Mirroring The Credit Path, our programs are designed to assist people from our community in taking steps to improve their financial knowledge and security, from transacting to saving, to credit building, to owning assets they can pass on to future generations.

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The brilliance of The Credit Path is that it's an easy to understand model. It helps us formulate solutions to peoples' often complicated real life financial struggles.

—Karl Graham
Director of Community Programs and Outreach



FINANCIAL WELLNESS

- **48** IDAs completed
- Graduated participants saved a total of \$199,322 and had earned a match of \$291,277
- **26** homes were purchased
- **20** businesses were started
- **8** people continued their education
- **562** financial counseling appointments

STUDENT CREDIT UNION

- **1305** students served
- **Over 70%** of student credit union members met savings goal
- **\$1,579,553** deposited
- **71** College Savers Club participants
- **11** in-school branches

FREE TAX PREPARATION

- **2770** clients served
- **\$5,523,044** in tax refunds
- Since 2003 **more than 24,000 tax returns** have been filed
- Over **\$44 million in refunds** were paid to taxpayers who support our local economy.

BUSINESS CENTS

- **375** businesses served
- **17** workshops and events
- **299** 1:1 consultations

Brendan Wilbur, CCUFC
Community Programs Manager



Kim Ritter, CCUFC
Financial Empowerment Specialist

Joe Cummins
Community Development Educator



Brian Zapf
Community Tax Program Director



Kathleen Clark
Business Development Manager



Steve Messmer
Business Consultant and Trainer

IMPACT LETTER TO THE COMMUNITY

At Alternatives, we live our values of ownership, innovation, collaboration every day. Staying true and certain about who we are is what makes our Community Development Credit Union a force for good in an economic environment that often prizes the cheap and easy road instead of a sustainable path to greater wellbeing.

We don't have stockholders; we have member-owners. Since 1979, Alternatives has understood that ownership is one sure way to gain independence and the freedom of self-determination. Founded to provide capital to local individuals and entrepreneurs who were routinely ignored and unfairly treated by mainstream financial institutions, we could multiply and sustain the power of ownership. Taking ownership meant ensuring a more equitable playing field for low-income community members and minority and women-owned businesses. Alternatives offers not only a path to asset ownership; our members own the institution that provides them access to capital.

When solutions are hard to find, you try new things. Creativity drives us to find answers in unusual places. We find opportunity where people thought none existed. Economic challenges are frustrating because they often occur hand-in-hand with entrenched institutions and networks that condense, rather than spread, wealth. Alternatives is a small, nimble fish in the big pond of mainstream financial institutions—and we are mighty because of it.

Our success is built on this truth: we are not doing this work alone. We listen, seek to understand and respect the value of experience. We provide tools, guidance, and expertise matched by our community's passion and dedication. Inherent in Alternatives' vision to lead an economic movement to create thriving, empowered communities, is the understanding that people grow and develop their 'financial toolbox' and work towards self-defined measures of success—all while living and learning from a broader community of experts and supporters.

A handwritten signature in black ink, appearing to read "Liz Hudson". The signature is fluid and cursive, with a long horizontal line extending to the right.

Liz Hudson, Director of Development

Impossibly Alternatives

in the world they've been given than to explore the power they have to change it. Impossible is not a fact. It's an opinion. Impossible is not a declaration. It's a dare. Impossible is potential. Impossible is temporary. Impossible is nothing.

These are the words of Muhammad Ali. I like to think that these words would have been heartily echoed by Alternatives founder Bill Myers when the “credit union in a shoebox” was established 39 years ago. Bill didn't have a desire to start another conventional bank; rather he wanted to change the world for underserved communities through innovative financial services.

A credit union was the cooperative and democratic form for such an impossible endeavor. Thus was born the audacious impossibility that is Alternatives, a certified Community Development Credit Union.

Alternatives had a successful year in 2017. We experienced moderate growth in the traditional financial metrics of assets, loans, and mem-

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Impossible is just a word thrown around by small men who find it easier to live

bership. We earned \$506,000 in net profit and are well-capitalized according to our regulators' standards. We do not take our achievements for granted; they represent the diligent efforts of our dedicated team to meet the essential financial needs of our diverse membership in an increasingly complex and competitive financial marketplace.

Since our inception, Alternatives has differentiated our organization through our deep commitment to social responsibility. During 2017, we used our resources to change our world and community in positive ways.

Areas of our impact include:

Community investment We are growing and keeping assets local. In 2017 our Free Tax Preparation Program returned \$5,523,044 with 2,770 returns

filed. Last year Alternatives did 38 mortgages for first-time homebuyers—23 were First Home Club (FHC) Individual Development Account (IDA) participants. During the year, 35 new participants opened FHC accounts. In addition to the 35 FHC accounts opened, 13 members opened Asset IDA accounts and began to save to start or expand a business, or to enroll in an educational program. Our Business CENTS Program provided 299 technical assistance sessions to local member business owners.

Sustainability We continue to partner with members, local businesses and the community for a greener tomorrow. We have significantly expanded our lending for energy efficiency loans, including solar installations and solar farms. Since 1991, we have offered discounted loan rates for fuel-efficient vehicles.

Member empowerment We are walking alongside you, our members, at every step along The Credit Path® as you navigate your financial ups, downs, and ongoing, daily needs. We are helping you with free financial counseling—562 sessions in 2017, educational classes, credit-repair, and products like our Back on Track Loan or SkipPayment. We invested in your financial success.

Economic democracy We believe that gross economic disparity is not healthy for our world or community. Since 1990, our Student Credit Union has expanded into 11 branches and aspires to help all youth in Tompkins County to develop a savings habit.

Alternatives is committed to outreach to the “unbanked” in our community, and in 2017 we welcomed 116 new members who previously had no relationship with a financial institution. We offer loans at special rates for women and minority-owned businesses. Since 1994 we have pioneered the Living Wage in Tompkins Community and update it biennially.

Alternatives offers a full suite of traditional financial products like other financial institutions. Unlike most financial institutions, Alternatives—through effort, innovation, and expense—uses its resources to have a positive social impact on our world and community. With the energetic and committed support of our loyal members and the dedication and talent of our staff, the impossible is possible. Impossibly, Alternatives is possible.

**Individual Development Accounts are matched savings programs for purchasing a home, starting or expanding a business, or pursuing an education.*

OUR BOARD 2017 BOARD OF DIRECTORS

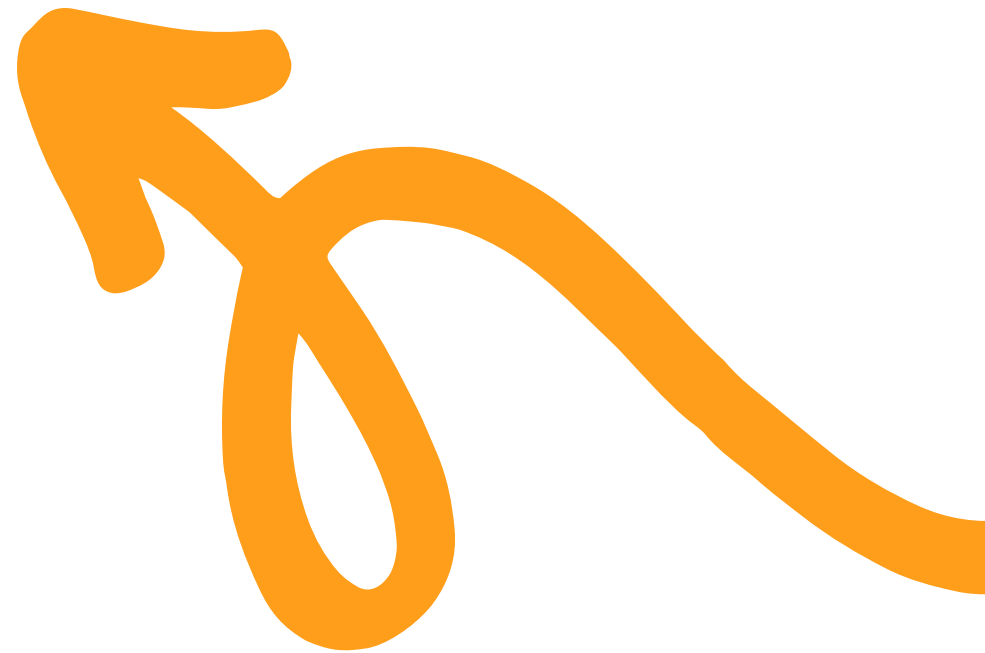
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YOUR PATH

Start walking...

BECOME
A MEMBER

BECOME A
VOLUNTEER

DONATE



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