

Oneida Business Committee Meeting Agenda Request Form

1. Meeting Date Requested: 09 / 10 / 14

2. Nature of request

Session: Open Executive - justification required. See instructions for the applicable laws that define what is considered "executive" information, then choose from the list:

Agenda Header (choose one): Report

Agenda item title (see instructions):

Bay Bancorporation Inc

Action requested (choose one)

Information only

Action - please describe:

3. Justification

Why BC action is required (see instructions):

Required Reporting

4. Supporting Materials

[Instructions](#)

Memo of explanation with required information (see instructions)

Report Resolution Contract (check the box below if signature required)

Other - please list (**Note:** multi-media presentations due to Tribal Clerk 2 days prior to meeting)

1.

3.

2.

4.

Business Committee signature required

5. Submission Authorization

Authorized sponsor (choose one): Lisa Summers, Tribal Secretary

Requestor (if different from above):

Name, Title / Dept. or Tribal Member

Additional signature (as needed):

Name, Title / Dept.

Additional signature (as needed):

Name, Title / Dept.

- 1) Save a copy of this form in a pdf format.
- 2) Email this form and all supporting materials to: BC_Agenda_Requests@oneidanation.org

Bay Bank
QUARTERLY REPORT

Quarter ended June 30, 2014

A. BAY BANK

Submitted by: Jeff Bowman, Board Member
Directors: Lance Broberg, Peter King III, Diane House,
Jeff Bowman, Bob Jossie, Elaine Skenandore-Cornelius

Oneida Business Committee Contact: Brandon Stevens

B. MINUTES

None Submitted

ACTION TAKEN

No Tribal Policy change.

D. FINANCIAL

Note that various financial reports

December 31, 2014 is Bay Bank's fiscal year end.

E. SPECIAL EVENTS AND TRAVEL

None

F. PERSONAL COMMENTS

Bay Bank account numbers as of June 30, 2014:

953	Checking Accounts
304	Business Checking Accounts
69	Money Market Accounts

1,548	Savings Accounts
543	Certificates of Deposit
96	Commercial Real Estate Loans
641	Residential Real Estate Loans
133	Business Loans
497	Consumer Loans
57	Oneida Small Business 2000 Loan Program Loans

The Oneida Small Business Loan Program 2000 that is administered by Bay Bank started on May 1, 2002. As of this date over \$ 11.0 million in new loans have been made to over 122 new or growing Oneida tribal member owned businesses.

The Section 184 mortgage loans serviced under FHLB MPF program totaled \$41.7 million at June 30, 2014. There are 343 loans in the program currently.

G. GOALS AND OBJECTIVES

2014 GOALS:

GOAL A: Bay Bank will strive to attain a minimum 0.50% Return on Assets for the year ending June 30, 2014. Return on Assets (ROA) is a common measurement of a bank's profitability. This ratio informs you how well the bank is managing and investing the bank's assets.

2014 ROA Goal	2014 YTD ROA Actual	2014 Peer Group Average
0.50 %	0.79%	0.66%

GOAL B: Bay Bank will strive to attain a minimum 6.00 % Return on Equity for the year ending March 31, 2014. Return on Equity (ROE) is the measurement of how well the bank is performing for its stockholder.

2014 ROE Goal	2014 YTD ROE Actual	2014 Peer Group Average
6.00 %	6.40 %	5.97 %

Bay Bank had budgeted total loans for the quarter ended March 31, 2014 in the amount of \$ 52.2 million. Actual total loans as of March 31, 2014 were \$ 51.4 million or \$ 0.8 million less than projected. Loans decreased \$ 7.8 million over the 12 month period ended March 31, 2014.

Bay Bank had budgeted total deposits for the quarter ended March 31, 2014 in the amount of \$ 66.7 million. Actual total deposits as of March 31, 2014 were \$ 64.7 million or \$ 2.0 million under projections as we allowed various non-core deposits to mature. Deposits decreased \$ 5.0 million for the past twelve months as various non-core deposits matured and were not replaced.

H.

MEETINGS

Monthly meeting on the third Thursday of each month. Well attended.

BAY BANK
BALANCE SHEET
 UNAUDITED
 Period Ending June 30

	June 30, 2014	June 30, 2013
ASSETS		
Cash and due from banks	3,967,910	2,261,185
Federal funds sold	4,693,925	2,042,966
Investment securities	18,286,278	17,554,035
Loans	49,299,292	56,459,205
Less allowance for loan losses	(3,282,593)	(3,751,537)
Bank premises and equipment	151,262	147,470
Cash surrender value-life insurance	3,002,112	3,085,822
Other real estate owned	1,452,642	2,539,711
Other assets	2,692,215	2,820,353
	80,263,043	83,159,210
TOTAL ASSETS		
LIABILITIES		
Deposits	63,967,180	67,818,894
Borrowed Funds	5,050,000	4,500,000
Other liabilities	1,042,958	875,296
	70,060,138	73,194,190
TOTAL LIABILITIES		
STOCKHOLDER'S EQUITY		
Common stock	2,050,000	2,050,000
Surplus	2,050,000	2,050,000
Undivided profits	6,102,905	5,865,020
	10,202,905	9,965,020
TOTAL STOCKHOLDER'S EQUITY		
TOTAL LIABILITIES AND STOCKHOLDER'S EQUITY	80,263,043	83,159,210

BAY BANK

INCOME STATEMENT

UNAUDITED

Period Ending June 30

	June 30, 2014	June 30, 2013
INTEREST INCOME		
Federal funds	7,813	3,483
Investment securities	259,120	283,481
Loan	1,374,103	1,658,457
	<hr/>	<hr/>
TOTAL INTEREST INCOME	1,641,036	1,945,421
	<hr/>	<hr/>
INTEREST EXPENSE		
Deposits	150,141	207,154
Borrowed funds	18,686	38,172
	<hr/>	<hr/>
TOTAL INTEREST EXPENSE	168,827	245,326
	<hr/>	<hr/>
NET INTEREST INCOME	1,472,209	1,700,095
	<hr/>	<hr/>
PROVISION FOR LOAN LOSSES	70,000	317,000
	<hr/>	<hr/>
NET INTEREST INCOME AFTER LOAN LOSS	1,402,209	1,383,095
	<hr/>	<hr/>
OTHER OPERATING INCOME		
Other fee income	632,262	504,125
	<hr/>	<hr/>
OTHER OPERATING EXPENSE		
Salaries and fringe benefits	758,597	670,144
Equipment/occupancy expense	79,955	86,535
Other expense	763,102	1,204,446
	<hr/>	<hr/>
TOTAL OPERATING EXPENSE	1,601,654	1,961,125
	<hr/>	<hr/>
INCOME BEFORE TAX	432,817	(73,905)
TAX ON INCOME	97,438	(112,135)
	<hr/>	<hr/>
NET INCOME	335,379	38,230
	<hr/>	<hr/>

BAY BANK
BALANCE SHEET
AT JUNE 30
(In thousands of dollars)

	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>Actual To Budget</u>	
ASSETS					
1	CASH & DUE	3,968	2,261	3,114	854
2					
3	LOANS				
4	COMMERCIAL	8,784	11,316	9,379	(595)
5	REAL ESTATE	37,519	42,700	39,246	(1,727)
6	CONSUMER	2,991	2,437	2,604	387
7	OTHER	<u>5</u>	<u>6</u>	<u>5</u>	<u>-</u>
8	GROSS LOANS	49,299	56,459	51,234	(1,935)
9	LOAN LOSS RESERVE	<u>(3,283)</u>	<u>(3,752)</u>	<u>(3,250)</u>	<u>(33)</u>
10	TOTAL LOANS, NET	46,016	52,707	47,984	(1,968)
11					
12	SHORT TERM INVESTMENTS				
13	TREASURY BILLS				
14	FED FUNDS SOLD	4,694	2,043	6,146	(1,452)
15	MM FUNDS	-	-	-	-
16	CD'S	<u>2,679</u>	<u>-</u>	<u>735</u>	<u>1,944</u>
17	TOTAL	7,373	2,043	6,881	492
18					
19	INVESTMENTS				
20	US GOVERNMENTS	-	-	-	-
21	US AGENCIES	3,953	4,837	4,883	(930)
22	MUNICIPALS	10,621	11,667	11,403	(782)
23	OTHER	<u>1,034</u>	<u>1,051</u>	<u>1,040</u>	<u>(6)</u>
24	TOTAL	15,608	17,555	17,326	(1,718)
25					
26	BANK PREMISES	151	147	174	(23)
27	BOLI	3,002	3,086	3,028	(26)
28	OTHER REAL ESTATE OWNED	1,453	2,540	1,720	(267)
28	OTHER ASSETS	<u>2,696</u>	<u>2,820</u>	<u>1,375</u>	<u>1,321</u>
29					
30	TOTAL ASSETS	80,267	83,159	81,602	(1,335)

	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>Actual To Budget</u>
33				
34	LIABILITIES			
35				
36	DEMAND DEPOSITS			
37	BUSINESS	7,472	7,387	9,000
38	PERSONAL/OTHER	1,725	2,197	3,440
39	NOW ACCOUNTS	<u>3,908</u>	<u>2,554</u>	<u>3,223</u>
40	TOTAL	13,105	12,138	15,663
41				
42	MMBA AND SAVINGS			
43	MMBA	13,758	11,726	14,160
44	SAVINGS	<u>5,523</u>	<u>5,178</u>	<u>5,318</u>
45	TOTAL	19,281	16,904	19,478
46				
47	CD'S AND OTHER TIME			
48	CD'S < \$100M	13,991	17,515	12,673
49	CD'S > \$100M	14,928	19,263	17,384
50	IRA'S < \$100M	1,065	748	817
51	IRA'S > \$100M	<u>1,600</u>	<u>1,251</u>	<u>1,538</u>
52	TOTAL	31,584	38,777	32,412
53				
54	TOTAL DEPOSITS	63,970	67,819	67,553
55				
56	PURCHASED LIABILITIES			
57	FHLB ADVANCES	5,050	4,500	3,000
58	FEDERAL FUNDS PURCHASED	-	-	-
59	CAPITAL LEASE	-	-	-
60	TOTAL	<u>5,050</u>	<u>4,500</u>	<u>3,000</u>
61				
62	OTHER LIABILITIES	1,044	875	1,053
63				
64	TOTAL LIABILITIES	70,064	73,194	71,606
65				
66	CAPITAL			
67	COMMON STOCK/SURPLUS	4,100	4,100	4,100
68	RETAINED EARNINGS	5,302	5,363	5,302
69	UNREALIZED G/L -AFS SECURITIES	466	464	406
70	NET INCOME YTD	<u>335</u>	<u>38</u>	<u>188</u>
71	TOTAL	10,203	9,965	9,996
72				
73	TOTAL LIABILITES AND CAPITAL	80,267	83,159	81,602

BAY BANK
RESULTS OF OPERATIONS
FOR PERIOD ENDED JUNE 30,
(In thousands of dollars)

			<u>Quarter to date</u>					
			<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>
<u>INTEREST INCOME</u>								
<u>LOAN INTEREST</u>								
1	COMMERCIAL		230	327	243	113	153	121
2	REAL ESTATE		1,014	1,211	1,040	519	554	507
3	CONSUMER		130	120	122	70	62	61
4	LOAN FEES/LATE CHARGES		8	14	18	3	7	9
5	TOTAL		<u>1,382</u>	<u>1,672</u>	<u>1,423</u>	<u>705</u>	<u>776</u>	<u>698</u>
6								
7	<u>SHORT TERM INVESTMENTS</u>							
8	TREASURY BILLS		-	-	-	-	-	-
9	FED FUNDS SOLD		5	3	1	3	2	-
10	MM FUNDS		-	-	-	-	-	-
11	CD'S		4	-	-	3	-	-
12	TOTAL		<u>9</u>	<u>3</u>	<u>1</u>	<u>6</u>	<u>2</u>	<u>-</u>
13								
14	<u>LONG TERM INVESTMENTS</u>							
15	US GOVERNMENTS		-	-	-	-	-	-
16	US AGENCIES		70	75	72	34	36	36
17	MUNICIPALS		267	291	281	128	144	140
18	OTHER		10	15	12	5	6	6
19	TOTAL		<u>347</u>	<u>381</u>	<u>365</u>	<u>167</u>	<u>186</u>	<u>182</u>
20								
21	TOTAL INTEREST INCOME		1,738	2,056	1,789	878	964	880
22								
23	<u>INTEREST EXPENSE</u>							
24	NOW ACCOUNTS		1	1	-	-	-	-
25								
26	<u>MMBA AND SAVINGS</u>							
27	MMBA		13	14	12	6	7	6
28	SAVINGS		3	2	2	2	1	1
29	TOTAL		<u>16</u>	<u>16</u>	<u>14</u>	<u>8</u>	<u>8</u>	<u>7</u>
30								
31	<u>CD'S AND OTHER TIME</u>							
32	CD'S < \$100M		42	73	38	21	36	18
33	CD'S > \$100M		69	98	75	31	48	37
34	IRA'S < \$100M		5	4	6	3	2	3
35	IRA'S > \$100M		16	16	17	8	8	8
36	TOTAL		<u>132</u>	<u>191</u>	<u>136</u>	<u>63</u>	<u>94</u>	<u>66</u>
37								
38	<u>PURCHASED LIABILITIES</u>							
39	FHLB ADVANCES		19	38	15	9	16	7
40	FEDERAL FUNDS PURCHASED		-	-	-	-	-	-
41	TOTAL		<u>19</u>	<u>38</u>	<u>15</u>	<u>9</u>	<u>16</u>	<u>7</u>
42								
43	TOTAL INTEREST EXPENSE		168	246	165	80	118	80
44								
45	NET INTEREST INCOME		1,570	1,810	1,624	798	846	800
46	LOAN LOSS PROVISION		70	317	120	7	176	60
47								
48	ADJ NET INTEREST INCOME		1,500	1,493	1,504	791	670	740

	<u>2014</u>	<u>2013</u>	<u>Budget</u>	<u>2014</u>	<u>2013</u>	<u>Budget</u>
51						
52						
53	<u>OTHER INCOME</u>					
54	SAFE DEPOSIT RENTAL	1	1	-	-	-
55	LOAN ORIGATION FEES	48	73	66	31	43
56	LOAN SERVICING	126	123	126	67	64
57	GAIN ON SALE OF LOANS	91	52	72	67	26
58	MORTGAGE SERVICING RIGHTS	10	(63)	(30)	-	(28)
59	SC-DEPOSITS	38	46	42	19	23
60	OVERDRAFT CHARGES	55	69	54	27	36
61	ATM FEES	36	19	42	18	11
62	CREDIT CARD FEE INCOME	12	9	6	10	6
63	MERCHANT FEES	21	24	24	8	13
64	INSURANCE COMMISSIONS	28	3	6	4	3
65	BOLI INCOME	46	61	48	26	31
66	ORE GAINS/INCOME	106	41	-	2	19
67	BROKERAGE INCOME	2	4	-	1	2
68	OTHER INCOME	5	20	12	2	16
69	TOTAL	625	482	468	282	265
70						
71	<u>OTHER EXPENSE</u>					
72	SALARIES & BENEFITS	765	685	792	375	344
73	OCCUPANCY	51	52	54	25	27
74	EQUIPMENT	37	44	48	19	24
75	SUPPLIES	19	22	18	12	12
76	TELEPHONE	3	3	-	2	1
77	POSTAGE	12	12	12	6	5
78	TRAVEL	5	12	12	4	8
79	COMPUTER	187	169	192	95	87
80	CARRIER	3	2	-	2	1
81	CREDIT CARD	3	3	6	1	1
82	OTHER OUTSIDE SERVICE	39	89	48	19	40
83	ADVERTISING	4	6	12	2	3
84	BUSINESS DEVELOPMENT	8	3	12	4	2
85	DONATIONS	-	-	-	-	-
86	LOAN COLLECTION	88	136	90	38	80
87	DIRECTOR'S FEES	23	24	24	9	12
88	FDIC INSURANCE	87	92	96	39	44
89	REGULATORY FEES	15	16	6	9	10
90	BLANKET BOND AND D&O INS	7	6	6	3	3
91	OTHER INSURANCE	6	6	6	3	3
92	AUDIT & LEGAL	64	56	60	32	29
93	DUES	-	-	-	-	-
94	OTHER LOSSES	-	1	6	-	1
95	ORE LOSSES/EXPENSES	153	505	174	81	335
96	OTHER OPERATING	13	16	25	7	7
97	OTHER TAXES, VARIATIONS	11	-	-	11	-
98	TOTAL	1,603	1,960	1,699	798	1,079
99						
100	NET INCOME BEFORE TAX	522	15	273	275	(144)
101						
102	STATE TAX	32	(10)	12	17	(17)
103	FEDERAL TAX	66	(107)	(17)	37	(101)
104	FTE DEDUCTION	89	97	94	43	48
105	TOTAL TAXES	187	(20)	89	97	(70)
106						
107	NET INCOME AFTER TAXES	335	35	184	178	(74)
108						
109	NET SECURITY GAINS (LOSSES)	-	3	-	-	-
110	NET EXTRAORDINARY GAINS (LOSSES)	-	-	-	-	-
111						
112	NET INCOME	335	38	184	178	(74)

BAY BANK
Management Report
Performance Ratio Comparison

Report Date : June 2014

Item (% of Avg Assets)	Bay Bank June 2014	Bay Bank 2014 YTD	Peer Group 3/31/2014	State Average 3/31/2014
Interest Income (TE)	4.13%	4.36%	3.89%	3.95%
Interest Expense	0.40%	0.42%	0.46%	0.46%
Net Interest Income (TE)	3.73%	3.94%	3.43%	3.49%
Non-Interest Income	1.65%	1.57%	0.55%	0.56%
Non-Interest Expense	3.89%	4.02%	3.21%	2.75%
Provision: Loan Losses	0.00%	0.18%	0.07%	0.10%
Pretax Operating Inc. (TE)	1.49%	1.31%	0.70%	1.20%
Return on average assets	0.93%	0.84%	0.66%	0.82%
Personnel Expense	1.80%	1.92%	1.67%	1.53%
Occupancy/Equipment Expense	0.21%	0.22%	0.37%	0.34%
Other Operating Expense	1.88%	1.88%	1.17%	0.86%
Efficiency Ratio	72.24%	73.03%	78.81%	67.96%

Margin Analysis

Avg Earn Assets/Avg Assets	92.59%	92.29%	93.26%	93.78%
Avg Int-Bear Fds/Avg Assets	74.65%	73.36%	72.32%	75.16%
Int Inc (TE)/Avg Earn Assets	4.46%	4.72%	4.22%	4.23%
Int Exp/Avg Earn Assets	0.43%	0.46%	0.50%	0.49%
Net Int Inc (TE)/Avg Earn Assets	4.04%	4.27%	3.72%	3.74%

Other Ratios

	Actual	Policy Limit	Peer Group	State
Loans/Deposits	77.07%	-----	68.47%	77.27%
Loans/Assets	61.42%	85.00%	58.92%	65.73%
Capital/Assets	12.71%	7.50%	11.06%	11.34%
Loans/Capital	483.18%	1000.00%	532.73%	579.63%
Return on Average Equity YTD	6.73%	-----	5.97%	7.23%
Non-performing loans to total loans	6.67%	0.50%	1.55%	1.76%
Non-performing assets to total assets	5.90%	1.00%	0.69%	0.52%
ALL coverage of non-performing loans	99.91%	100.00%	122.52%	98.49%
Non-performing assets to capital	46.45%	10.00%	6.21%	4.56%
Texas ratio (NPA/NPL to Cap/ALL)	36.34%		12.79%	14.06%
Tier 1 capital	15.44%	9.00%	18.21%	16.44%
Total risk based capital ratio	16.78%	12.00%	19.38%	17.66%
Tier 1 leverage ratio	10.50%	9.00%	11.07%	11.19%
Brokered deposits to total deposits	2.88%	15.00%	0.98%	2.89%
Listing deposits to total deposits	2.95%	15.00%	0.72%	0.65%
Deposits above insurance limit	45.26%	-----	3.84%	3.14%
Large deposits as % of total dep	25.84%	-----		
Non Core Funding Dependence/\$100M	17.60%		5.89%	10.07%
Total Liquid Assets	14,136	-----		
Total Deposits and Borrowed Funds	56,682			
Liquidity Ratio	24.94%	-----		
Dividends to Net Operating Income	0.00%		19.17%	27.45%

Past Due Loans

	No of Loans	Balance	% of Total	Prior Month
15 to 29 Days	18	1,055,853	2.14%	3.41%
30 to 59 Days	17	1,189,418	2.41%	0.79%
60 to 89 Days	4	62,975	0.13%	0.02%
90 Days and Over	0	0	0.00%	0.00%
Non-Accrual	34	3,285,779	6.67%	6.82%
30 Days and Over	55	4,538,172	9.21%	7.63%