

## Report of the Chairman

### Thomas Ellis

Some have called the current economy the worst since the Great Depression. It is marked by a deep recession, the collapse of the housing industry, record joblessness, and bank failures.

But, Community Resource Federal Credit Union is a bright light in the storm. While the Credit Union does not operate in a vacuum, there are reasons to assume that it has a bright future.

Community Resource is a safe and sound financial institution – one that is focused on members' needs. Community Resource is staffed with friendly and knowledgeable people. The Board of Directors understands that if employees are happy and want to come to work every day, they'll provide great member service. To this end, the Board has established an improved retirement plan and continues to provide other additional benefits along with a competitive salary structure. These are some of the reasons why Community Resource has won The Business Review's "Best Places to Work" award for the past two years in a row.

As a community credit union, Community Resource strives to give back to its community. In honor of our 75th anniversary in 2010, the Board of Directors introduced a new policy that gives employees up to 24 hours of work time to perform community service activities. As a result, the employees will partner with several important charitable organizations including the Mohawk & Hudson Humane Society, Interfaith Partnership for the Homeless and Capital District Community Gardens to donate their time and money they raise for their support.

The Credit Union remains committed to providing friendly service, outstanding rates and low fees on a full range of financial products now and into the future.

## Report of the CEO

### Elizabeth Kindlon

2009 was a year of turmoil, change and uncertainty in the financial industry that was a challenge to us all. But, Community Resource survived and thrived during this extraordinary period.

The focus on the economy and the bailouts of the "big banks" raised consumer awareness regarding their choices for financial services. Consumers realize the benefits of doing business with smaller, local institutions, like Community Resource. The Credit Union is governed, managed and staffed from within our Capital Region community. Policies and rates are set and decisions are made by our Board of Directors who are elected by and from our members. When you call or come into Community Resource, you talk to a friendly, knowledgeable employee who is familiar with you and your account. The business

# 2009 Annual Report

you do with us supports your fellow Credit Union members and the local community we share.

Compared to many financial institutions, Community Resource would be considered small, but we offer the full range of products and services offered by others and we are big on delivering those products and services in a friendly atmosphere by a staff that makes an extra effort to help our members. And, we've been doing this for 75 years!

Although we are based locally in the Albany area, our members move around and travel. In order to make your account accessible wherever you go, the Credit Union became a part of a nationwide shared branching network. So, whether you are on vacation, working or attending school out of town, or move away, you can transact business on your Community Resource account at thousands of credit union locations that are part of CU Service Centers. There is no charge for this service and you can find the nearest branch by using the locator on our website.

Our goal is to make it easy and convenient to do all your financial business with us. We are as close as your telephone (24/7 Phone Link), your computer (CU@Home Banking and e-z Pay Billpayer), your supermarket (deposits at Price Chopper), or the nearest CU Service Center. We hope you'll share the Credit Union experience with your family and friends. You'll be rewarded!

Many thanks to our dedicated employees and volunteers who devote their time and expertise on the Board of Directors and various Committees. Thanks also to our members for their continuing support and loyalty.

## Report of the Treasurer

### Anthony DiAcetis, Jr.

This past financial year, Community Resource had the second largest income after operations in its history. However, due to unexpected circumstances related to the country's economic woes, our net income doesn't reflect what should have been a banner year. The good news is that the worst is behind us and we expect 2010 to be a banner year.

Assets totaled \$63,949,495 compared to a total of \$61,456,812 at the end of 2008. This year's increase of \$2,643,683 is only 920% of the increase we experienced in 2008.

All Share accounts totaled \$59,038,327, an increase of \$2,394,988 or 4.23% compared to a 6.68% increase in the previous year.

Loans totaled \$42,682,766, a decrease of \$888,248 or about 2% from the total loans at the end of 2008. A year ago we experienced an increase in loans of \$4,808,104. The total number of loans was 3,954, an increase of 6.4% or 238 more than last year's total of 3,716.

Investments increased by \$3,320,304, or about 20.8% for 2009. Total investments at year end were \$18,686,763. We experienced this large increase as a result of a decrease in demand for funds needed for loans. The situation was just the opposite of what we experienced in 2008 when loans increased and investments decreased. The economic situation for loans in 2009 was quite different than in 2008.

Dividends were paid on all accounts when due and totaled \$1,425,486, which is \$458,877 or 24.35% less than last year. This is the second consecutive year we had a lower rate environment for savings accounts.

Share Draft accounts continue to increase in numbers. There was an increase of 254 accounts; or 14.9% more than in 2008. Share Draft accounts at year end totaled 1,957.

Membership also continued to increase. At year end membership totaled 6,058, an increase of 362 or 6.4%. We averaged one new member almost every day of the year, whether we were open for business or not!

The Board of Directors and management continue to monitor and remain flexible as we continuously adjust all facets of the business for the future success of the Credit Union and its members.

## Report of the Supervisory Committee

### Daniel Abatto

In order to ensure that Community Resource Federal Credit Union operates within established laws and regulations, the Supervisory Committee hires the independent accounting firm of Wojeski and Company. The Committee must also ensure that members' assets are safeguarded and used in accordance with Credit Union bylaws and that the Credit Union's records are maintained properly and accurately.

At the beginning of April, the Committee will be conducting its biennial verification of all members' accounts. The purpose of the verification is to ensure the accuracy of members' account information and balances.

If any member has any unresolved questions or concerns about their accounts they are welcome to contact me by sending correspondence to:

Daniel A. Abatto  
PO Box 217  
Schodack, NY 12063-0217

**Statement of Financial Condition as of December 31, 2009**

<b>ASSETS</b>	
Consumer Loans	\$26,201,973.13
Home Equity Loans	15,189,756.36
Mortgage Loans	1,291,036.16
Allowance for Loan Losses	(5; 2,982.09)
Cash	550,888.22
Investments	18,686,763.44
Prepaid Expenses	101,296.24
Accrued Income	296,113.60
Fixed Assets	715,938.39
NCUA Share Insurance Fund	591,407.78
Other Assets	844,081.50
<b>Total Assets</b>	<b>\$63,878,272.73</b>
<b>LIABILITIES &amp; EQUITY</b>	
Accounts Payable	\$42,607.69
Other Liabilities	216,312.31
Regular Shares	6,723,325.28
Holiday Clubs	129,191.01
Checking Accounts	3,050,464.43
Money Market Shares	13,857,677.32
Share Certificates	30,011,153.39
IRA Shares	474,499.78
IRA Certificates	4,792,015.44
Regular Reserves	743,232.44
Undivided Earnings	3,837,793.64
<b>Total Liabilities &amp; Equity</b>	<b>\$63,878,272.73</b>

**Statement of Income as of December 31, 2009**

<b>OPERATING INCOME</b>	
Interest on Loans	\$3,495,295.39
Income from Investments	746,971.84
Miscellaneous Income	616,006.64
Gross Income	\$4,858,273.87
Less: Dividends	1,425,485.68
Operating Expenses	2,708,472.58
<b>Income From Operations</b>	<b>\$724,315.61</b>
Plus: Gain on Investments	31,151.31
Less: Provision for Loan Losses	774,600.00
Non-Operating Expense	126,288.00
<b>EXPENSES</b>	
Compensation & Benefits	\$1,219,586.21
Travel & Conference	4,552.14
Association Dues	19,089.25
Office Occupancy & Operations	286,749.50
Education & Promotions	201,782.67
Loan Servicing	165,956.58
Professional & Outside Services	392,405.15
NCUSIF Premium Assessment	369,995.01
Federal Supervision & Examination	14,632.86
Interest on Borrowed Funds	4,213.38
Miscellaneous Operating Expenses	29,509.83
<b>Total Operating Expenses</b>	<b>\$2,708,472.58</b>

**Board of Directors, Committees, Management and Staff**

<b>Board of Directors</b>
Thomas Ellis, Chairperson
James Keegan, Vice Chairperson
Anthony DiAcetis, Jr., Treasurer
Daniel Abatto, Secretary
Victor Ciancetta
Michael Mansion
Arthur Paul
<b>Supervisory Committee</b>
Daniel Abatto, Chairperson
Thomasina DeShaw
Joseph Kryzak
Carolyn O'Donnell
<b>Management Team</b>
Betsy Kindlon, CEO
Deana Harrington, Member Service Manager
Robert Johnson, Loan Manager
Terry Langlois, CFO
Wendy Meola, Director of Marketing
„ Rhonda Teal, Accounting Manager

<b>Support Staff</b>
Michael Galea, Technology Specialist
<b>Loan Department Staff</b>
Elissa Chovan, Loan Officer
Ed Lansing, Loan Officer
Amy Conners, Loan Specialist
Kelly Schubert, Loan Specialist
<b>Member Service Staff</b>
Barbara Greene, Teller
Kevin Hoag, Member Service Representative
Janice Kemp, Head Teller
Joanne Lajeunesse, Receptionist
Patti Miller, Teller
Heather Parent, MSR/Plastic Card Coordinator
Dawn Smith, Teller
Carole Tomaszewski, MSR/Membership Officer
Yvonne Vickery, Processing Specialist

**Business Meeting Recap**

At the 76th Annual Business Meeting, the following directors were reelected:  
 For a three-year term: F cp'Cdcwq'cpf 'Ctv