

2018 Annual Report



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CommunityResource
Federal Credit Union

Chairman's Report

There is a saying that goes: "May you live in interesting times". I believe that 2018 has more than met that challenge. In fact that is exactly how I would characterize the past year - an "interesting challenge".

It was a year filled with volatile financial markets and a growing income equality gap in our country.

The Credit Union helped its members meet these "interesting" times. The introduction of the program called "SimplyCredit" which allows members to better manage their credit card payment is an example of meeting the challenge members face every day.

Your Credit Union also meets its challenge to be a better resource for community help. By partnering with community organizations to help those who are in need, such as Interfaith Partnership for the Homeless, it fulfills that role of a caring member of the community.

The effort to meet these challenges is lead daily by our dedicated staff and volunteers. They put forth the necessary effort, on both individual and team basis, to achieve results. They are the cornerstone that allows this Credit Union to flourish. They give their best effort day in and day out, some directly interacting with our members, some operating in the background, but no less importantly. They exhibit great teamwork and go the extra mile required to accomplish the task, be it financial or charity endeavors. Without the effort and commitment from the staff and volunteers, these outstanding challenges could not have been met. I thank them one and all.

The Board of Directors is keenly aware of these efforts and has only the highest praise for each and every one of you. Last but not least, we thank our members, without whose support none of our accomplishments would be possible.

The future, as usual, is unpredictable. The Credit Union, inspired by its past success, looks forward to it, confident in its ability to meet the challenges that lay ahead. We are committed to being the best provider of financial products and services at the lowest cost, while remaining firm in our endeavor to be a benefit to the community around us.

The vision stays the same: to grow the Credit Union by providing even better service and products for you in the future.

Tom Ellis
Board President

Treasurer's Report

In December of 2018 Community Resource FCU completed its second year occupancy of our North Greenbush branch, along with our existing Latham and North Albany branches. Our total Membership now stands at 7,065.

During the year we granted 1,376 loans totaling \$23,938,945. Net loans for the year were \$73,826,233. Since the beginning of the Credit Union 94,525 loans totaling \$497,603,727 have been extended.

Total operating expenses for the year was \$3,554,443.

Assets have increased by \$1,441,015, for a new high of \$86,275,431, while net income totaled \$451,744. Our end of year Investments were \$4,826,232.

The management, staff and volunteers have my sincere thanks for their dedication and hard work. You have made 2018 a successful year and we look forward to many more. I would also like to welcome all our new employees who have joined our team during the past year. Thank you very much.

For more details about the financial condition of Community Resource FCU please review the statements included in this booklet.

Respectively submitted,

James M. Keegan

Treasurer

Community Resource FCU
Consolidated Income Statement
December 31, 2018

INCOME

Income from Loans	3,877,530
Investment Income	179,578
Debit Card Interchange Income	166,361
Elan Interchange Income	88,338
Other Fee Income	308,492
Misc. Operating Income	189,531

TOTAL INCOME **4,809,830**

DIVIDENDS & INTEREST EXPENSE

Dividend Expense	(780,215)
Interest Expense	(18,319)

TOTAL DIVIDENDS & INTEREST INCOME **(798,534)**

MARGIN **4,011,297**

OPERATING EXPENSES

Compensation	(1,328,005)
Employee Benefits	(380,503)
Travel & Conference	(25,878)
Office Occupancy	(222,508)
Office Operations	(300,471)
Marketing Expenses	(105,192)
Loan Servicing	(228,606)
Professional & Outside Services	(426,897)
Provision for Losses	(465,500)
NCUSIF & NCUA Supervisory Expenses	(22,409)
Cash Over and Short	10
Other Operating Expenses	(48,484)

TOTAL OPERATING EXPENSES **(3,554,443)**

NET OPERATING INCOME **456,853**

Gain (Loss) on Investments	0
Gain (Loss) on Disposition of Assets	(5,079)
TOTAL NON OPERATING INCOME/EXPENSE	(5,079)
NET INCOME	451,774

Community Resource FCU
Consolidated Balance Sheet
December 31, 2018

Assets

LOANS

Vehicle Loans	18,549,934
Boat/RV	13,906,569
Power Sports	5,871,211
Personal Loans	4,122,029
Share Secured Loans	177,587
Education & GSL Loans	212,570
Overdraft Loans	589,388
Loans to Businesses	610,619
CU Student Loans	3,031,099
Owners Choice Loans	5,751,172
Home Equity Loans	21,026,293

TOTAL LOANS

73,848,472

FASB 91	550,707
Allowance for Loan Loss	(572,846)

NET LOANS

73,826,333

OTHER ASSETS

Investments	4,826,432	
Cash and Cash Equivilant	3,305,902	
Accounts Receivable	89,371	
Accrued Income from Investments	22,198	
Accrued Income from Loans	246,342	
NCUSIF	719,781	
Prepaid & Deferred Expenses	97,264	
Land & Building	2,852,217	
Furniture & Fixtures	192,892	
Collateral in Process of Liquidation	96,701	
All other Assets	0	12,449,099

TOTAL ASSETS

86,275,431

Liabilities, Shares & Equity

LIABILITIES

Accounts Payable	2,634
Accrued Expenses	358,936
All Other Liabilities	1,250,678

TOTAL LIABILITIES

1,612,248

SHARES

Regular and Other Savings	13,035,992
IRA Shares	1,513,794
Money Market Shares	14,981,618
Share Drafts	7,395,554
Share Certificates	31,894,792
IRA Certificates	5,109,876

TOTAL SHARES

73,931,626

EQUITY

Regular Reserves	743,232
Undivided Earnings	10,014,806
Unrealized Gain (Loss)	(26,480)

TOTAL EQUITY

10,731,558

TOTAL LIABILITIES SHARES & EQUITY

86,275,431

CEO/President's Report

While attending a meeting of local business leaders, I was asked "how is Community Resource different from other banks and credit unions?" From the perspective of an outsider, I could certainly understand why I was being asked. Afterall, we all offer the same products and services; our loan rates, although much better than banks, are priced pretty close to other credit unions; and we all offer great certificate rates when we need to attract deposits.

In reply, I said "we strive to make a positive difference in the financial lives of our members". I can think of numerous ways in which we do this on a regular basis.

Jordan, financed his first auto loan through USAA and received an outstanding rate of 14.5%. A friend referred him to us and he is now paying less than 5%. USAA claims "Membership Means More", I suppose it means more interest in this case. We have helped many members refinance their car loans to more competitive rates.

George and Rita were new empty nesters starting to think about retiring debt-free. They worked with our well qualified staff to restructure their debts and are well on the way to achieving this goal. We have helped many satisfied members restructure their debts for various reasons.

Sherry was having trouble saving money. One of our Service Associates encouraged her to open a Lucky Saver CD and set aside money on a regular basis. She would also have an opportunity to win money for doing so. She was so excited when she won \$250, one of several winners we have had.

Alice has some certificates of deposits with us and finds our rates to be highly competitive; especially when the extra 0.25% is added on because she is a veteran. We truly appreciate the service of those in the Military and First Responders. We show our appreciation by offering an additional 0.25% on certificates and 0.25% discount on loans.

Finally, I recently saw a SEFCU ad, where they were claiming to be the largest and best credit union in the Capital District. I can assure, we have many former SEFCU members that would say we are the best. They got the largest correct, but bigger isn't always better!

In closing, I would like to thank our staff for their continued support and dedication in helping Community Resource reach its full potential through their commitment in helping our member and others. Our staff is what allows us to make a positive difference in the financial lives of our members.

Additionally, I want to thank the Board of Directors for their support and commitment. Our Board of Directors are volunteers whom without them we would not exist. Finally, I want to thank our members for allowing us the privilege of serving them and their families' financial needs.

Terry Langlois
President/CEO

Supervisory Report

The Supervisory Committee is a group of volunteers, appointed by the Board of Directors, who function as the members' representatives. The Committee is responsible for ensuring that the Credit Union's financial records are maintained accurately, its financial condition is fairly reported and internal controls are in place to protect its assets. To assist in accomplishing these tasks, the Committee hires an independent auditing firm. For the past several years, the experts at Wojeski and Company, CPAs have conducted the required comprehensive annual audit along with quarterly audits that review specific areas of the Credit Union's operations. As in the recent past, the report of this year's audit found everything to be in balance, reported accurately and with no exceptions.

Every other year, the Committee conducts a verification of all members' accounts. This is a "negative verification" meaning that no response is required from members unless there is an error, question or concern about any activity on their account. Members did not address any issues to the Committee as a result of the verification conducted in 2018. However, the large number of address changes reported by the Post Office from this mailing serves as an important reminder to change your address with the Credit Union whenever you move.

The Supervisory Committee is here for you. If any member has an unresolved question or concern about their account that they have addressed with staff and/or management, they should write to the Committee at the address below.

My thanks to the Committee members for their service to the Credit Union during this past year. Thanks also to the volunteers on the Board of Directors for their commitment to the Credit Union. We also appreciate the Management and Staff for their cooperation and outstanding performance that results in a well-run, financially-sound financial institution dedicated to providing exceptional products and service. You should be proud to be a member!

Elizabeth U. Kindlon

Supervisory Committee

PO Box 947

Guilderland, NY 12084-0947

Committee Members

Elizabeth U. Kindlon, Chairman

Daniel A. Abatto

Joseph Kryzak

Maryellen Quinn

Credit Union Difference

Over 86 million Americans are credit union members. While there are some similarities between credit unions and banks, credit unions are unique.

- No one person or organization owns a credit union. Credit unions are owned and governed by the membership.
- Credit unions are not-for-profit, returning earnings to the members with better rates and lower fees.
- Each member has a vote to determine the governing body of credit union volunteers - the Board of Directors. Thereby, giving each member a say.

These are three qualities that make credit unions different from other financial institutions. This difference translates into real benefits for you, our member. Community Resource Federal Credit Union does what is best for our members, not just the bottom line.

Member Advocacy

BALANCE, a Financial Fitness Program

Personal finances affect us every day. Fortunately, everyone can achieve financial fitness with determination and professional guidance. Through BALANCE, members receive free, unbiased information and counseling six days a week. From simple questions on a credit report to complex debt management plans, a BALANCE Counselor can help. CRFCU wants to help members achieve financial goals and BALANCE provides the tools to help.

Fraud Protection

Identity Theft has become a growing concern in the United States. As a result, CRFCU has invested in tools to keep you safe. From text alerts announcing a change in your account balance to Remote Control Debit Cards which you can turn on and off, CRFCU is committed to keeping you as safe as possible.

BOARD OF DIRECTORS

Tom Ellis , Chairman

Jack Shellard, Vice Chair

Dan Abatto, Secretary

Jim Keegan, Treasurer

Ellin Luft

Eugene Reyes

Brian Keegan

The Board of Directors is elected by the membership to represent the members of the credit union, as a whole. The Board works on a voluntary basis, receiving no pay for the time spent ensuring the members' success.

CREDIT UNION MANAGEMENT

Terry Langlois
CEO/President

Sue Munks
VP of Lending and Operations

Jeff Avella
VP of Organizational Development

Deana Harrington
Operations Manager

Christine Somers
Director of Marketing & Business Development

Elissa Chovan
Loan Manager

Brian Townsend
Branch Manager

SAVING AND INVESTMENT ACCOUNTS

Share Accounts
Checking Accounts
Share Certificates
Individual Retirement Accounts
Money Market Accounts
Youth/Teen Accounts
Special Savings Accounts
Business Accounts

LOANS FOR ALL REASONS

New & Used Vehicles
Boat & RVs
Seasonal Vehicle Loans
Personal Loans
Real Estate Loans
SimplyCredit Debt Consolidation
Student Loans
VISA Credit Cards

Value Added Services

Interactive Website
Online Banking
Mobile Banking
Bill Payer Service
24 hour Phone Banking
Direct Deposit
24 hour ATM
Shared Branch Network
VISA Debit Card
Education Center
eStatements

