



2021


ANNUAL REPORT

communityresourcefcu.com



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AGENDA OF THE ANNUAL BUSINESS MEETING

March 23, 2022

VIRTUAL MEETING

Call to order

Appoint Recording Secretary	Thomas Ellis
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Reading/Acceptance of 2019 Annual Meeting Minutes	Thomas Ellis
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Report of the Chairman	Thomas Ellis
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Report of the Treasurer	Brian Keegan
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Report of the President/CEO	Terry Langlois
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Report of the Supervisory Committee	Elizabeth Kindlon
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Report of the Nominating Committee	Thomas Ellis
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New Business, Question & Answers	Thomas Ellis
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Adjournment of the Meeting



Report of the Chairman

Good evening. Welcome to Community Resource Federal Credit Union's eighty sixth annual meeting. My name is Tom Ellis, and I am Chairman of the Board. Thank you for attending this meeting. First of all, I hope you and your families are all well and continue to take care of yourselves.

Credit Union Assets

The dictionary defines the word "assets" as being associated with money. Tonight, you may hear presenters use that word exactly with that meaning. Those type of "assets" are obviously important to the wellbeing of your Credit Union and to you, its members. When a member needs those type of "assets", let's say for that new car to replace the one that isn't reliable, or perhaps when there are serious home repairs that need attention, then those "assets" must be available and the Credit Union can provide them. Upon repayment, other members can in turn use those "assets" for their needs.

However, I am talking about a different type of "asset", one that the Credit Union absolutely needs. I'm talking about people. I'm talking about our staff, front office (customer facing), back office and management, everyone. Like our members, they too have been subject to all the pressures associated with the pandemic, at work and at home. Their response across the board has been great, always putting the member first, reaching out to the member to serve their need. They understood the pressures that the member was dealing with, while dealing with the pandemic themselves. By doing so, those financial "assets" I mention before, were made available to all the members in need. On behalf of the Board of Directors, I commend each and every one for a job well done!

As a result of this performance in meeting these challenges, the Credit Union is confident in going forward to meet any future ones because of our dedicated staff and volunteers. They are the cornerstone that allows this Credit Union to flourish. Without their effort and commitment, these difficult times could not have been overcome. Thanks also to our members, without whose support, none of our accomplishments would have been possible.

The future, as usual, is unpredictable, but having overcome this past year the Credit Union is sure in its ability to continue to grow by providing even better products and services for our members in the future.

Sincerely,

Thomas Ellis
Chairman of the Board



Report of the Treasurer

The financial condition of Community Resource FCU continues to be strong with solid performances from our Latham and North Greenbush branches. Our total Membership was 6,687 at the end of 2021 and last year we granted 1,156 loans totaling \$27,724,820. Net loans for the year-end (2021) were \$81,414,216. Since its creation in 1935, our Credit Union has made 98,082 loans totaling over half a billion dollars (\$579,465,176)! Total operating expenses for 2021 were \$3,220,454. Assets increased by \$8,379,066, for a new high of \$107,683,180, while net income was \$1,337,293. Our end of year investments totaled \$9,743,216.

The management, staff and volunteers have my sincere thanks for their dedication and hard work. They made 2021 another successful year and we look forward to many more. I am especially excited about our upcoming focus on Green Lending that will help members who are looking to buy an electric vehicle, install solar, or make energy efficiency improvements to their house.

Finally, I would also like to welcome all our new employees who have joined our team during the past year. Thank you all very much.

Respectively submitted,

Brian Keegan
Treasurer





Report of the President/CEO

We've all been through a lot over the past two years, personally and professionally. Businesses, including Community Resource, have been impacted as well. Despite the external challenges over the past two years, total loans increased 6% as we helped many members refinance to lower interest rates, deposits increased 17% as we provided a safe haven for members to keep their savings, and we remained well-capitalized, with Net Worth of nearly 12%, much stronger than the three largest credit unions in the Capital Region.


Speaking of the three largest credit unions in the Capital Region, growth through mergers and acquisitions has been a hot topic over the past two years. The overall fixation of these three credit unions is "Bigger is Better".

In late 2020, Sunmark announced it was acquiring Columbia-Green in Hudson and Hudson River Financial in Mohegan Lake in its push to reach \$1 billion in Assets, which it achieved by the end of 2021. The outcome of these acquisitions is Hudson and Mohegan Lake now have a \$1 billion credit union based in Latham, that may or may not understand the local needs of those members.

In mid-2021, it was announced CAPCOM and SEFCU were exploring a merger, which is now pending regulatory approval. If approved, the combined credit union would become the 5th largest credit union in New York State. The outcome of this merger will be one less choice for consumers in the Capital Region. This is good for Community Resource because some CAPCOM members are already moving their accounts to us. Many are saying they had previously left SEFCU to join CAPCOM and were already feeling like CAPCOM just isn't what it used to be.

"Size and success are often growth's worst enemies," wrote Robert Tomasko in Bigger Isn't Always Better. "Real growth is about reaching full potential, not maximum size. It means progress, not excess; it is fueled by imagination, not expansion."

Reaching full potential to me, means striving to make a difference in the lives of our members and providing the best service possible. This has been the focus of Community Resource for many years and even more so over the past two. Just last week a member said he and his wife are more than a number at Community Resource, they are part of something.





Report of the President/CEO

He went on to say “Ryan Yanni took such good care of us today that we would always recommend your credit union to everyone. Thank you all so much for everything.” This member is not alone. Our biggest source for new members is from referrals by friends and family.

This all circles back to what Tom Ellis said in his speech. People are our greatest asset! Those people include our staff, volunteers, and members. 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 members and others. Our staff is what allows us to make a positive difference in the financial lives of our members.

I would like to thank our Board of Directors for their continued support and commitment. We have had to make many changes and exceptions to doing business as usual over the past two years; making sure the actions we take now, are not regretted in the future. The Board of Directors supported us 100% of the way.

Finally, I want to thank our members for allowing us the privilege of serving them.

Terry Langlois
President/Chief Executive Officer



Report of the Supervisory Committee

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, Wojeski and Company, CPAs. These experts conduct the required comprehensive annual audit along with quarterly audits that review specific areas of the Credit Union's operations. The audits for 2021 found everything to be in balance, reported accurately, and with no exceptions. During the year, Committee members also conduct various verifications and monitoring to detect and protect against any fraudulent activity.

The Committee serves as the members' watchdog - the eyes and ears that look for any threats that could negatively impact the financial health and well-being of the Credit Union. If any member has a question or concern about their account, they should always first contact the staff and/or management at the Credit Union. Then, if the issue is not resolved, they can write to the Committee at the address below and it will be investigated.

Of increased importance is the safety and security of the technology needed to maintain records, interface with various processors, and communicate with members. Our IT Department does an outstanding job in maintaining and monitoring safe systems and protecting against cyber threats. They are always on the alert to ensure that your personal information and account data are kept confidential and secure. Please remember that the Credit Union will never ask for any account or personal information via email or text message.

My thanks to the Committee members for their service during this past year. Thanks also to the volunteers on the Board of Directors for their commitment to the Credit Union. We commend the Management and Staff for their outstanding performance that results in a well-run, safe and sound financial institution dedicated to providing exceptional products and service. And we thank you, the members, who allow us to serve your financial needs. You matter to us!

Committee Members:
Elizabeth U. Kindlon, Chairman
Joseph Kryzak
Maria McGinniss

Supervisory Committee PO Box 947
Guilderland, NY 12084-0947

Income Statement

As of December 31, 2021

	Year to Date
INCOME	
Income from Loans	3,810,081
Investment Income	83,512
Debit Card Interchange Income	251,480
Elan Interchange Income	75,981
Other Fee Income	196,591
Misc. Operating Income	695,762
TOTAL INCOME	<u>5,113,407</u>
DIVIDENDS & INTEREST EXPENSE	
Dividend Expense	(566,074)
Interest Expense	(1,170)
TOTAL DIVIDENDS & INTEREST EXPENSE	<u>(567,245)</u>
MARGIN	<u>4,546,162</u>
OPERATING EXPENSES	
Compensation	(1,489,025)
Employee Benefits	(460,221)
Travel and Conference	(11,972)
Office Occupancy	(253,068)
Office Operations	(244,348)
Marketing Expense	(76,751)
Loan Servicing	(181,140)
Professional & Outside Services	(464,560)
Provision for Losses	22,731
NCUSIF and NCUA Supervisory Expense	(21,199)
Cash Over and Short	(66)
Other Operating Expenses	(40,835)
TOTAL OPERATING EXPENSES	<u>(3,220,454)</u>
NET OPERATING INCOME	<u>1,325,708</u>
Gain (Loss) on Investments	0
Gain (Loss) On Disposition of Assets	11,585
Non-Operating Income	0
Other Temporary Impairment	0
TOTAL NON OPERATING INCOME/EXPENSE	<u>11,585</u>
NET INCOME	<u><u>1,337,293</u></u>

Income Statement

As of December 31, 2021

<u>ASSETS</u>		
LOANS		
Vehicle Loans	19,241,873	
Boat / RV	16,054,878	
Power Sport	5,752,236	
Personal Loans	3,863,473	
Share Secured Loans	184,461	
Education & GSL Loans	104,339	
Lines of Credit	443,362	
Loans to Businesses	1,273,750	
CU Student Loans	1,199,960	
Owners Choice Loans	4,639,381	
Home Equity Loans	28,657,004	
Total Loans	81,414,716	
FASB 91	448,850	
Allowance for Loan Loss	(500,000)	
NET LOANS		81,363,566
OTHER ASSETS		
Investments	9,743,213	
Cash and Cash Equivalents	12,315,999	
Accounts Receivable	155,629	
Accrued Income from Investments	8,267	
Accrued Income from Loans	174,469	
NCUSIF	869,160	
Prepaid & Deferred Expenses	165,055	
Land & Building	2,665,480	
Furniture & Fixtures	209,638	
Collateral in Process of Liquidation	12,700	
All Other Assets	0	26,319,614
TOTAL ASSETS		<u>107,683,180</u>

Income Statement

As of December 31, 2021

<u>LIABILITIES, SHARES & EQUITY</u>		
LIABILITIES		
Accounts Payable	35,994	
Accrued Expenses	393,562	
All Other Liabilities	<u>(186,820)</u>	
TOTAL LIABILITIES		242,736
SHARES		
Regular & Other Savings	22,355,833	
IRA Shares	1,821,131	
Money Market Shares	17,260,693	
Share Drafts	12,971,452	
Share Certificates	34,982,980	
IRA Certificates	<u>5,171,288</u>	
TOTAL SHARES		94,563,377
EQUITY		
Regular Reserves	743,232	
Undivided Earnings	12,136,617	
Unrealized Gain (Loss)	<u>(2,782)</u>	
TOTAL EQUITY		<u>12,877,067</u>
TOTAL LIABILITIES, SHARES AND EQUITY		<u><u>107,683,180</u></u>



BOARD OF DIRECTORS

Tom Ellis - Chairman

Jack Shellard - Vice Chairman

Dan Abatto - Secretary

Brian Keegan - Treasurer

Elizabeth Kindlon

Ellin Luft

Eugene Reyes

EXECUTIVE MANAGEMENT

Terry Langlois - President/Chief Executive Officer

Anthony LaPointe - Chief Financial Officer/ Chief Technology Officer

Deana Harrington - Chief Operating Officer

Toni Lynn - Vice President of Member Experience

