



CORPORATE AMERICA FAMILY CREDIT UNION

# 2010 ANNUAL REPORT

*"Friendly service, good rates, and the best people so far of all other places I know."*

*~ Renate, CT*

*"CAFCU is the best and the easiest to use."*

*~ Debbie, AZ*



**we get it**



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# C O N T E N T S

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## YEAR IN REVIEW

Corporate America Family Credit Union values our role within the credit union movement and we owe our 71 years of service to the treasured support of our members. On behalf of our Board of Directors and employees, we thank you for providing us the opportunity to serve as your financial cooperative.

As evidence of our fiscally sound investments, sensible lending practices, and your continued member loyalty, we have solid earnings and continue to maintain strong capital.

### A Credit Union of Individuals

While we continue to hold true to the foundation that separates credit unions from other financial institutions, we recognize that consumer options within the marketplace are evolving and are adapting to the expanding financial environment. Therefore, in 2010, we launched new products and services to meet the individual needs of our diverse membership including Rewards Advantage Checking<sup>SM</sup>, Green Energy Loans, 36-month Vehicle Loans, Holiday Loans, Long-Term Care and Pet Insurance. With our progressive portfolio of savings, loans, and service products we strive to enhance our core standards of value, service, and convenience so that members feel proud to share the benefits of membership with their family, friends, and co-workers.

### Expanding Our Reach

With constant technological progression, our world is getting smaller and our reach is getting wider. Our website now serves an average of over 5,600 members per day globally and the need for paper transactions is reducing. This past year marked our strongest green initiative with an Arbor Day Foundation partnership to plant a tree for each member who signed up for eStatements and eNotices. Services such as these not only benefit the environment, but our membership as well because we are a not-for-profit financial cooperative focused on prudent management of our members' money.

Given the growing use of electronic devices, we've incorporated new online services to our product portfolio to provide members with more freedom when managing their finances. New enhancements built into our online branch at [www.cafcu.org](http://www.cafcu.org) include remote deposit with DeposZip<sup>®</sup>, the ability to transfer funds to and from other financial institutions with Open Transfers, Alert Center which allows members to customize financial email/text alerts, and an iPhone application for mobile banking users. Furthermore, we are testing additional products to be available for release soon.

### Strategically Positioned

Corporate America Family Credit Union is proud to continue to represent the cooperative principles of credit unions including voluntary membership, democratic member control, and members' economic participation. In 2011, we will adhere to the objectives of our strategic plan by introducing new innovative products and services to exceed member expectations in the branch, over the phone, online, and via mobile devices. We're strategically positioned to expand our products and services portfolio with a more tapered focus for each member's distinctive and collective needs. We've enjoyed serving you, and look forward to another year of opportunities to make a meaningful difference in you and your family's financial lives. Please be sure to share the benefits of membership with your family, friends, and co-workers and invite them to join our credit union.



### 2010 HIGHLIGHTS

#### More Product Options

With our members' financial needs in focus, we offered a variety of new products including Rewards Advantage Checking<sup>SM</sup>, Green Energy Loans, 36-month Vehicle Loans, Holiday Loans, and Pet Insurance

#### More Convenient Access

We enhanced our online banking member experience with more services including remote deposit with DeposZip<sup>®</sup>, Open Transfers, Alert Center, and Online Chat.

**Costanzo Maestranzi**  
*Chairman of the Board*

**Peter Paulson**  
*President & CEO*





**The Supervisory Committee's responsibility** is to serve Corporate America Family Credit Union members by ensuring that all credit union records are accurately and properly reported.

This committee fulfills its obligation to members by monitoring and auditing the activity of each credit union branch office and department for adherence to internal control procedures and Board Policy. This committee receives and reviews member inquiries and resolves any problems that may exist.

The committee also recommends policy changes to the Board of Directors for their approval. In addition, the financial statements of all merging credit unions are reviewed and special audits performed, as required, prior to merge dates.

The Supervisory Committee has contracted with McGladrey & Pullen, LLP to perform an annual audit of credit union accounts. Their latest report dated August 12, 2010 states that their examination was made in accordance with generally accepted auditing standards. McGladrey & Pullen, LLP concluded that the financial statements present fairly the financial position of Corporate America Family Credit Union as of March 31, 2010, and the results of its operations and the changes in its financial position for the year then ended, in conformity with generally accepted accounting principles applied on a consistent basis. The Supervisory Committee has contracted compliance consultants to perform quarterly assessments.



**Thomas Rieck**  
Supervisory Committee

*"We have only been members for about a month and have had a better experience than we ever had with the bank we are transferring from."*

*~ Irene, IL*

*"I like the credit union a lot over the regular banks. They will be the only way I bank from now on."*

*~ Ann, IL*



# COMPARATIVE FINANCIAL STATEMENT



## BALANCE SHEET

As of December 31, 2010 and 2009  
in thousands of dollars

	2010	2009
<b>Assets</b>		
Cash in Banks	\$ 2,333	\$ 2,388
Loans to Members (Note 1)	287,636	340,547
Allowance for Loan Loss	(5,884)	(5,728)
Investments (Note 1)	232,391	195,792
Other Assets	17,983	17,524
Total Assets	<u>\$ 534,459</u>	<u>\$ 550,523</u>
<b>Liabilities &amp; Equity</b>		
Members' Shares (Note 2)	\$ 313,315	\$ 309,784
Share Certificates (Note 1 & 2)	144,427	155,783
Other Liabilities	4,648	19,540
Reserves	72,069	65,416
Total Liabilities & Equity	<u>\$ 534,459</u>	<u>\$ 550,523</u>
<b>INCOME STATEMENT</b>		
	2010	2009
<b>Revenues</b>		
Interest on Loans	\$ 22,769	\$ 26,892
Investment Income	3,277	2,586
Fee Income	7,145	7,218
Other Income	0	1,119
Total Revenues	<u>\$ 33,191</u>	<u>\$ 37,815</u>
<b>Expenses</b>		
Dividends on Share Accounts	\$ 1,148	\$ 2,545
Dividends on Share Certificates	3,093	4,626
Loan Loss Provision Expense	2,289	3,451
Compensation & Benefits	11,414	12,168
Office Expenses	6,812	6,591
Membership Benefits	1,054	1,579
Other Expenses	2,133	1,410
Total Expenses	<u>\$ 27,943</u>	<u>\$ 32,370</u>
<b>Net Income</b>	<u>\$ 5,248</u>	<u>\$ 5,445</u>

### NOTES: FAIR VALUE OF FINANCIAL INSTRUMENTS

(1) Fair market value has been estimated using the discounted cash flow method for any class of financial instruments with a maturity or repricing term of greater than 12 months. The book value and fair market value of loans, investments, and share certificates with a maturity or repricing terms greater than 12 months were as follows:

	Book Value	Fair Market Value
Dec. 31, 2010 -		
Loans	264.7	274.6
Investments	159.3	160.9
2 Year Share Certificates	36.0	34.6
Dec. 31, 2009 -		
Loans	311.3	321.2
Investments	105.6	106.2
2 Year Share Certificates	37.2	35.1

(2) For member shares and one-year share certificates, book value represents fair market value. Member shares reprice monthly and constitute member ownership equity in the credit union.



**Corporate America Family Credit Union** ended 2010 in a very strong financial position. The credit union finished the year with a Net Worth to Total Asset Ratio of 13.2%. In addition, Corporate America Family Credit Union earned a respectable 1.0% Return on Average Assets. When compared to other financial institutions, Corporate America Family Credit Union maintains a strong financial position in these challenging times.

During 2010, Corporate America Family Credit Union earned \$5.2 million. Net income remained consistent, year over year with a slight decrease of \$0.2 million. While loan revenue decreased \$4.1 million, interest and non-interest expenses were managed. Provision expense decreased \$1.2 million, dividend expense decreased \$2.9 million and operating expenses, which includes NCUA deposit insurance assessments of \$1.2 million, decreased \$0.3 million. Lower revenues are primarily due to lower loan balances on consumer and mortgage related loan portfolios. The favorable dividend expense reflects the overall lower rates in the market place.

Total equity increased by \$6.7 million, or 10.2%. The increase in total equity resulted primarily from a strong net income for the year and also includes the favorable market value adjustment on investments. The strong equity position underscores the credit union's position as an exceptionally safe depository for members' savings.

Total assets of \$534.5 million decreased by \$16.1 million, or 2.9%, in 2010. This decrease was due to the maturity of an investment and an offsetting loan of \$15.0 million related to the Credit Union System Investment Program (CU SIP). The purpose of the CU SIP program was to assist in the liquidity stabilization of the credit union industry, which Corporate America Family Credit Union supported. Consumer and mortgage related loan balances also decreased as lending demand remains soft and unemployment remains high.

Overall Corporate America Family Credit Union had strong financial results in 2010. The respectable net income and growth in reserves helps position the credit union for challenges in 2011. We look forward to serving our membership in the upcoming year.

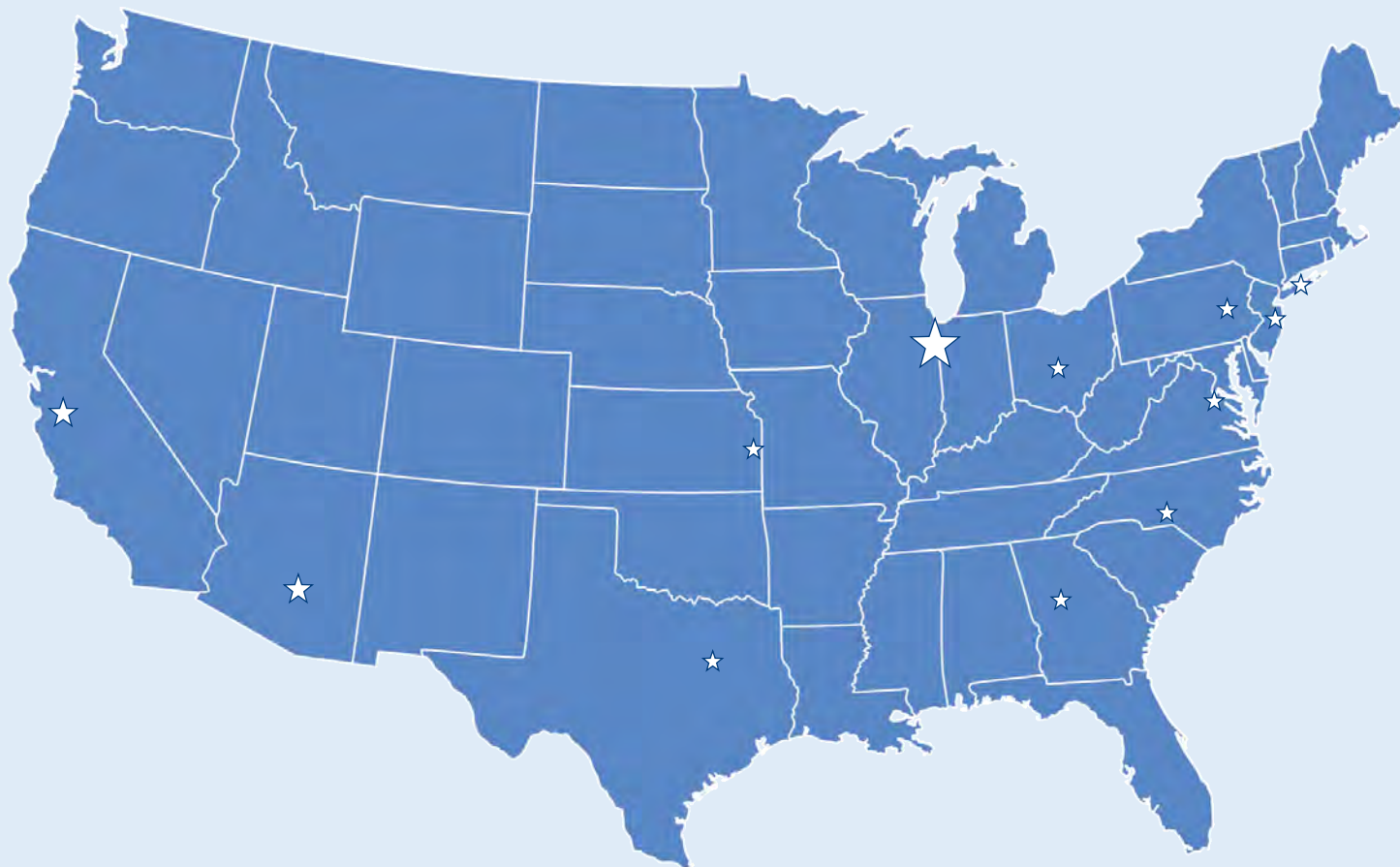


**Ron Kalisz**  
*Treasurer*

"The rates for loans and qualifications are very flexible."  
~ Sharone, IL



## BRANCH LOCATIONS



### Arizona

Peoria

### California

Foster City • Santa Clara

### Connecticut

Bristol

### Georgia

Atlanta

### Illinois

Burbank • Chicago •  
Crystal Lake • Elgin •  
Oak Brook • Rosemont •  
Streamwood • Warrenville

### Kansas

Kansas City

### North Carolina

High Point

### New Jersey

Secaucus

### Ohio

Marion

### Pennsylvania

Towanda

### Texas

Dallas

### Virginia

Herndon



### QUICK FACTS

20 - Corporate America Family  
Credit Union Branches in 12 states

6,500+ - Shared Branches

49,000+ - Surcharge-free ATMs

Visit our website at [www.cafcu.org](http://www.cafcu.org) to  
find branch locations and surcharge-free  
ATMs nationwide.



## 2010 BOARD OF DIRECTORS



**Costanzo Maestranzi**  
Chairman of the Board  
Investment Committee  
Membership Committee  
Nominating Committee



**Donn Zawis**  
Vice Chairman  
Membership Committee  
Operations Committee



**Ron Kalisz**  
Treasurer  
Investment Committee  
Membership Committee  
Operations Committee



**Kenneth Naatz**  
Secretary  
Membership Committee



**Glenn Brown**  
Assistant Secretary  
Loan Committee  
Membership Committee  
Operations Committee



**Maurice Thompson**  
Director  
Membership Committee  
Nominating Committee  
Supervisory Committee



**John Blozis**  
Director  
Membership Committee  
Supervisory Committee  
Investment Committee  
Nominating Committee



**Larry Page**  
Director  
Loan Committee  
Membership Committee



**Peter Paulson**  
President  
Investment Committee  
Membership Committee  
Political Action Committee



**Thomas Rieck**  
Director  
Membership Committee  
Political Action Committee  
Supervisory Committee

Corporate America Family Credit Union's Board of Directors are elected by members and serve voluntarily on behalf of the membership to oversee the operations of the credit union.

**we get it**



# ABOUT CORPORATE AMERICA FAMILY CREDIT UNION



**In 1939**, an ambitious group of **15** employees from **Automatic Electric Company** each deposited \$5 into the **Automatic Credit Union**. Automatic Electric was later purchased by GTE Corporation, and the credit union changed its name to **GTE Employees Federal Credit Union**.

In the **early 1980s**, GTE Employees Federal Credit Union Board of Directors decided to safeguard the long-term security of the credit union by diversifying membership. In **1986**, the credit union appropriately changes its name to **Corporate America Federal Credit Union**.

To ensure our ability to serve a diverse membership, in **1997**, we changed the charter from a federal charter to a state of Illinois charter. To better reflect the new standing, the name was changed to **Corporate America Family Credit Union**.

We now serve over **60,000 members** nationwide with 20 locations in small towns and major metropolitan areas.

## DID YOU KNOW?

Corporate America's largest branch is our website at [www.cafcu.org](http://www.cafcu.org). With an average of over 5,600 visits per day we offer our members a variety of online services including account viewing, funds transfer, bill payment, loan applications, deposit and withdrawal capabilities, educational articles and more.

All online financial services are available with the click of a mouse and from the comfort of your own home.

23,114 - Online Account Users  
17,771 - eStatement Users  
5,576 - Remote Deposit Users  
2,934 - Alert Center Users  
2,650 - Mobile Banking Users  
2,595 - Bill Payment Users  
1,331 - Open Transfer Users

Figures as of January 21, 2011

"We haven't been inside a branch for years yet have all the options of any bank up the street!"

~ Laureen, NC



[www.cafcu.org](http://www.cafcu.org) • [www.cafcu.mobi](http://www.cafcu.mobi) • 1-800-359-1939



*"CAFCU HAS HELPED ME REACH MY FINANCIAL GOALS FOR ALMOST 15 YEARS! I'VE TAKEN ADVANTAGE OF SEVERAL LOANS FOR AUTOS AND HOME, AND ALWAYS RECEIVED A GREAT RATE, ESPECIALLY WITH MY FAVORABLE STATUS AT CAFCU!"*

*~ STEVE, KS*

*"During financially hard times, the credit union has made things easy."*

*~ Elvin, IL*

*"Thank you CAFCU for many years of terrific service, great loan rates, and marvelous MARTY."*

*~ Allison, NC*

*"I wouldn't trade CAFCU for the world."*

*~ Jennifer, IL*

*"My credit is about 90% better and I owe it all to CAFCU. Now I am an emerald member working my way up to a diamond member."*

*~ Cassandra, IL*

*"LOVE THE EASY ACCESS TO SERVICES. NO HASSLE."*

*~ PATRICIA, CA*

*"Real people helping real people. There is always someone on the other end of the phone when you want or need assistance. Understanding people - very hard to find that today!"*

*~ Susan, VA*

*"I enjoy going to the credit union. They make me feel like I'm part of the family there."*

*~ Ann, IL*

*"I like that you offer services to help fix a person's credit without charging them."*

*~ Judy, OH*

*"I love the fact that CAFCU is keeping up with the banking options and changes in the industry and you have exceptional service. Not even the top banks have great service."*

*~ Lisa, IL*

*"YOU HAVE GREAT RATES. I HAVE PURCHASED ALL MY VEHICLES THROUGH THE CREDIT UNION."*

*~ TERI, KS*

*"The credit union is the best thing to happen to me and I think everyone should look into banking with the company. They have better rates than most banks. I just like banking with them, it's easier than most."*

*~ Cynthia, IL*

*"When my bank said no, Corporate America said yes."*

*~ Daniel, IL*



**CORPORATE AMERICA**  
**FAMILY CREDIT UNION**

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