

# Member Inspired.

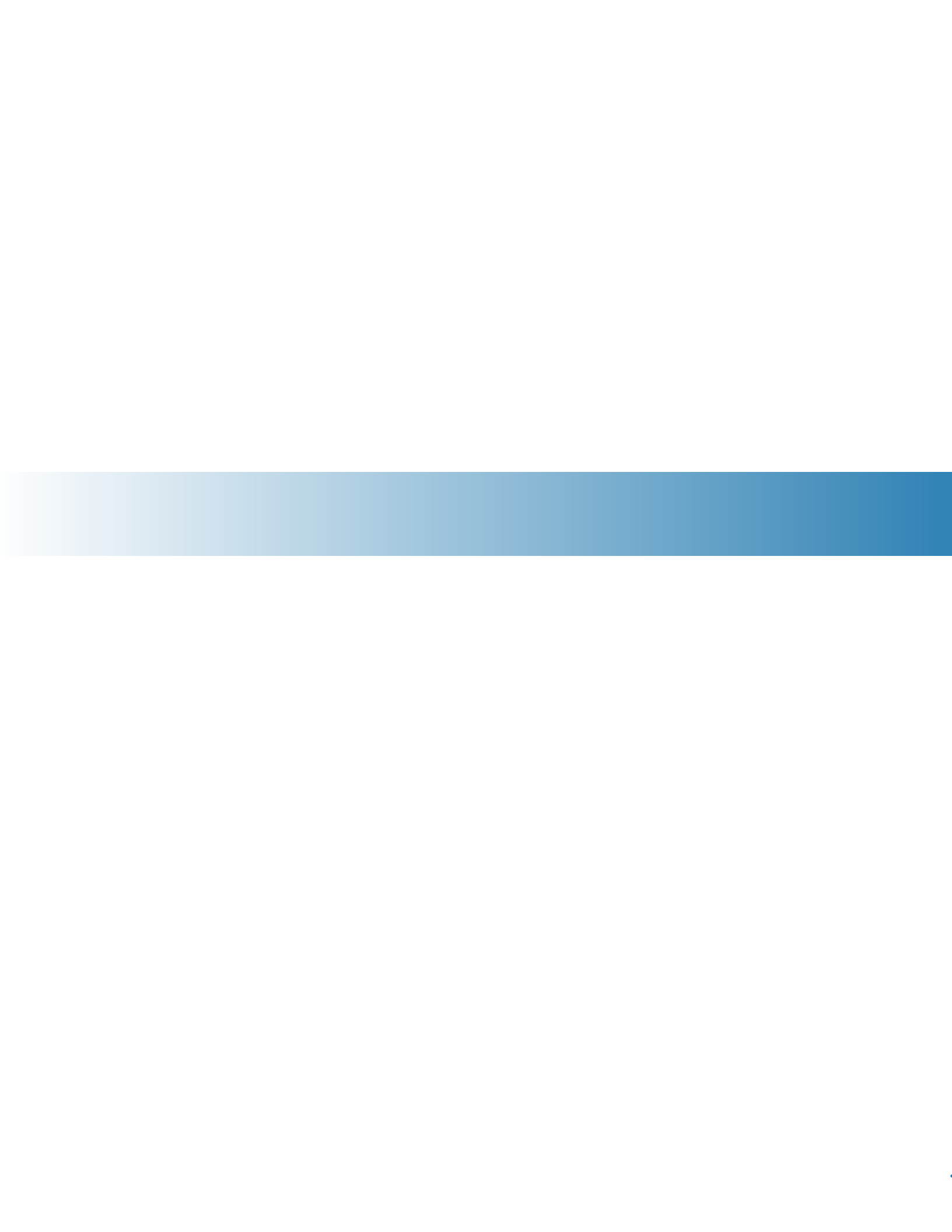


## 2008 ANNUAL REPORT



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

SERVING YOU AND YOUR FUTURE • SAVINGS • LOANS • FINANCIAL MANAGEMENT • GROWTH • CHANGE  
COMMUNITY AWARENESS • FINANCIAL FREEDOM • CORPORATE AMERICA FAMILY CREDIT UNION  
CHECKING ACCOUNTS • MEMBER EDUCATION • PRODUCTS & SERVICES • EXCEPTIONAL MEMBER SERVICE  
SPONSOR COMPANIES • EMPLOYEE BENEFIT • EASY AND CONVENIENT • ONLINE ACCOUNT ACCESS  
MEMBER LOYALTY PROGRAM • EXTRA AWARDS • TO YOUR ADVANTAGE • BALANCE • MOBILE BANKING  
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# Members helping Members

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# Report of the Chairman & President

On behalf of Corporate America Family Credit Union and its employees, we would like to thank our members and Sponsor Companies for the continued support throughout the year. Without your assistance, the credit union would not be what it is today.

While a great number of financial institutions faced unprecedented economical challenges throughout the year, Corporate America Family Credit Union saw 2008 as a year of opportunity. We invested your money carefully and sensibly so that we could continue to provide you with the best possible rates on loans and higher returns on savings. As a result of these prudent lending and investing practices, our Capital to Assets ratio of 12.5% far exceeds industry standards; another sign of our strength and security.

## **The credit union had a number of successes in 2008:**

- The Member Loyalty Program was introduced to give members rate discounts when applying for Vehicle and Signature Loans. We consider multiple aspects of member relationships with the credit union to determine the loyalty level and discount, such as the number of products and services used, account balances and length of membership.
- We added the Extra Awards Points Program. The program allows VISA® credit cardholders to earn points on purchases which can be redeemed for rewards such as airline tickets, cruises, hotels, rental cars and gift cards from a number of popular retailers, and there is no cost to enroll in the program.
- We redesigned the website based on feedback from membership. The new website features easier-to-find content, improved navigation and more options to meet our members' financial needs.

The Board of Directors and Management team recently completed our Strategic Plan, which will progress into 2009. These detailed sessions will help us improve our organization, as well as refine goal-oriented strategies for the future of the credit union. As a result, we have sharpened our focus on Sponsor Companies and will improve our use of technology. We are looking forward to putting these new objectives into action this year and into the future.



We have planned for a number of initiatives in 2009, such as additional website enhancements as well as adding to our product and service portfolio, all aimed to improve the financial well-being of each member.

Corporate America Family Credit Union will also celebrate a milestone in 2009: its 70th year of business. Such an accomplishment is only possible because of you and your commitment to be a part of the credit union difference.

In closing, we promise to provide you with timely and exceptional member service, beneficial products and services to improve your finances, and to maintain a positive impact in the communities we serve. The success of the credit union is based on our member loyalty and participation. Again, your membership has provided the credit union countless opportunities to grow and it is our duty to do the same for you.

Thank you for being a member of Corporate America Family Credit Union.

Best wishes in 2009,

Costanzo Maestranzi  
*Chairman of the Board*

Peter Paulson  
*President & CEO*

# Supervisory Committee Report

The Supervisory Committee's responsibility is to serve Corporate America 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 and procedure 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 22, 2008 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, 2008, 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. In addition, the Supervisory Committee has contracted compliance consultants to perform quarterly assessments.

Once a member,  
*always* a member.



Donn Zawis  
*Supervisory Committee*

# Comparative Financial Statement

As of December 31, 2008 and 2007  
in thousands

## Balance Sheet

### Assets

	2008	2007
Cash in Banks	\$ 5,428	\$ 5,406
Loans to Members (Note 1)	405,071	458,856
Allowance for Loan Loss	(5,520)	(7,207)
Investments (Note 1)	81,976	41,725
Other Assets	17,846	28,337
<b>Total Assets</b>	<b>\$ 504,801</b>	<b>\$ 527,117</b>

### Liabilities & Equity

Members' Shares (Note 2)	\$ 299,923	\$ 311,234
Share Certificates (Note 1 & 2)	139,172	153,880
Other Liabilities	6,458	5,996
Reserves	59,248	56,007
<b>Total Liabilities &amp; Equity</b>	<b>\$ 504,801</b>	<b>\$ 527,117</b>

## Income Statement

### Revenues

Interest on Loans	\$ 32,140	\$ 34,898
Investment Income	2,104	2,734
Fee Income	7,822	9,250
Other Income	679	0
<b>Total Revenues</b>	<b>\$ 42,745</b>	<b>\$ 46,882</b>

### Expenses

Dividends on Share Accounts	\$ 4,481	\$ 7,403
Dividends on Share Certificates	6,467	7,293
Loan Loss Provision Expense	1,791	4,148
Compensation & Benefits	12,729	12,771
Office Expenses	6,711	6,603
Membership Benefits	5,709	2,454
Other Income & Expenses	1,934	2,259
<b>Total Expenses</b>	<b>\$ 39,822</b>	<b>\$ 42,931</b>

### Net Income

<b>Net Income</b>	<b>\$ 2,923</b>	<b>\$ 3,951</b>
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#### 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 (SCs) with a maturity or repricing term greater than 12 months were as follows:

		Book Value	Fair Market Value
Dec. 31, 2008 -	Loans	376.5	375.9
	Investments	17.3	17.6
	2 Year SCs	37.1	34.3
Dec. 31, 2007 -	Loans	428.2	426.9
	Investments	0.4	0.4
	2 Year SCs	34.9	31.8

(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.

# Treasurer's Report

Corporate America Family Credit Union (CAFCU) ended 2008 in a very strong financial position. The credit union finished the year with a Net Worth to Total Asset Ratio of 11.7%. In addition CAFCU earned a respectable 0.6% return on Total Assets. When compared to other financial institutions CAFCU maintains a strong financial position in these challenging times.

During 2008, CAFCU earned \$2.9 million. Net income decreased by \$1.0 million, or 26% from the previous year. The decrease in net income was primarily attributed to lower dividend expense of \$3.7 million, lower loan loss provision expense of \$2.4 million, lower revenue of \$4.1 million, and increased operating expenses of \$3.0 million. The favorable dividend expenses reflect the overall lower rates in the market place. The lower provision for loan loss reflects significant progress in containing loan losses in the indirect loan portfolio. Lower revenues are primarily due to lower loan balances in most of the CAFCU loan portfolios, lower returns on investments and lower fee income. The increased operating expenses resulted from the National Credit Union Administration (NCUA) Corporate Credit Union Stabilization Plan.

The corporate credit union system is facing unprecedented strains on its liquidity and capital due to credit market disruptions and the current economic climate. Many of the securities held in the corporate credit union system remain highly rated, but a portion have been downgraded due to underlying collateral performance. The \$4.0 million expense related to the NCUA Corporate Credit Union Stabilization Plan was a result of a combination of the mark down of investments within the corporate credit union system and the requirement to replenish the National Credit Union Share Insurance Fund (NCUSIF) to government mandated levels. The action taken by the NCUA was unforeseeable and was not the result of CAFCU operations.

Total reserves increased by \$3.2 million, or 5.8%. The increase in reserves resulted from a strong net income for the year. The strong equity position underscores the credit union's position as an exceptionally safe depository for members' savings.

Total assets, of 504.8 million, decreased by \$22.3 million, or 4.2%, in 2008. This decrease was due to lower loan balances of \$53.8 million offset by an increase in investments of \$40.3 million. Indirect loans balances attributed a significant portion of the loan decrease. However, regular consumer loan balances also decreased as the economy sank into the recession. The increase in investment reflects the overall softness in the loan market.

During 2008 CAFCU experienced a decrease of \$26 million in savings. This was a 6% decrease from the prior year. The change in total deposits was due to a \$14.7 million decrease in share certificates and an \$11.3 million decrease in member shares.

Overall CAFCU had good financial results in 2008. The respectable net income and growth in reserves helps brace the credit union for the challenges of 2009. In addition, the credit union has significantly decreased the indirect loan portfolios that have contributed to large loan losses in previous years. We look forward to successfully meeting the challenges of the upcoming year.



**Ron Kalisz**  
*Treasurer*

# The Board of Directors

Corporate America Family Credit Union's Board of Directors has dedicated countless hours to developing strategies that best serve the membership. Their commitment to the credit union and community continues to shine.



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



**Maurice Thompson**  
**Vice Chairman**  
Membership Committee  
Nominating Committee



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



**John Blozis**  
**Secretary**  
Membership Committee  
Nominating Committee



**Kenneth Naatz**  
**Assistant Secretary**  
Investment Committee  
Membership Committee



**Glenn Brown**  
**Director**  
Loan Committee  
Membership Committee  
Operations Committee



**Lynn Fraas**  
**Director**  
Membership Committee  
Operations Committee  
Supervisory Committee



**Larry Page**  
**Director**  
Loan Committee  
Membership Committee  
Operations Committee



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



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



**Donn Zawis**  
**Director**  
Membership Committee  
Supervisory Committee





# Corporate America Family Credit Union

## Branch Locations

Arizona • Peoria » Scottsdale

California • Foster City » Santa Clara

Connecticut • Bristol

Georgia • Atlanta

Illinois • Burbank » Chicago (2) » Crystal Lake »

Elgin » Oak Brook » Rosemont »

St. Charles » Streamwood » Warrenville

Kansas • Kansas City

North Carolina • High Point

New Jersey • Secaucus

Ohio • Marion

Pennsylvania • Towanda

Texas • Dallas

Virginia • Herndon



Your savings federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government. National Credit Union Administration, a U.S. Government Agency.

## Featured Products

### VISA Extra Awards

The VISA Extra Awards program is a new addition to our Advantage Program which allows enrolled members to earn points on purchases. Points can be redeemed for gift cards to a number of popular retailers, as well as travel rewards such as airfare, cruises, and vacation packages. Members can track and redeem points, view point history and more, all on-line through our website.

### New CAFCU Website

We implemented a number of new features to our website to enhance your online experience. A custom search field was added so you search our entire site with a single click. We added drop down menus as well as quick links to each page to improve navigation. We also introduced a great new tool to find locations and ATMs nearest you.

### Locator Search

We added Locator Search to the new website so members can find branch locations, surcharge-free ATMs and deposit-taking ATMs, all from one access point. Just type in a zip code and we'll display the nearest locations based on the criteria you selected. You can print off driving directions, maps, e-mail the results and even send directions straight to your mobile device.

### Health Savings Accounts

Health Savings Accounts can help you plan for out-of-pocket medical expenses and save on your taxes. Anyone covered by a High-deductible health plan can open an HSA. Funds used for qualified medical expenses, including dividends, are tax-free\*. Unused funds remain in the HSA year after year, earning tax-deferred dividends.

#### Member Center

1-800-359-1939  
Monday through Friday  
7 am - 7 pm, CST

#### Website

[www.cafcu.org](http://www.cafcu.org)

#### Mobile Banking

[www.cafcu.mobi](http://www.cafcu.mobi)

#### Shared Branching

Access your accounts and perform most financial transactions at more than 5,600 Credit Union Service Centers Worldwide.



# **Our Vision:**

To make a meaningful difference in  
the financial lives of our members.



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

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[www.cafcu.org](http://www.cafcu.org)