

## TREASURER'S REPORT

It's a relief to report that Securityplus Federal Credit Union (SFCU) continued its operation in an economy that has been in a recession for three quarters of the year, witnessed a \$787 billion stimulus package, and the National Credit Union Association liquidated 15 federally insured credit unions. Our highlights of the year that closed the millennium's first decade were: assets increased to \$320 million; net income increased; total loans to members increased slightly; and delinquency was 0.99%, a very respectable number in this economy. These results again reflect our strong business fundamentals and our staff's outstanding work.

We ended the year with \$998,939 in net income after paying our members almost \$4.3 million in dividends, \$396,207 to our National Credit Union Stabilization Insurance Fund, and setting aside \$1 million in our provisions for loan and overdraft losses.

Assets increased from \$284 million to over \$320 million for a total increase of 12.7%. Total shares also showed an increase of 15.1%, ending the year at \$286 million. In 2009, loans to members increased by 5.2%, or approximately \$6.3 million. New and used auto loans represented the bulk of our lending dollars in the past; however, continuing into 2009, our mortgages and home equity loans exceeded our auto loan portfolio. We continued to write more mortgages in 2009 to support our members in meeting their needs while most other financial institutions tightened credit standards. Net charge-offs increased slightly from \$561,707 to \$679,582. Delinquency was 0.99% at year-end, which indicates that management continues to do a great job in managing delinquency risk.

Membership increased slightly in 2009 with the Douglas Memorial FCU merger and new marketing concepts to new hires within our core sponsors and additional contact points outside of government buildings.

The Credit Union continued its time-tested investment strategy that emphasized safety, liquidity, and yield within the recovering economy. The Federal Reserve's federal funds interest rate target has been in the range of 0% to 0.25% throughout the year. This was the agency's attempt to combat the worst recession in a generation. In light of these financial markets, we decreased our long-term maturities throughout the year and by year's end, we had 44.5% of our investment portfolio in maturities exceeding 2 years. Our conservative approach garnered an investment portfolio with a market value exceeding the cost basis by over \$2.7 million. Members' equity ended the year at approximately \$32 million versus almost \$34 million in 2008.

Because of our safety and stable rates, our savings products provided great value throughout 2009. Our financial position remains solid. We have made long-term investments that continue to pay off. Our regular share account balance increased slightly. The dividend payout on members' shares was \$4,280,400, a very substantial payout when you consider the rate environment and the state of our economy.

As we progress through 2010, the current environment requires us to increase our efficiency. We will make every effort to deliver value to you, benefit our community, and grow our credit union. We are proud to report that Securityplus FCU's financial condition continues to be strong, even in this challenging economic climate, and we will continue to offer quality financial products and services to you and all eligible members within the Baltimore community.

Robert Berzanski  
TREASURER



## CONDENSED STATEMENTS OF INCOME

DECEMBER 31,	2009	2008	2009	2008
<b>INTEREST INCOME</b>			<b>NONINTEREST EXPENSE</b>	
Interest on loans	\$ 8,251,551	\$ 8,243,482	Compensation and benefits	\$ 6,312,252
Interest on investments	5,142,055	5,705,619	Office occupancy	1,187,420
	13,393,606	13,949,101	Office operation	2,026,508
<b>INTEREST EXPENSE</b>			Professional and outside services	1,555,298
Dividends on members' shares	4,280,400	5,388,983	NCUSIF stabilization expense	396,207
			Loan servicing and other	1,273,421
Net interest income	9,113,206	8,560,118		12,751,106
<b>PROVISION FOR LOAN LOSSES</b>	1,016,694	693,238	<b>NET INCOME</b>	\$ 998,939
				\$ 408,529
Net interest income after provision for loan losses	8,096,512	7,866,880		
<b>NONINTEREST INCOME</b>				
Card services	1,170,855	1,128,179		
Share draft fees	1,212,970	1,245,042		
ATM fees	957,003	840,324		
Gain on sale of investments available for sale	1,006,448	—		
Other	1,306,257	1,387,258		
	\$ 5,653,533	\$ 4,600,803		

These condensed financial statements do not constitute a complete presentation.

## STATEMENTS OF FINANCIAL CONDITION

YEARS ENDED DECEMBER 31,	2009	2008	2009	2008
<b>ASSETS</b>			<b>LIABILITIES AND MEMBERS' EQUITY</b>	
Cash and cash equivalents	\$ 39,621,195	\$ 25,063,038	Members' share accounts	\$ 285,931,039
Loans to members, net	124,608,558	118,763,703	Official checks payable	1,158,144
Certificates of deposit in other financial institutions	31,584,618	16,823,000	Accrued expenses and other liabilities	1,167,126
Investment securities available for sale	110,957,530	109,233,052	<b>Total liabilities</b>	<b>288,256,309</b>
National Credit Union Share Insurance Fund deposit	2,645,691	2,413,874	Members' equity	
Correspondent membership share deposit	1,894,788	1,889,738	Regular reserve	19,062,268
Accrued interest receivable	1,464,071	1,576,471	Undivided earnings	12,958,228
Property and equipment	5,376,329	5,867,817	Equity of merged credit union	15,689
Prepaid expenses and other assets	2,153,198	2,821,297	Accum. other comprehensive income	—
			Unrecognized gain on investments	2,716,559
<b>Total assets</b>	<b>\$320,305,978</b>	<b>\$284,451,990</b>	Unrecognized pension valuation	(2,703,075)
			<b>Total members' equity</b>	<b>32,049,669</b>
			<b>Total liabilities and members' equity</b>	<b>\$ 320,305,978</b>
				\$ 284,451,990

These condensed financial statements do not constitute a complete presentation.

## REPORT OF INDEPENDENT AUDITORS

Supervisory Committee  
Securityplus Federal Credit Union  
Baltimore, Maryland

**ROWLES & Company, LLP**  
Certified Public Accountants

We have audited, in accordance with auditing standards generally accepted in the United States of America, the statement of financial condition of Securityplus Federal Credit Union as of December 31, 2009, and the related statement of income for the year then ended, and the statements of changes in members' equity and cash flows for the year then ended (which statements are not presented herein); and in our report dated March 3, 2010, we expressed an unqualified opinion on those financial statements. The financial statements of Securityplus Federal Credit Union as of December 31, 2008 were audited by other auditors whose report, dated March 18, 2009, expressed an unqualified opinion on those financial statements.

In our opinion, the information set forth in the accompanying condensed financial statements, when read in conjunction with the complete set of financial statements, is fairly stated in all material respects in relation to the financial statements from which it has been derived.

Rowles & Company, LLP

Baltimore, Maryland  
March 3, 2010

STABILITY → GROWTH



2009 ANNUAL REPORT

**Securityplus**<sup>TM</sup>  
FEDERAL CREDIT UNION  
Spend life wisely.



## CHAIRPERSON'S REPORT

Thank you for continuing to be a member of Securityplus Federal Credit Union (SFCU). I am grateful for having the honor and the privilege to continue to serve as one of the eleven members of its Board of Directors. Although I have the opportunity to communicate with you as the Chairperson of the Board, this message is from the entire Board.

In 2009, we continued to work closely with the Credit Union executive team to meet the standards set forth in our annual strategic plan. We believe our financial products are competitive and you can continue to place your trust and confidence in the safety and soundness of our credit union.

One of our most significant highlights of 2009 was exceeding \$300 million in assets. We were able to achieve this milestone due to the support and loyalty of members like you. I believe that SFCU is not only a great place to invest your savings and borrow money, but I sincerely recommend that you make us your primary financial institution.

Throughout 2009, we continued to lend money and offer a helping hand when you needed it most, whether it was through our limited time Home Improvement Loan, new FHA home loan, new Indirect Auto Lending program or restructured Personal Line of Credit. And I am very pleased to report that, once again, we had no home foreclosures!

To show our community support in 2009, we participated in Money Power Day at the Poly-Western High School. We contributed to Woodlawn High School as part of the Rev. Dr. Martin Luther King, Jr. Celebration at the Social Security Administration (SSA). We continued to support SSA's EAA/Volunteer Appreciation Day, the SSA/Combined Federal Campaign (CFC) Golf Tournament and the SSA Band. We also donated to the Woodlawn Police & Community Relations Council, the 1st Annual Teachers Summit held by the MD Coalition for Financial Literacy and other community projects. And, through the financial contributions of members and staff, we raised \$2,059 to benefit the American Heart Association and \$2,872 to benefit the American Breast Cancer Foundation.

In late 2009, Douglas Memorial Federal Credit Union merged with SFCU. Our Board believes that uniting our credit unions was in the best interest of all members. Our merged credit union is better equipped to meet members' ever-changing financial needs. We will continue to serve new and existing membership from the Douglas Memorial branch located in Baltimore City.

As 2009 slipped away, we were sorry to say goodbye to CEO, Mr. Timothy Carney. A dedicated leader in this credit union for many years, the Board is pleased with the numerous accomplishments SFCU has made since Mr. Carney became our CEO. We applaud him for his unwavering commitment, fine management skills and ability to build a strong leadership team of senior executives. Hiring the right person to fill the position of CEO is an important responsibility for the Board of Directors. And in late fall, Mr. Richard Williams, Jr. was hired as our new CEO. Mr. Williams' leadership, wealth of experience, tremendous interpersonal skills, vision and outstanding knowledge about credit union operations will prove invaluable as we move forward in 2010.

As a resident of Baltimore City, I understand the need to provide a full service branch to the general public. We are working toward finding the perfect location for such a site as soon as possible. In the meantime, don't forget that you can access your accounts at any of the 37,000 surcharge-free ATMs in the Allpoint network, at over 6,300 Shared Branching locations or through 1,700 Vcom (Virtual Commerce) units at participating 7-Eleven stores.

I promise you that we will continually strive to fulfill your financial needs, provide you the outstanding service you deserve and help you to *Spend Life Wisely* as an SFCU member. I am definitely excited about our future and the many ways we will be showing you that fulfilling your financial needs is our number one priority.

**Barbara G. Cuffie**  
CHAIRPERSON OF THE BOARD



## CEO'S REPORT

On behalf of the Board of Directors, volunteers and staff, I thank you for your continued support and membership with Securityplus Federal Credit Union.

2009 proved to be a year filled with growth and opportunity for not only Securityplus FCU but also our members. As the economic environment affected other financial institutions, we continued to make our members' financial well being our primary focus – evident in the fact that in the summer of 2009 we exceeded \$300 million in assets.

In 2009, we revised our credit card portfolio to include a Fresh Start VISA for members looking to build or re-establish credit. This card offers a fixed-rate, no annual fee and no balance transfer fee. Understanding that many people were unable to sell their home or move-up, we offered a limited-time Home Improvement Loan. This loan allowed members to borrow funds to make "like new" enhancements to their homes. Furthermore, we began to offer FHA loans midyear to make purchasing a home of their own a bit easier for individuals who may not have been able to do so otherwise. In that regard, because we do not participate in sub-prime mortgage or toxic lending, once again, we had no mortgage foreclosures. In the summer of 2009, we began to offer Indirect Lending through the Credit Union Auto Loan Network. Members may now apply for Credit Union financing at over 250 Baltimore/Washington area car dealers. And in late 2009, we introduced a new tier to our Money Market accounts – Prestige. This tier is designed for account balances of \$250,000 or more. Finally, we welcomed Douglas Memorial Federal Credit Union to the Securityplus Federal Credit Union family. Douglas Memorial shares the same proud tradition of providing its members the highest quality financial services and products. This union has set out to benefit the members and the communities in which they live.

The \$250,000 share insurance coverage provided by the National Credit Union Share Insurance Fund (NCUSIF) was extended through December 31, 2013 when the Helping Families Save Their Homes Act of 2009, was signed into law May 20, 2009. Previously, this level of coverage was set to expire December 31, 2009. Additionally, IRAs are still insured separately up to \$250,000.

In an effort to meet our members' growing online needs, we made upgrades to Online Banking that included check imaging and access to additional loan information, and we now offer an improved online loan application process – you may apply for all of our loan products, excluding mortgages, electronically. And in effort to support the "green" movement, you may now sign-up to receive VISA eStatements; this is separate from the eStatements you may currently receive for other Credit Union accounts.

We have exciting plans in place for 2010, including the launch of our new website, developing special programs geared toward young adults, adding new services, and searching for opportunities to expand our presence in Baltimore City.

We appreciate and value your membership, and recognize that it's a privilege to serve you. We will make every effort to provide the best possible products and services to allow you to *Spend Life Wisely*.

**Richard Williams, Jr.**  
CHIEF EXECUTIVE OFFICER



## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee of Securityplus Federal Credit Union is appointed by the Board of Directors in accordance with the Federal Credit Union Act. The Supervisory Committee is responsible for ensuring that the financial condition of the Credit Union is accurately and fairly presented in the Credit Union's financial statements. In addition, the Supervisory Committee assists the Board of Directors in fulfilling its oversight responsibilities for the system of internal control, the audit process and the Credit Union's process for monitoring compliance with laws and regulations. The Supervisory Committee conducts audits and reviews to determine if management practices and procedures are sufficient to safeguard members' assets.

Rowles & Company, LLP, were retained to assist the Supervisory Committee with the annual 2009 financial audit and comment on the accuracy and fairness of management's and the Board's presentation of the Credit Union's financial statements.

During 2009, audits were conducted of the BSA/Patriot Act, Shared Branching, Automated Clearinghouse (ACH) Transactions, Official Family Member Loans and Accounts, Employee Loans and Accounts, National Credit Union Administration (NCUA) Call Report, Consumer Loans, Branch Office Reviews, Member Account Confirmations, Closed Accounts Confirmations, Loan Exception Approvals, Digital Defense Review, Home Equity Loans, Wire Audit, and Bad Address Review. Exceptions that were found were reported to management and the Board of Directors. The

Supervisory Committee recommended corrective actions and subsequently followed up to review implementation of changes that addressed our audit recommendations.

It is the opinion of the Supervisory Committee that Securityplus Federal Credit Union is operating in a safe and sound manner.

If you wish to write to the Supervisory Committee, please address your letter to:

Securityplus Federal Credit Union  
Supervisory Committee  
P.O. Box 26430 – Suite 19  
Baltimore, MD 21207-0203

Alternately, you may e-mail the Supervisory Committee at: [scchair@securityplusfcu.org](mailto:scchair@securityplusfcu.org)

### Volunteers

<b>Carolyn A. Brooks</b>	CHAIRPERSON
<b>Anthony Hahn</b>	SECRETARY
<b>Diane Foster</b>	MEMBER
<b>Catherine Hiebler</b>	MEMBER
<b>Monica Holliday-Ali</b>	MEMBER

### Staff

<b>Andre Kiss</b>	INTERNAL AUDIT MANAGER
<b>Arthur Hauck</b>	INTERNAL AUDITOR

## LOAN REVIEW COMMITTEE REPORT

The Loan Review Committee is composed of volunteers, appointed by the Securityplus Federal Credit Union Board of Directors, and the Vice President of Lending and Collections. The purpose of the committee is to review employee loan applications as well as any loan appeal requests submitted by members of the Credit Union.

Members generally submit appeals when their loan requests have been denied due to financial information being omitted from their initial loan application or their financial situation has changed since the initial application. The Loan Review Committee reviews the information and a decision is made to approve or deny the member's request. The committee seeks to find a common ground where the member's need is met and the risk to the Credit Union is mitigated.

The Loan Review Committee's efforts resulted in a total of \$602,258.30 in loan approvals in 2009. We look forward to continuing to help our members *Spend Life Wisely*.

### Loan Review Committee:

**Sheryl Morsell**  
**Vashti Pullum**  
**Kalman V. Illyefalvi**  
**Donald Johnson**

## BOARD OF DIRECTORS

### Credit Union Officers

<b>Barbara G. Cuffie</b>	CHAIRPERSON
<b>Andre F. Brown</b>	VICE CHAIRPERSON
<b>Robert Berzanski</b>	TREASURER
<b>Rudolph T. Isaacs, Jr.</b>	ASSISTANT TREASURER
<b>Michael Bostron</b>	SECRETARY

### Directors

<b>Sonya Boatwright</b>	<b>Derryck Fletcher</b>
<b>Noma Carter</b>	<b>Donna Jackson</b>
<b>Bernice Chase</b>	<b>Stanley Kluckowski</b>
<b>Brian Hammond, Associate Director</b>	



Left to Right, Standing: Stanley Kluckowski, Sonya Boatwright, Donna Jackson, Andre Brown, Michael Bostron  
Left to Right, Seated: Bernice Chase, Robert Berzanski, Barbara Cuffie, Rudolph Isaacs, Noma Carter  
Not Pictured: Derryck Fletcher

## MANAGERS

<b>Richard Williams, Jr.</b>	CHIEF EXECUTIVE OFFICER
<b>Donald Johnson</b>	VICE PRESIDENT OF LENDING AND COLLECTIONS
<b>Justin Rawlings</b>	VICE PRESIDENT OF INFORMATION SYSTEMS
<b>Jack Schiefer</b>	VICE PRESIDENT OF BRANCH SERVICES
<b>Evelyn Hobbs</b>	ASSISTANT VICE PRESIDENT OF MARKETING
<b>Sabrina Hull</b>	ASSISTANT VICE PRESIDENT OF HUMAN RESOURCES

<b>Robert Brown</b>	BRANCH MANAGER, WOODLAWN
<b>Tangere Garner</b>	BRANCH MANAGER, METRO WEST
<b>Cynthia Harvey</b>	BRANCH MANAGER, SECURITY WEST
<b>Maynard Hurd</b>	COLLECTIONS MANAGER
<b>Janis Motichka</b>	CONTROLLER
<b>Yolanda Purnell-Parker</b>	CALL CENTER MANAGER
<b>Charles Roe</b>	BRANCH MANAGER, FRANKLIN
<b>Floretta Sharpless</b>	LOAN OPERATIONS MANAGER
<b>Daphne Snowden-Green</b>	BRANCH MANAGER, MAIN OFFICE
<b>Cheryl Warfield</b>	BOOKKEEPING MANAGER
<b>Keisha Williams</b>	BRANCH MANAGER, CMS