

2008
annual report



Giving Rhode Island the
Credit Union it Deserves.



the ceo's report



During this past year good news was in short supply. There were economic low points, job losses, the mortgage debacle, high fuel costs, and the apparent inability of a Federal Government that was either unable or unwilling to fix the problems.

We are all aware that several large financial institutions have failed, merged or received tax dollars with the intention to make loans to assist members that were in the process of losing their homes, automobiles, education of their children, and rescue businesses that provided jobs and medical insurance for their employees.

We have witnessed many of our elderly citizens lose their homes and the hard earned funds they intended to retire with to unscrupulous financial institutions or individuals who made promises they never intended to keep.

The financial industry has had an extremely difficult year and the year 2009 does not appear to be much better. All indications are that it will be late in the year when and if we begin to see some improvement in the economy.

The good news is that Coventry Credit Union is still issuing mortgages, automobile, personal, and with the opening of our Business Services Division, small business loans, while other lenders pulled back or reduced their exposure.

We opened a new branch in North Kingstown and celebrated the tenth year of operation in our Manville Branch.

We offered our members interest rates on certain certificate of deposits that were above the competition in a time when other institutions were giving “**lip service**” to their special rate products.

We are confident that the economy will begin to improve during the fourth quarter of this year and Coventry Credit Union will continue to offer rates and products that will enable our members to travel through these tough times.

The theme this year for Coventry Credit Union is:

“Giving Rhode Island the Credit Union it Deserves. Safe, Secure and Better.”

Respectfully Submitted,
Richard J. Gingell
Chief Executive Officer



the chairman's report



This past year can be described as “tumultuous” to say the least. We have even seen giants of the industry affected by this recession. At Coventry Credit Union we were very fortunate that our Board of Directors, Management and Staff exercised fiduciary responsibilities. We did not become involved in sub prime lending and invested your money wisely. We were able to avoid the gargantuan losses that so many institutions suffered. I am well aware that it's not over, but with judicious care and due diligence, we can weather this storm.

We saw our asset size grow to \$254 million. Not a bad record for a Credit Union that started with very humble assets of \$500 in an office with furniture that had been loaned to us by our members – furniture which consisted of a desk, a filing cabinet and a cash box. Remembering our humble beginnings certainly served us well in making sure that we continue to experience controlled growth.

Through our marketing efforts, we have brought in new members, including many of the younger members of our community. We've conducted successful targeted direct mail campaigns. We celebrated our newest branch in North Kingstown with a resoundingly successful grand opening. We are a leader in the financial industry and are making

our statewide presence known. Our new Core Computer System will take us well into the future, and puts the Credit Union at the forefront of the competition.

This past year we introduced our “Young Millionaire for a Day” program, a very successful program where the young winners were awarded one day's interest on a million dollars, an iPod™, transportation to and from school in a limo, and numerous other gifts. Just another way of showing our young members that belonging to Coventry Credit Union can be very worthwhile indeed.

The theme this year for Coventry Credit Union is:

***“Giving Rhode Island the Credit Union it Deserves.
Safe, Secure and Better.”***

Building relationships and members helping members – that is what your Credit Union is all about. We have money to lend, and our Board of Directors pledges to continue to provide the best service at the best possible prices, while working together with our members to continue our controlled growth, keeping in mind our fiduciary responsibility to our members.

The credit union movement is alive and well at Coventry Credit Union thanks to you, our members, a dedicated staff and an energetic and well-informed management team working with your Board of Directors.

Respectfully Submitted,
Roger J. Laliberte
Chairman

Mariah Kmon, 9, and Aric D'Alessio Dupre, 17, were our winners of the “Young Millionaire for a Day” contest. They received one day's interest on \$1 million, a limo ride to and from school provided by Frank Rizzo of Airport Car Express Limousine Service, and an iPod™.

the committee reports

Supervisory Committee Report

As required by both State and Federal regulations, the Supervisory Committee authorized an annual audit of the Credit Union's books and records during 2008. David Root and Associates, CPAs, who also completed a verification of member accounts, completed the audit. The same firm rendered an unqualified opinion. In addition, a number of interim auditing steps were completed relating to selected areas of the Credit Union's operations. The Supervisory Committee reviewed the results of operations at each monthly meeting.

An examination by the Department of Business Regulation indicated that the Credit Union was operating in a safe and sound manner and management responded to all recommendations made as a result of that examination.

Respectfully Submitted,
Jon L. Lussier, Sr.
Supervisory Committee Chairperson

Credit Committee Report

During 2008, the Credit Committee reviewed 4,158 loan requests. Of these requests, \$78,042,423.00 was approved and booked in Mortgage Loans, Consumer Loans and Lines of Credit.

During 2008, we upgraded our mortgage origination system to ELLIE MAE'S Encompass System, a state of the art mortgage origination system. In 2009, the Credit Union will be upgrading the consumer loan platform to help make the application process more efficient.

On an annual basis, we report to our members the portfolio of business/commercial loan balances. As of December 31, 2008 there was \$1,204,576.26 in loan balances for vehicles, equipment and real estate. In December 2008, the Credit Union received final approval from the Department of Business Regulation for Member Business Lending. This Division will be led by Adam Quinlan.

Respectfully Submitted,
Maureen K. Jendzejec
Credit Committee Secretary

Coventry Credit Union Staff

Barbara Adams	Tammy Clark	Carol Fellingiere	Maureen Jendzejec	Karen Mejia	Miriam Plitt	Sharon Soulliere
Donald Angelo	Cynthia Clauson	Kerri Fisher	Rita Johnson	Cynthia Mongeau	Michael Price	Karen St. Jean
Andrew Bacon	Deborah Colacoane	Kelly Furtado	Scott Kaplan	Jo-Ann Morin	Adam Quinlan	Catherine Tardiff
Rachael Baczenski	Denise Coletta	Sharon Gauthier	Felicia Kennedy	Melissa Mott	Ann Marie Rajotte	Gerard Tellier
Lisa Bankauskas-Mosca	Diane Colwell	Dorothy Gendron	Cheryl King	Angela Murray	Denise Ramsdell	Michael Therrien
Stephanie Barone	Linda Conlan	Richard Gingell	Danielle Kuipers	Cheryl Nardella	Kelly Richtarik	Karen Toth
Benjamin Baxter	Diana Copice	Corlis Gough	Lorraine Landry	Tiffany Newton	Rebecca Roy	Tatiana Vasilieva
Karen Beland	Jessica Dawley	Janice Guindon	Jennifer Lefrancois	Thomas Nichols	Teresa Roy	Richard Walker
Noreen Bourassa	Kayleigh Degraide	Melissa Harrington	Michaela Lombardi	Lori Noonan	John Searles	Jennifer Walsh
Marilyn Boyle	Susan DeResta	Kathleen Harris	Kathleen Longley	Linda Noyes	Donna Shaw	Denise Warburton
Katherine Brownlee	Patricia Dounetos	Michelle Hayden	Louise Mainville	Paul Olson	Arnold Silva	Margaret Wardle
Nancy Bucu	Rita Drowne	Maureen Holmes	Jean Major	Dorothy Pagliarini	Theresa Snyder	Betty Wells
Tania Butler	Nicole Dungca	William Holmes	Nicole Malozzi	Kim Parente	Susana Sollacio	
Jesse Cardarelli	Ronald Fabas	Brendin Hopkins	Colleen Matthews	Ross Pelletier	Ninoska Sosa	
Cheryl Cavanaugh	Jennifer Farias	Tracey Horn	Claire McLaughlin	Jennifer Petit	Virginia Sosnicki	

Treasurer's Report

2008 was a tumultuous year in which we saw financial markets in turmoil, housing markets in an upheaval and credit tightening. During this difficult time we have continued to GIVE RHODE ISLAND WHAT IT DESERVES IN A SAFE, SECURE MANNER AND BETTER THAN EVER.

Our loan portfolio increased from \$153 million to \$180 million; deposits increased from \$149 million to \$193 million and investments increased from \$32 million to \$61 million.

Our results of operations suffered from the interest rate pressure. Interest income from loans, mortgages and investments was what we expected, however interest expense was higher than expected. The provision for loan losses (an expense) was significantly over budget as a result of regulators insisting that we increase our reserve for loan losses in the event that we were faced with loans that could not be repaid.

We are happy to report that the Credit Union does not have significant loan losses as we have conducted our lending activities in a safe and secure manner.

We are pleased to be in a strong equity position at 7.6%.

Respectfully Submitted,
Thomas F. LaColle
Treasurer, Board of Directors

Secretary's Report

The Secretary reports that the Board of Directors held a total of 13 meetings in 2008. The Board also continued to hold its Annual Business and Strategic Planning Sessions that have become an integral part of its activities. In addition to these meetings, subcommittees met and made their monthly reports at the monthly Board of Directors' meetings.

Respectfully Submitted,
Bruce B. Hecker
Secretary, Board of Directors



Girl Scout Troop #30 of Coventry took a tour of the Main Street Branch in December.

Cub Scout Pack 7 of West Greenwich learned about the benefits of a credit union in the community from Coventry Credit Union. Pictured from left to right: Boy Scout Den Chief Spencer Donovan, Vice President of Marketing for Coventry Credit Union Miriam R. Plitt, Assistant Vice President in charge of the Nooseneck Branch Noreen Bourassa, and Den Leader Teri Donovan.



statements of financial condition

Assets	2008	2007
Cash and cash equivalents	\$3,276,530	\$2,591,335
Interest bearing deposits	7,679,000	4,358,999
Investments available for sale, at market value	48,717,929	24,574,395
Federal Home Loan Bank Stock Certificates	2,256,800	1,816,000
Loans to members, net of allowance for loan losses	180,086,331	153,072,982
Accrued interest receivable	892,660	810,510
Premises and equipment	7,036,231	5,022,001
Other assets	4,809,611	4,484,763
Total Assets	\$254,755,092	\$196,730,985
Liabilities and Members' Equity		
Demand deposits and savings accounts	\$170,533,960	\$125,719,898
Share accounts	21,967,435	22,559,525
Accrued interest payable to members	567,329	407,827
Advances payable to Federal Home Loan Bank	41,500,000	26,514,000
Other liabilities	800,365	1,314,634
Total Liabilities	235,369,089	176,515,884
Members' equity, substantially restricted	19,386,003	20,215,101
Total Liabilities and Members' Equity	\$254,755,092	\$196,730,985

statements of operations

Interest Income	2008	2007
Interest and fees on loans	\$10,376,711	\$9,415,919
Income from investments	1,445,375	1,765,478
Total Interest Income	11,822,086	11,181,397
Interest Expense		
Interest expense on savings accounts	3,187,292	2,805,934
Dividends on share accounts	163,097	168,437
Total Interest Expense	3,350,389	2,974,370
Net Interest Income	8,471,697	8,207,027
Provision for loan losses	431,123	119,350
Net Interest Income After Provision for Loan Losses	8,040,574	8,087,677
Realized gains on the sale of consumer mortgages	186,667	106,371
Other income and fees	2,068,656	2,141,051
	10,295,897	10,335,099
Non-Interest Expense		
Compensation and benefits	4,466,911	4,392,449
Occupancy expenses	758,101	635,329
Depreciation of fixed assets	519,459	425,376
Interest paid on borrowed funds	1,398,204	1,232,478
Data processing expense	295,866	350,692
Other operating expenses	3,020,933	2,960,907
	10,459,474	9,997,230
Net Income	(\$163,577)	\$337,868

Board of Directors

Roger J. Laliberte, Chairman
Michael D. Airhart, 1st Vice-Chairman
William A. Sheldon, 2nd Vice-Chairman
Bruce B. Hecker, Secretary
Thomas F. LaColle, Treasurer
Richard A. Audet, Director
Leo R. Blais, Director
Robert H. Maguire, Director
James A. Rowe, Director
Paul E. Skaling, Director
Therese S. Stafford, Director
Richard P. Sullivan, Director



Steve Bruno and Kayla Gilbert traveled to the Coventry Credit Union branches to inform members of the importance of organ donations. Bruno, President of Rhode Island Organ Donation Awareness Coalition, has had a kidney transplant and Gilbert, 21, recently received a double lung transplant.

Supervisory Committee

Jon L. Lussier, Sr., Chairman
Paul J. Krikorian, Secretary
Thomas P. Tighe, Member

Credit Committee

Maureen K. Jendzejec, Chairperson
Richard J. Gingell
William A. Heaton

Our Mission:

To promote a cooperative spirit within the community and to respond to changing member needs, consistent with sound financial practices.

Lobby Hours:

Monday - Thursday
9:00 a.m. to 4:00 p.m.
Friday 9:00 a.m. to 7:00 p.m.

Drive Up Hours:

Monday - Wednesday
8:30 a.m. to 4:30 p.m.
Thursday 8:30 a.m. to 6:00 p.m.
Friday 8:30 a.m. to 7:00 p.m.

Saturday Hours:

9:00 a.m. to Noon at Coventry -
Main St. & Nooseneck Hill Road, Manville, West
Warwick, and North Kingstown

24 Hours:

For your convenience, Coventry Credit Union is open 24 hours through the following services.

Member Net (Internet Banking)
www.coventrycu.org

Touch Tone Teller
401-397-8021 or 1-800-822-8077

Coventry Credit Union's ATMs,
Credit Union Connection ATMs and MoneyPass
ATM Network

Coventry - 1584 Nooseneck Hill Road and 1076 Main Street
Manville - 56 Railroad Street
North Kingstown - 7373 Post Road
West Warwick - 744 Main Street
Operations Center - 2006 Nooseneck Hill Road, Coventry, RI 02816



401-397-1900 | www.coventrycu.org



Your savings federally insured 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