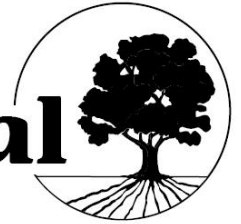


Cooperative Federal

Syracuse's community development credit union



Supervisory Committee Report – 2009

2009 – 2010 Committee Members:

Stephen Bittner, Liz Crockett (Chair and Board Liaison), Margaret Gelfuso

The Supervisory Committee is appointed by the Board, and is responsible for engaging the annual audit, overseeing compliance with audit & regulatory exam findings, validating & testing internal controls and procedures, member account verification, and other activities to prevent and detect fraud.

Highlights of Committee Activities in 2009

The CPA firm Sciarabba Walker & Co LLP conducted the external audit for the year ending March 31, 2009, and issued a “clean” opinion. The audit included verification of the financial statements, confirmation of loan and share balances, review of loan files, and consideration of internal control procedures. The auditors made recommendations for improvements in policies and procedures, for follow-up by the management and Board.

Routine Committee activities during the year included:

- Quarterly meetings to review committee work and plan the next quarter's internal auditing activities
- A meeting with the auditor to review the audit report
- Meeting and communication with the Federal Examiner
- Unannounced cash counts at each office
- One audit of loan files
- Review of Allowance for Loan Loss procedure
- Follow up on internal control procedures
- Tests of account restrictions and mandatory vacation policies

Respectfully submitted,

Cooperative Federal Supervisory Committee