

CARVER BANCORP INC
Form 11-K
June 29, 2010

SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549

FORM 11-K

☒ ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended December 31, 2009

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
[NO FEE REQUIRED].

For the transition period from _____ to _____

Commission File Number 1-13007

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

Carver Federal Savings Bank 401(k) Savings Plan

B: Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

Carver Bancorp, Inc.
75 W. 125th Street
New York, New York 10027-4512

CARVER FEDERAL SAVINGS BANK 401(k) SAVINGS PLAN

Financial Statements and Supplemental Schedule
December 31, 2009 and 2008

CARVER FEDERAL SAVINGS BANK 401(k) SAVINGS PLAN

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All other schedules required by Section 2520.103-10 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974 have been omitted because they are not applicable.

[LETTERHEAD OF P&G ASSOCIATES]

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

The Trustees and Participants in the
Carver Federal Savings Bank
401(k) Savings Plan

We have audited the accompanying statements of net assets available for benefits of the Carver Federal Savings Bank 401(k) Savings Plan (the Plan), as of December 31, 2009 and 2008, and the related statement of changes in net assets available for benefits for the year ended December 31, 2009. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan as of December 31, 2009 and 2008, and the changes in net assets available for benefits for the year ended December 31, 2009, in conformity with U.S. generally accepted accounting principles.

Our audits were performed for the purpose of forming an opinion on the basic financial statements taken as a whole. The supplemental schedule H, line 4i - schedule of assets (held at end of year) as of December 31, 2009 is presented for the purpose of additional analysis and is not a required part of the basic financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in the audits of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the basic

Very truly yours,

/s/ P&G Associates
P&G Associates
June 17, 2010

646 Highway 18, East Brunswick , NJ 08816
(732) 651-1700 s (732) 651-1195 FAX

CARVER FEDERAL SAVINGS BANK 401(k) SAVINGS PLAN

Statement of Changes in Net Assets Available for Plan Benefits
As of December 31, 2009

Assets	2009	2008
Investments		
Mutual Funds	\$1,539,804	\$1,409,149
Common Collective Trust	583,724	354,974
Self directed brokerage accounts:		
Money Market Fund	166,478	216,832
Common Stocks	61,799	13,393
Mutual Funds	27,085	6,903
Cash	50	1
Total self directed brokerage	255,412	237,129
Common Stock - Carver Bancorp	25,991	36,715
Participant loans	33,701	45,544
Total investments	2,438,632	2,083,511
Other Assets		
Cash	—	159
Other (Contributions Receivable, Accrued Income, etc.)	16,977	3,269
Total Other Assets	16,977	3,428
Total Assets	2,455,609	2,086,939
Liabilities		
Unclaimed Checks	43,442	41,632
Other	—	—
Total Liabilities	43,442	41,632
Net assets available for plan benefits at fair value	2,412,167	2,045,307
Adjustment from fair value to contract value for fully benefit responsive investment contracts (Note 2(b))	42,589	57,307
Net assets available for plan benefits	\$2,454,756	\$2,102,614

CARVER FEDERAL SAVINGS BANK 401(k) SAVINGS PLAN

Statement of Changes in Net Assets Available for Plan Benefits
Year ended December 31, 2009

Additions to net assets attributed to:

Investment income	
Net appreciation(depreciation) in fair value of investments	\$326,838
Interest and Dividends	54,417
Participant loans interest	2,237
Net investment gain(loss)	383,492
Contributions	
Employer contributions	179,457
Participant contributions	325,815
Rollover contributions	22,480
Total contributions	527,752
Total additions(subtractions)	911,244
Deductions from net assets attributed to:	
Benefits paid to participants	556,601
Other Deductions	91
Administrative expenses	2,410
Total deductions	559,102
Net decrease in assets available for plan benefits	352,142
Net assets available for plan benefits:	
Beginning of year	2,102,614
End of Year	\$2,454,756

See accompanying notes to financial statements

CARVER FEDERAL SAVINGS BANK 401(k) SAVINGS PLAN

Notes to Financial Statement
Year ended December 31, 2009

1. Description of the Plan

The following description of the Carver Federal Savings Bank 401(k) Savings Plan (the “Plan”) is provided for general information purposes only. Participants should refer to the Plan document for a more complete description of the plan and provisions.

(a) General

The Plan is a non-standardized prototype defined contribution 401(k) Plan. Carver Federal Savings Bank (the “Company” or the “Employer”) established the Plan effective October 1, 1989, and last amended the Plan on March 31, 2008. The Plan is administered by a Plan Administrator, who controls and manages the operations of the Plan. The Plan Administrator is Carver Federal Savings Bank, and the Plan’s operations are overseen by an Employee Benefits Committee named by the Company whose members are also employees or officers of the Company. The Plan’s Trustee is Bank of America, N.A. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974 (“ERISA”).

(b) Eligibility

All employees of the Company are eligible to participate in the Plan, except employees who have less than three months of service, employees who are members of a union that bargained separately for retirement benefits during negotiations, non-resident aliens who received no earned income from sources within the United States, employees of an affiliate that has not adopted the Plan, leased employees, any employee classified by his or her employer as a temporary employee, and expatriates assigned to the Employer of a participating affiliate on a non-permanent basis. If the employee is not excluded from participation due to the above eligibility requirements, he or she will become eligible to participate in the Plan and receive Company matching contributions upon attaining age 21 and completing three months of service. Eligible employees may enter the plan on the first day of the calendar month next following their meeting eligibility requirements.

CARVER FEDERAL SAVINGS BANK 401(k) SAVINGS PLAN

Notes to Financial Statement
Year ended December 31, 2009
(Continued)

(c) Contributions

Each year, participants may contribute up to 50% of pre-tax annual compensation, as defined in the Plan, subject to certain Internal Revenue Code limitations. Participants may also contribute amounts representing rollover distributions from other qualified defined benefit or defined contribution plans. The Company makes a matching contribution equal to the first 4% of total compensation that a participant contributes as pre-tax contributions to the Plan. In addition, the Company may make a profit sharing discretionary contribution allocated as a percentage of participant's compensation.

(d) Participant Accounts

Individual accounts are maintained for each Plan participant. Each participant's account is credited with the participant's contribution and allocations of: (a) the Company's contribution, and (b) Plan earnings, and is charged with withdrawals, administrative expenses and an allocation of Plan losses. Allocations are based on participant earnings or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

(e) Investments

Participants direct the investment of their contributions and Company matching contributions, among mutual fund and other investment options as offered by the Plan.

(f) Vesting

Participants are immediately 100% vested in their contributions, including "rollovers", and the Company's matching contribution, plus actual earnings thereon. Participants are vested in the Company's profit sharing contributions, plus actual earnings thereon evenly over a five year vesting period (20% after one year, 40% after two years, 60% after three years, 80% after four years and 100% after five years).

During the year ended December 31, 2009, \$39,677 forfeited non-vested account balances were used to reduce employer contributions. There were \$52,776 and \$27,195 of forfeited non-vested balances as of December 31, 2008 and 2009, respectively.

CARVER FEDERAL SAVINGS BANK 401(k) SAVINGS PLAN

Notes to Financial Statement
Year ended December 31, 2009
(Continued)

(g) Participant Loans

Participants may borrow from their fund accounts. Such participant loans must be a minimum of \$1,000 and may increase up to a maximum of \$50,000 reduced by the highest outstanding loan balance during the previous 12 months, or 50% of their vested account balance. The loans are secured by the balance in the participant's account and bear interest at rates commensurate with local prevailing rates as determined quarterly by the plan administrator. Principal and interest are paid ratably through payroll deductions.

(h) Payment of Benefits

Upon termination of service, a participant may elect to receive a lump-sum amount equal to the value of the participant's vested interest in his or her account.

2. Summary of Significant Accounting Policies

(a) Basis of Accounting

The accompanying financial statements have been prepared on the accrual basis of accounting.

(b) Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires Plan management to make estimates and assumptions that affect the reported amounts of assets, liabilities, and changes therein. Actual results could differ from those estimates.