

Annual Report 2007

May 28, 2008

UHS Employees'
Federal Credit Union

607.763.6565

www.uhsefcu.org

Dollars & Dreams

A Newsletter for Members of
UHS Employees' Federal Credit Union

Who's Who At Your CU

Jack Ewald (WMC)
Chief Executive Officer

Karen Thurber (BGH)
Assistant Manager/
Senior Loan Officer

Michelle Linville (WMC)
Operations Specialist

Colleen Collins (BGH)
Loan Officer

Carolyn Kolba (WMC)
Member Service Rep.

Debbie Weil (WMC/BGH)
Teller

Jennifer Brant (BGH/WMC)
Teller

Nicole Flint (WMC/BGH)
Teller

**You can reach any of
your Credit Union Staff
by calling 763.6565.**

Scholarship Winner!!

Congratulations to Jenna Goldsmith, winner of our Annual Credit Union Scholarship! Jenna takes home the Grand Prize, a \$2000 ZERO PERCENT student loan! We wish Jenna all the best as she graduates from Binghamton High School and pursues her interest in architecture in the fall at SUNY Buffalo!

For Every Graduate!

Your Credit Union has gift cards...
...available year round!

Direct Deposit

The Safe & Easy way to simplify your life!
Reliable * Convenient * Secure
It's Easy! Fill out a payroll form at your
Credit Union office today!

Free Checking!!!

100s of Surcharge-Free ATM's
No Monthly Fee
No Fee Debit Card
Overdraft Line of Credit Available

Free Home Banking!

Internet-Banking and Telephone Banking
Check balances and make transfers between
your accounts 24 hours a day
www.uhsefcu.org/ebanking.htm

President's Report

We're celebrating another year full of great challenges and even greater accomplishments that have left our Credit Union another year stronger and another year more responsive to all of our Members. Your continued support, feedback, and active participation fuel our continued growth and allow us to return value to you as Member-Owners.



Membership continued to grow steadily in 2007, from 3,401 Members to 3,451 by year-end. Usage of services also continued to grow, with checking accounts increasing from 724 to 838 in 2007, and continuing to 848 by the end of first-quarter 2008. We continue to see similar increases in the number of debit cards and card usage, which were made an even better value for Members in '07-'08 with the addition of over 1,600 additional surcharge-free ATMs within the Southern Tier and throughout the northeast. A few other product highlights included reducing the price of our hugely successful VISA Gift Cards as we entered the 2007 holiday season, making images of your checks available to you for free online, and adding a 90-day certificate of deposit to increase your investment options. We've also seen many more Members taking advantage of our, "Keep it in the Family" certificate pricing that was introduced a few years ago to earn even higher interest rates when they do the majority of their business with their Credit Union.

As a Member you're not just a customer, you're also a shareholder. We are proud to assure you that we have accomplished product and service growth while maintaining a positive bottom line and a strong financial position that will allow us to continue to reinvest in our Membership throughout 2008 and beyond. Furthermore, the National Credit Union Administration (NCUA) renewed their favorable rating of our Credit Union for overall safety and soundness.

Credit Union energy and philosophy hasn't just been active in products and services this past year. We have continued to play a responsible role throughout our UHS community, and our larger Twin Tier community. In addition to continued support of the United Health Services Foundation, your Credit Union fielded teams for the Heart Walk and the Breast Cancer Walk, joining the United Health Services family in raising funds to fight these diseases. The Credit Unions Care for Kids (C4K) campaign has also continued to be strongly supported by a huge number of our Members, allowing us to work with our neighboring Credit Unions to collectively distribute thousands of dollars each year to local children's charities, including various local chapters of the Boys & Girls Club, Chow, the Danielle House, a CPEP pediatric need, Mom's House, the Family & Children's Society, and dozens more! Additionally, our UHS Giving Tree became a tradition in 2007, going up for the second time in both Credit Union offices during the holiday season. The Giving tree again allowed UHS people to help their own who needed a hand during the holiday season. The Credit Union also continues to be mindful of Members who are ordered to active military service during the holidays, or any time of year, maintaining lending policies that are even more responsive to the special needs of those Members than the law requires.

Your Credit Union again closed on September 11th to remember the tragedy of that anniversary and the heroic volunteerism of that same day. Our entire staff joined our larger community in volunteerism on the sixth annual "Day of Caring" to honor the memory of those who survived, and those who will be missed, but never forgotten.

At last year's Annual Meeting I promised not just innovation, but also the renovation of our Wilson branch. I'm glad to say that we have delivered on that promise and our staff and volunteers continue to hear great feedback about our continued on back

Elect Your Board...

Annual Elections, May 28, 2008 Cafeteria Conference Room, Wilson Hospital

Your Credit Union's 2008 Annual Meeting is to be held on Wednesday, May 28th, at 3:00pm. A light dinner will be served. At the Annual Meeting, three seats will be up for election to our Board of Directors. Listed below are the two Credit Union Members running for these seats. Please come show your support and learn more about your Credit Union.

Dianna Craig (re-election)

Dianna has worked for United Health Services Hospitals for 33 years, and has served on the Credit Union's Board of Directors for the past 3 years. Dianna expects to draw on her years of experience in both roles to continue advocating for all Credit Union Members.

Rosalie Shaver (election)

Rosalie has been a Credit Union Member for 30 years, and worked for United Health Services for more than 31 years, currently serving as Unit Secretary of the Sandiford Rehabilitation Center on K-4 at Binghamton General Hospital. In addition, Rosalie works with an autistic child through Springbrook in Oneonta, NY. Rosalie currently volunteers as an ombudsman for long term care patients in New York State, and when off-duty also enjoys her time as a master gardener intern at Broome County Cooperative Extension. As a Director, Rosalie plans to make decisions based on her long experience as a Credit Union Member and her daily interaction with so many of our United Health Services caregivers.

President's Report

continued

improvements in confidentiality, convenience, and capacity at our Wilson branch. Thank you for your patience during construction, and a Big Thank You to our Credit Union staff for making this improvement happen.

Though we have a great many resources dedicated to Member service, none are more important than our Credit Union Team, composed of our hardworking Credit Union staff, and our dedicated volunteer leaders serving on our Board of Directors and on important volunteer committees (e-mail john_ewald@uhs.org for more information about volunteer leadership!!). Our Board of Directors continues to invest the lions-share of our operating budget into supporting our Credit Union Team, including strengthened investment in professional development training so they can keep our operations evolving to be ever more efficient and Member-centric. We have also added four new and energetic staff members to our Team in 2007-2008 and they have quickly shown themselves to be Credit Union people with Credit Union passion. We look forward to their continued passionate service to our Members for many years to come!

As I will be leaving the Board of Directors following this year's Annual Meeting, I want to express my sincere thanks and appreciation to all Credit Union Members, volunteer directors, volunteer committee chairs and committee members, and our wonderful Credit Union staff for their continued support and assistance over the nine years that I have had the opportunity to serve on the Credit Union Board of Directors. These people are dedicated, committed, and caring individuals who willingly give of their time day after day, year after year. They made my job a lot easier. Thank you for everything you have done and will continue to do, and for affording me the opportunity to be part of such a dynamic group of volunteer leaders. I will miss each and every one of you, and I wish you and our Credit Union continued success.

Respectfully submitted,
María C. Tinklepaugh
Chair, Board of Directors

Statement of Condition (unaudited)

Balance Sheet

Years	2006	2007
Loans to Members (net)	\$6,116,557	\$6,734,884
Cash & Investments	\$2,310,762	\$1,778,656
Furniture & Equipment	\$8,747	\$0
Other Assets	\$89,058	\$96,113
Total Assets	\$8,525,125	\$8,609,653

Accrued Dividends Payable	\$0	\$0
Accts Payable & Other Liab.	\$45,264	\$49,732
Total Liabilities	\$45,264	\$49,732

Shares & Share Drafts	\$6,321,555	\$6,250,368
Certificates of Deposit	\$685,165	\$766,405
Total Shares & Deposits	\$7,006,719	\$7,016,773

Reserves	\$195,189	\$195,189
Undivided Earnings	\$1,280,884	\$1,347,959
Unrealized Gains(Losses)	(\$2,932)	\$0
Total Equity	\$1,473,141	\$1,543,148

Income Statement

Years	2006	2007
Interest on Loans	\$443,202	\$487,777
Interest on Investments	\$83,351	\$104,259
Other Revenue	\$85,582	\$128,724
Total Revenue	\$612,135	\$720,760

Employee Comp & Benefits	\$285,629	\$296,514
Employee & Director Training	\$4,678	\$9,407
Office Operations Expense	\$109,988	\$154,076
Member Ed. & Promotion	\$7,571	\$5,974
Loan Servicing Expense	\$19,995	\$23,629
Professional & Outside Svcs.	\$13,971	\$12,941
Federal Operating Fees	\$2,190	\$1,660
Misc. Operating Expense	\$8,204	\$8,636
Total Non-Interest Expense	\$452,226	\$509,837

Dividends paid to Members	\$126,019	\$142,023
Interest on Borrowed Money	\$1,064	\$1,825
Provision for Loan Loss	\$25,000	\$0
Total Paid to Members	\$151,019	\$142,023

Net Income (Loss)	\$7,827	\$67,075
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More Fun Facts

Membership	3,401	3,451
Loan/Share Ratio	88%	96%

Protect Your Identity

- Do not give out financial information.
- Report lost or stolen checks and debit/credit cards immediately.
 - Lost Credit Union Debit Card?
Call 24/7: 1.800.543.5073
- Closely guard PIN numbers and ATM receipts
- Shred financial solicitations

You can get a free copy of your credit report every year at www.annualcreditreport.com or by calling 1.877.322.8228. This is the ONLY official way to get your free annual credit report with no strings attached.