

REACH. CONNECT. SUCCEED.



# 2014 ANNUAL REPORT TO SHAREHOLDERS

  
SHARED BRANCHING SOLUTIONS  
[WWW.UNIVERSALSHARING.COM](http://WWW.UNIVERSALSHARING.COM)

In 2014, Universal Sharing Network, Inc. (UsNet) helped credit unions extend their *reach, connect* with members and *succeed* in their mission. By partnering with UsNet, credit unions benefited from network and transaction growth, valuable financial offerings, and excellent support and service.

**NETWORK GROWTH**

Network growth is a continued priority for UsNet, as every CO-OP Shared Branch location represents valuable benefits for participating credit unions and their members. In 2014, UsNet welcomed two more credit unions to the network and facilitated the addition of 15 new CO-OP Shared Branches. As a result of this growth, the UsNet network now includes 212 CO-OP Shared Branches.

With 57 New York credit unions and one Massachusetts credit union currently participating in the network, UsNet is on target to exceed its goal of adding eight new CO-OP Shared Branches in 2015.

This success is an exciting reflection of the shared branching growth occurring nationally. Currently, more than 1,700 credit unions are collectively (and cooperatively) operating more than 5,000 CO-OP Shared Branches in all 50 states, Puerto Rico, Guam and five foreign countries.

**TRANSACTION GROWTH**

Credit unions participating in UsNet increased their shared branching transactions at UsNet locations by 3.4 percent, continuing a positive, multi-year growth trend.

**MEMBER USAGE**

Members of participating UsNet credit unions made more than 1.3 million visits to CO-OP Shared Branches nationwide, taking advantage of the network’s reach and benefits while staying connected with their credit unions.

**PARTICIPANT BENEFITS**

The past year reaffirmed that shared branching is good for business. Participating credit unions benefited from transaction growth, increased competitiveness and greater member loyalty. UsNet brought even more value to the network by providing the following financial benefits:

- For the sixth consecutive year, UsNet shareholders received dividends.
- For the sixth consecutive year, participating credit unions received a rebate based on network volume. This rebate reduced participation costs by \$190,354.
- Credit unions joining the network received \$3,450 in incentives, helping defray network start-up costs.

**PARTICIPANT SATISFACTION**

Member service is what drives shared branching...and it’s what drives UsNet, as well. In 2014, participating credit unions turned to UsNet for technical support, quality assurance, demographic analyses and marketing support. At year-end, UsNet achieved a 95 percent overall satisfaction level among participating credit unions.

*Motivated by the successes of 2014, UsNet looks forward to helping even more credit unions “reach, connect and succeed” in the years to come.*

**MEMBER VERIFICATION VOLUME TREND**



Usage of UsNet’s shared service center network by New York credit unions continues to experience growth. In 2014, the number of member verifications grew 3.4 percent over 2013.

UsNet's financial statements are subject to an independent audit on an annual basis. Bonadio & Co., LLP, Certified Public Accountants performed the audit of UsNet's financial statements as of and for the year ended December 31, 2014. In conjunction with their audit, the firm rendered an unqualified opinion stating that the financial statements presented fairly, in all material respects, the financial position and results of operations in conformity with accounting principles generally accepted in the United States of America. In order to receive a full copy of the audit report, please contact UsNet's Chief Financial Officer.

## BALANCE SHEETS

	December 31,	
	2014	2013
<b>ASSETS</b>		
Current Assets		
Cash and Cash Equivalents	\$ 280,812	\$ 283,803
Investments	1,240,000	1,138,000
Other Current Assets	126,516	134,777
Total Current Assets	1,647,328	1,556,580
Investments – Long-Term	2,175,000	2,157,000
Total Assets	\$ 3,822,328	\$ 3,713,580
<b>LIABILITIES &amp; STOCKHOLDERS' EQUITY</b>		
<i>Liabilities</i>		
Accounts Payable & Accrued Expenses	\$ 254,653	\$ 227,647
<i>Stockholders' Equity</i>		
Common Stock, Class A, no par value, 250 shares authorized, 98 shares issued and outstanding	2,450,000	2,450,000
Additional Paid in Capital	764,208	764,208
Common Stock, Class B, no par value, 20 shares authorized, 10 shares issued and outstanding	250,000	250,000
Total Common Stock	3,464,208	3,464,208
Retained Earnings	103,467	21,725
Total Stockholders' Equity	3,567,675	3,485,933
Total Liabilities & Stockholders' Equity	\$ 3,822,328	\$ 3,713,580

## INCOME STATEMENTS

	Years Ended December 31,	
	2014	2013
<i>Revenues</i>		
Service Fee Income	\$ 771,010	\$ 725,123
Interest Income	25,493	27,770
Total Revenue	796,503	752,893
<i>Expenses</i>		
Operating Expenses	440,312	419,547
Credit Union Rebates	190,354	169,578
Credit Union Opportunity Pool/ Incentives	3,450	41,411
Total Expenses	634,116	630,536
Income from Operations	162,387	122,357
Provision for Income Tax Expense	53,645	35,945
<i>Net Income</i>	\$ 108,742	\$ 86,412

UsNet is guided and supported by an exceptional group of board members and managers. These individuals embody the leadership, service and vision that make the credit union movement so powerful, and their efforts in 2014 are greatly appreciated!

### BOARD OF DIRECTORS

Mark Pfisterer, *Chairman*  
Donald Denofio, *Vice Chairman*  
Christine Peters, *Treasurer*  
Nancy Kasprzak-Whitmore, *Secretary*  
James Doig  
Thomas A. Fallon  
Robert Hoppenstedt  
William J. Mellin  
Robert Nemeroff  
Eileen Nolan  
Bruno Sementilli  
John Tucker

### MANAGEMENT

William J. Mellin, *President*  
William Bywater, *Vice President*  
Edward Kovalefsky, *Chief Business Officer*  
Kristina Oliver, *Chief Financial Officer*

### MISSION STATEMENT

Universal Sharing Network, Inc. (UsNet) is a competitive provider of financial network services with local connections to regional, national and international locations. We strive to increase network participation to meet the ongoing needs of credit unions and their members by offering the value of person-to-person branch convenience. UsNet embodies the cooperative spirit that unites the credit union movement and forms the foundation of the network.