

# 2007

## 2007 in Review: A Year of Achievement

July 2008

By Robert O. Witty  
President/CEO  
&  
Susan Schattschneider  
Acting Board Chair

This year our annual meeting was held in July. It is the time we look back on the previous fiscal year, evaluate how we performed, and take special note of our major accomplishments.

We're proud to report, 2007 was the most successful year in our history. We set records in loan growth, deposit growth, asset growth, dividends paid to members and net earnings.

The Credit Union closed the year with over \$309 million in total loans, up nearly \$50 million or 19% over 2006. In addition, shares (or total deposits) increased by \$59 million to nearly \$403 million, and total assets grew by \$68 million to \$479 million. We ended 2007 with close to a half billion dollars in total assets, and surpassed that important milestone in early 2008. Asset growth has been phenomenal through the years. For example, it took CFCU 36 years (1953–1989) to reach \$100 million in assets, eight years (1989–1997) to surpass \$200 million and just another five years (1997–2002) to reach the \$300 million mark. In the past five years (2002–2007), total assets have grown another \$200 million to over a half billion.

With low rates, no closing cost options and an in-house closing department; CFCU also closed nearly \$90 million in residential mortgages during 2007. We remained the #1 residential mortgage lender in Tompkins County and take great pride in making the dream of home ownership a reality for many of our 56,000 members.

Over the years, we've worked hard to cultivate a sound and stable position for the Credit Union. In fact, risk management is an area that continues to set us apart from other financial institutions. Although we are steadily growing, we continue to be well capitalized with good loan quality.

Our loan delinquency remained extremely low at .23%, down again from a low .32% in 2006. This is attributable to sound underwriting standards and a strong asset recovery department. It's important to note, we have not participated in any sub-prime mortgage lending. In addition, CFCU has not made any investments in sub-prime mortgage instruments such as structured investment vehicles (SIV) or collateralized debt obligations (CDO), so we have not been negatively impacted like other institutions around the country.

On the income side, we had our sixth consecutive record-breaking year with net earnings of \$7.5 million in 2007. The Credit Union paid out nearly \$8.5 million in dividends, an increase of 48% over 2006. Perhaps even more remarkable, dividends paid to members were up over 110% over the past two years.

Whether it's improving convenience through the addition of new locations, such as our new Port Watson Street branch (opened in Cortland in early 2007), or new ATMs; continuing to offer unbeatable rates for members who borrow or save; or consumer-friendly pricing across the board; CFCU is among the top credit unions in the nation. And we plan to keep it that way!

For us, success boils down to having good people, offering impeccable member service, delivering the right financial solutions, and managing risk and costs effectively so we can continue to offer unbeatable value. As a credit union operated solely for your benefit, our primary goal is to provide you with more for your money. And when you consider the whole package...the wide array of products, the special services, the convenience and value, we think you'll agree, there is no better place to bank! With your continued support, and the hard work and dedication of our board, staff and management, this institution is more than ready for any challenge or opportunity ahead!

You can review our 2007 Annual Report in detail at [www.mycfcu.com](http://www.mycfcu.com), or pick up a copy at our Administrative Offices, 1030 Craft Road.



**Robert O. Witty**  
President/CEO



**Susan Schattschneider**  
Acting Board Chair

## Summertime and the loans are easy!

Our "Crazy Low" loan rates continue—Perfect for that summertime project or purchase. Borrow the money you need for just about any purpose at affordable rates and terms. And it's super easy to apply with CFCU's loan online at [www.mycfcu.com](http://www.mycfcu.com). You can also apply at any branch or by calling 607-257-8500.

### 5.95% APR\* **Second Chance Mortgages**

10 or 15 years, no closing costs

No Closing Costs—Purchase Mortgages also available at market interest rate

### 5.75% APR\*\* **Home Equity Loans**

Up to 60 months, no closing costs, \$5,000 minimum

### 5.75% APR† **Auto Loans**

Up to 60 months on 2005 and newer vehicles

\*Second Chance Mortgage — APR = Annual Percentage Rate. Rates subject to change without notice. To earn the special rate, you must have or open a Premiere Checking account with autopay. Rate without Premiere Checking is market interest rate. No closing costs with 3-year recapture, 80% maximum loan-to-value, \$500 application fee refunded at closing, owner occupied only. Payment per \$1,000 at 5.75% for 180 months = \$8.30. No refinances of CFCU loans allowed. Manufactured homes may be approved by exception only.

\*\*Home Equity — APR = Annual Percentage Rate. Rates subject to change without notice. To earn the special rate, you must have or open a Premiere Checking account with autopay. No closing costs with 3-year recapture, 85% maximum loan-to-value, owner occupied only. Payment per \$1,000 at 5.75% for 60 months = \$20.93. No refinances of CFCU loans allowed.

†Auto — APR = Annual Percentage Rate. Rates subject to change without notice. To earn the special rate, you must have or open a Premiere Checking account with autopay. Applies to new fixed-rate auto loans with autopay. Payment per \$1,000 at 5.75% for 60 months = \$20.93. 100% loan-to-value. No refinances of CFCU loans allowed.

The Credit Union reviews every loan application to ensure fairness and compliance to CFCU policy.

Equal Opportunity Lender



## Smart Borrowing — A closer look at Home Equity Loans

Too many people these days are using home equity like an ATM machine. They figure, why wait to buy that big screen TV or take that dream vacation, when we have all that equity just sitting there? Even worse—some consumers are actually using home equity lines of credit to pay for essentials such as filling up their gas tank or purchasing consumable goods in these tougher economic times.

Unfortunately this has led to a number of homeowners maxing out on their home equity borrowing. According to the Federal Reserve, American homeowners owe more today than they own for the first time since these statistics have been measured (1945). Homeowners' total equity has slipped to 47.9% by year-end 2007, compared with 62% at the end of 1990.

But, if you're not maxed out and you use it properly, a home equity loan can be one of the smartest ways to borrow. For example, experts suggest you focus on investment rather than consumption when considering this type of financing. In other words, use home equity for home improvements, financing a business or your children's education. These are investments with long-term tangible benefits and payback. On the other hand, financing a vacation, that plasma TV or consumable goods with home equity provides no payback and can get you into trouble if you don't have good money management habits.

Consolidating higher-interest debt can be another wise use for home equity. Most credit card debt is at 20% plus, so carrying balances on multiple cards can cost you big bucks. Home equity loans typically feature more reasonable rates. Plus the interest is tax deductible if you itemize (consult your tax advisor for details). If you're using home equity to consolidate consumer debt, keep the loan term to five years or less. Otherwise, you could end up paying more interest overall, which could defeat the purpose.

If in doubt whether a home equity loan or line of credit is right for you, give CFCU a call. Not only can we make sure you're getting the right loan for your financing needs, but our rates and terms are often the best in town. For more information, call 607-257-8500, or visit any branch.



## NEW LOOK!

Website features improved navigation and appearance!

CFCU's web site has been redesigned with many enhancements including access to more content from the home page with fewer clicks and improved navigation throughout. Big, bulky images have been removed so pages download more quickly and the site appears less cluttered so information can be processed more effectively. We hope you'll find the new [mycfcu.com](http://mycfcu.com) helpful.

*Anytime is the right time!*

**To transfer higher rate credit card balances to CFCU!**

**9.79%** APR\*

Visa Balance Transfer Program

Save right now with CFCU's low Visa Balance Transfer offer, just 9.79% APR\* for the life of the transfer! Just call 607-257-8500, log onto [www.mycfcu.com](http://www.mycfcu.com) or visit any branch for more information and a balance transfer application.

\*APR = Annual Percentage Rate. 9.79% Annual Percentage Rate is good for the life of the transfer from another credit card only. Balance transfers will be treated as cash advances according to the terms set forth in the CFCU VISA Credit Card Agreement. All other terms of the CFCU VISA Agreement continue to apply.

## Congratulations CFCU Scholarship Recipients!



(front row, l. to r.) Amy LaLonde, Laura Fiorille, Bailey Reagan, Andrea Yonge, and Cady Fontana; (second row, l. to r.) Charlsie Rose Donnelly, Miriam Komor Tohill, and Rachel Pisa; (back row, l. to r.) Arthur Bakert, CFCU Scholarship Committee Member, Robert O. Witty, CFCU President and CEO, Matthew Gibbons, Patrick Hunter, John (Jack) Spallone III, Stephen Rugg, Tyler Stiles, and David Grusenmeyer, Chair of the Scholarship Committee; absent from photo — Meredith Collins and Kaiya Namaste-Bercow

The Credit Union's student scholarship program is a fitting tribute to our first General Manager, Richard V.V. Stringham. Dick dedicated his life to serving the membership of CFCU and thought of the Credit Union as his second family.

To honor him, the Richard V.V. Stringham Scholarship was established in 1991 in recognition of his life-long commitment to education. We're proud to announce this year's recipients. Fifteen, \$1,000 scholarships were awarded to area students preparing to enter college next fall. Recipients were chosen based on their academic achievement, extracurricular and community involvement, letters of recommendation, completion of an essay and financial need.

We salute their hard work and dedication. All demonstrated perseverance and a commitment to excellence. They are notable for their leadership skills and dedication to community service.

For more information on the Richard V.V. Stringham Scholarship Program, including how to apply for next year's awards, give us a call or visit us online.

### Congratulations:

**Meredith Collins**, Charles O. Dickerson High School, Trumansburg  
**Charlsie Rose Donnelly**, Spencer-Van Etten High School  
**Laura Fiorille**, Lansing High School  
**Cady Fontana**, Ithaca High School  
**Matthew Gibbons**, Dryden High School  
**Patrick Hunter**, Newfield High School  
**Amy LaLonde**, Dryden High School  
**Kaiya Namaste-Bercow**, Ithaca High School  
**Rachel Pisa**, Cortland Jr./Sr. High School  
**Bailey Reagan**, Cortland Jr./Sr. High School  
**Stephen Rugg**, Dryden High School  
**John (Jack) Spallone III**, Cortland Jr./Sr. High School  
**Tyler Stiles**, McGraw High School  
**Miriam Komor Tohill**, Ithaca High School  
**Andrea Yonge**, Ithaca High School

## Introducing our Employee of the Quarter 2nd Quarter 2008



### Patrick Blauvelt

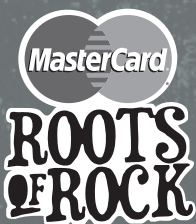
In this age of computers and electronic data storage and access, our entire organization relies heavily on information technology for smooth operation. So the expectations on our IT department are great. IT Specialist, Patrick Blauvelt meets those challenges every day with technical expertise, problem-solving skills, and a friendly, can-do attitude. He always seems to come through, whether it's performing a routine task or rolling up his sleeves to tackle that big, unexpected project. "No matter how big or small, I can call Patrick and he fixes the problem in a matter of minutes," commented one staff member. Raves another, "He's always eager to help and solve problems." And when the frustrations of human verses computer reach the boiling point, he becomes a patient and willing instructor. "Patrick is very helpful and understanding when you have a question about your computer," said a coworker. "He will show you what he is doing and give you time to take notes so you can do it yourself next time." "He never hesitates to help out when asked," reports another. "Patrick is a team player." Congratulations on this well-deserved recognition. And thanks for all you do for the Credit Union!

SEEING YOUR FAVORITE ARTIST PERFORM UP CLOSE. \$0  
GETTING BACK TO WHERE IT ALL BEGAN. PRICELESS



# YOU COULD WIN A PRICELESS ROOTS OF ROCK CONCERT EXPERIENCE

Sign when using your CFCU Debit MasterCard® card between July 1 and August 31, 2008, and you'll be automatically entered for a chance to win a dream concert with the artist of your choice. Travel to the place where it all began and get a personal tour of your artist's musical roots.



TO GET FREE DOWNLOADS, EXCLUSIVE CONTENT &  
SPECIAL OFFERS, VISIT [PRICELESS.COM/ROOTS](http://PRICELESS.COM/ROOTS)

\*NO PURCHASE NECESSARY. Void where prohibited. PIN-based & international transactions ineligible. Starts 7/1/08. Ends 8/31/08. Restrictions apply. See Official Rules & complete details. ©2008 MasterCard. All Rights Reserved. Eric Clapton photo courtesy of Dove Allocca - Crossroads Concerts LLC

**Official Rules ("Rules"). No Text or Purchase Necessary to Enter/WIN. PIN-Based & International Transactions Ineligible. Texting or Purchasing Will Not Increase Odds of Winning.** All entries (via a MasterCard® card, online, text ("txt") message, or mail) have an equal chance of winning. MasterCard use includes purchases initiated by MasterCard cards & MasterCard products/devices (i.e. PayPass) directly linked to MasterCard customer financial institution ("FI") accounts. **Eligibility:** Open to legal residents of 50 US or DC, 18 or older as of 7/1/08, except employees & their immediate families (spouses, parents, children, & siblings & their respective spouses) & those living in same household of each of MasterCard International Incorporated ("Sponsor"), MasterCard FIs, Jon Bon Jovi, Kenny Chesney, & Eric Clapton (collectively, "Participating Artists"), Project Support Team, Inc. ("P/S/T"), & each of their respective parent companies, affiliates, distributors, subsidiaries, & advertising/promotion agencies (collectively, "Released Parties", including but not limited to, Participating Artists). Subject to applicable federal, state, & local laws & regulations. Void where prohibited. **To Enter:** Begins 7/1/08, 12:00:01AM Central Time ("CT") & ends 8/31/08, 11:59:59PM CT ("Promo Period"). 1) **Online:** Visit [www.priceless.com](http://www.priceless.com) & fully complete/submit entry form during Promo Period per instructions to receive (1) entry. **Limit (1) online entry per person, despite number of email addresses used, during each Promo Period day (day is the 24-hour period beginning 12:00:01AM CT & ending 11:59:59PM CT). Additional ("add'l") online entries received ("rec'd") from any person or email address thereafter will be void.** Entry awarded to person named on applicable entry form (regardless of authorized account holder of email from which entry was submitted). Use of automated entry devices prohibited. 2) **Standard txt Message During Promo Period:** Using a txt messaging capable device from a participating carrier, bt Keyword featured in promotional materials or bt MUSIC ("Keyword") to MCRCKOS ("Short Code"). After sending bt message Keyword to Short Code, receive bt message reply confirming entry. Sweepstakes bt message alerts from Sponsor may be sent after entry. Opt-out from receiving alerts any time by responding "end", "stop", "unsubscribe", "cancel" or "quit" to any alerts. **Standard bt messaging rates apply. Wireless service providers ("provider") may charge for each standard bt message sent & rec'd. Call provider for pricing & service plan before entry. Limit (1) bt Message entry per person, despite number of wireless phone numbers used, during each Promo Period day as defined above. Add'l bt entries rec'd from any person or wireless phone number thereafter will be void.** Entry awarded to authorized account holder assigned to the wireless phone number used to enter. Proof of being the authorized account holder may be required by Sponsor. 3) **MasterCard Automatic Entry/Via Purchase During Promo Period:** a) Receive (1) entry per US based MasterCard purchase; b) Receive (1) add'l entry per US based PayPass tap purchase. For PayPass enabled merchants, visit [www.mastercard.com/paypassmerchants](http://www.mastercard.com/paypassmerchants). **MasterCard purchase-based entries unlimited during Promo Period.** If a winner is from purchase, prize will be awarded to primary account holder (per FIs records) named on account accessed for entry & if a corporate card is selected, prize will be awarded to person named on card used for entry (per FIs records). Account adjustment transactions/returns, PIN-based & international transactions, late payment fees, over-limit or over-draft fees, return check fees, check re-order fees, cash advances, annual fees, balance transfers &/or other fees assessed on account ineligible. Entries via unauthorized, lost, stolen, or fraudulent MasterCard cards are void. Only purchases via MasterCard cards in good standing (at entry & winner selection) & issued by US based FIs to identifiable users & that are processed/submitted via Sponsor's US processing system during Promo Period eligible. 4) **Mail:** Enter without txt or purchase & receive (2) entries. Hand print name, complete mailing address, phone, age, & MasterCard Roots of Rock Sweepstakes "on a 3" x 5" paper & mail in a sealed, stamped & hand printed #10 envelope to: Roots of Rock, P.O. Box 14079, Bridgeport, CT 06673-4079. **Mail entry unlimited, but each entry must be mailed separately & rec'd by 9/8/08.** Photocopied, computer generated facsimiles, mechanically reproduced, & mess entries void. Entry via purchase, online, bt message, &/or mail-in is consent to participate & for Sponsor to obtain, use, & transfer your name, address & other details for administration purposes. Released Parties are not responsible for lost, incomplete, illegible, late, misdirected, stolen, postage-due, or mutilated entries, mail, bt messages, or email messages; garbled, lost, misrouted or scrambled transmissions; any error, omission, interruption, defect or delay in transmission or communication, 3<sup>rd</sup> party transaction classification, transaction, entry or bt message processing, or communication; technical or mechanical malfunctions; failures or malfunctions of phones (including cell phones/handsets), phone lines, cell towers, phone systems, wireless service, or other communication malfunctions; interrupted or unavailable network, server or other connections; online traffic congestion or any technical problem, including any injury/damage to any cell phone/handset &/or computer, related to/because of participation; errors in Rules, promotional ads or other materials; human processing error; failures of electronic equipment, computer hardware or software, cell phone related, or otherwise; or inaccurate entry information, whether caused by equipment, Sweepstakes programming, human error, or otherwise. Sponsor can void entries of entrants who attempt to tamper with or impair Sweepstakes administration, security, fairness, or proper play. **(5) Roots of Rock Prizes:** A total of (5) prizes will be awarded, each including winner's choice of (1) trip Option for winner & up to (3) guests with total trip expenses not to exceed \$15,000. Each 5-day/4-night trip includes round-trip coach air transportation from major US airport nearest winner's residence, (2) standard double occupancy hotel accommodations, ground transportation to/from airport, applicable hotel & select activities determined by Sponsor, a meet-&-greet with applicable artist, a guided tour of concert venue & host city, (4) tickets to selected concert, & \$4,000 spending money which may be used to help offset taxes. **(Prize 1)** Kenny Chesney in Tennessee, (Prize 2) Jon Bon Jovi in New Jersey, or (Prize 3) Eric Clapton in London, England (Maximum Approximate Retail Value "ARV" of each Option=\$15,000). Actual prize value will vary per trip selected & final travel itinerary. Sponsor can provide ground transportation in lieu of air transportation. Trip must be taken on dates specified by Sponsor for completion no later than 8/30/09. If any prize activity(s) is canceled/postponed, without limitation, artist meet-&-greet, balance of prize will be awarded in full satisfaction of prize award. Exact nature & duration of artists' participation at Sponsor's discretion. Travel & hotel accommodation restrictions apply. Minor guests (if any) must be accompanied by a parent or legal guardian & each winner & their guests must: 1) travel on same itinerary; 2) have valid passports/visas (if required) & all other required documentation prior to departure & are responsible for obtaining such travel documents; 3) comply with all venue rules & regulations; 4) present valid government issued photo ID for concert admission & 5) if requested, wear apparel directed by Sponsor at concert. Concert tickets subject to terms & conditions set forth therein. Winner & guests may not wear, or otherwise display, the corporate or commercial ID of any 3<sup>rd</sup> party at concert without Sponsor's approval. No food, drink, coats, cameras, camera phones or recording devices allowed in applicable venue & venue reserves right to hold & remove any camera or recording device for return after concert. Prize details not set forth herein at Sponsor's sole discretion. **Total Maximum ARV of all prizes=\$75,000.** Federal, state, & local taxes & all other expenses not specified herein are winners' sole responsibility. **Winner Selection:** The (5) winners will be selected in a random drawing on or about 10/6/08 from all eligible entries rec'd by P/S/T, an independent judging organization whose decisions are final & binding in all Sweepstakes matters. Winners will be notified by P/S/T by cell phone, phone &/or mail. If prize award conflicts with corporate policy or is not feasible after Sponsor's good faith effort to receive contact details from applicable FI or provider, prize will be forfeited & an alternate winner may be selected. Odds of winning will depend on the number of eligible entries rec'd. Limit (1) prize per person, family, or household. **Miscellaneous:** No transfer, assignment, cash redemption, or prize substitution (or portion thereof) except by Sponsor due to prize unavailability, & then for a prize (or applicable portion thereof) of equal or greater value. Winners must execute & return a notarized Affidavit of Eligibility, Liability Release & (where legal) Publicity Release within (3) days of issuance of notification. Guests (if a minor, their respective parent/legal guardian) must sign & return a notarized Liability Release & (where legal) Publicity Release prior to travel document issuance. Non-compliance with the foregoing may result in disqualification & awarding of prize to an alternate winner. If any prize notification letter is returned as undeliverable or if P/S/T is unable to contact potential winner after good faith efforts, winner will be disqualified & an alternate winner may be selected. By participating, entrants agree to be bound by these Rules & agree that: 1) Released Parties & their designees & assigns have the right & permission to use (unless prohibited by law) their name, voice, city/state of residence, biographical information, photo, &/or likeness for advertising &/or trade &/or any other purpose in any media or format, online or offline, now or hereafter known without further compensation, permission, or notification; & 2) Released Parties & their designees & assigns & all of their respective officers, directors, employees, shareholders, representatives & agents shall have no liability & will be held harmless for any liability, loss, injury or death to entrant or any other person, including damage to personal or real property, due in whole or in part, directly or indirectly, by reason of prize acceptance, possession, or use or misuse (including any travel-related prize activity) or Sweepstakes participation. Sponsor can disqualify any entry & modify, terminate or suspend this Sweepstakes if virus, bugs, non-authorized human intervention, action of entrants, or other causes beyond Sponsor's reasonable control corrupt or impair Sweepstakes administration, security, fairness or proper play, & in such an event, select winners from those eligible, non-suspect entries rec'd prior to modification, termination or suspension. **Winners List:** For winners' names, send a self-addressed, stamped envelope to be rec'd by 11/7/08 to: Roots of Rock Winners, P.O. Box 13106, Bridgeport, CT 06673-3106. ©2008 MasterCard. All Rights Reserved. **Sponsor:** MasterCard International Incorporated, 2000 Purchase Street, Purchase, NY 10577. **Promoter:** Project Support Team, Inc., 6 Berkshire Blvd., Bethel, CT 06801/WWW.ProjectSupportTeam.com

You can have your name & address removed from lists of names & addresses used by Sponsor to direct mail skill contests or sweepstakes. To prohibit mailing of all skill contests or sweepstakes by Sponsor to you, send a removal request with your name & address (include the first 6 digits of your MasterCard number, if any) to: ATTN: Sweepstakes Exclusion Notification System, Global Promotions Manager, MasterCard International Incorporated, 2000 Purchase Street, Purchase, NY 10577-2509.

Additionally, if you do not wish to receive future sweepstakes mailings from CFCU Community Credit Union, please send the same information to CFCU Community Credit Union at 1030 Craft Road, Ithaca, NY 14850.

**CONSUMER DISCLOSURE: NO TXT OR PURCHASE OR PAYMENT OF ANY KIND IS NECESSARY TO ENTER OR WIN. A TXT OR PURCHASE WILL NOT INCREASE YOUR CHANCES OF WINNING.** You have not yet won. PIN-based & international transactions ineligible. Void where prohibited. (5) Grand Prizes value at \$15,000/ea. Odds of winning depend on number of eligible entries rec'd. Starts 7/1/08. Ends 8/31/08. See Rules for prize restrictions. Sponsored by MasterCard International Incorporated, 2000 Purchase Street, Purchase, NY 10577-2509.

