

Reach. Connect. Succeed.

Report to Shareholders

J U L Y 2 0 0 7



UNIVERSAL SHARING NETWORK

Building and strengthening relationships define the culture and personality of Universal Sharing Network, Inc. (UsNet). Connecting that philosophy with an ongoing commitment to fully execute the organization's business plan contributed significantly to our continued success in 2006.

Employing a flexible approach that bridges credit unions in a unique network that strives to provide convenience and service in a truly cooperative environment reinforces UsNet's values: partnership, service and personal commitment.

By adhering to these guidelines, UsNet consistently extends its strong growth trend as evidenced by the following key accomplishments:

- The opening of 16 new CU Service Centers in 2006, bringing the total number of CU Service Centers in the UsNet family at year-end to 81.
- Increased transaction volume by 6.7 percent from the previous year, meaning that more members than ever before benefited from our growing network.
- Class A stock reached 100 percent of its original value in February 2007.

UsNet's ability to generate and sustain success in these areas is directly linked to the constant support of the Board of Directors, shareholders and participating credit unions. The support of these partners has facilitated additional opportunities to expand the network and link more credit unions and members. As defined by our tagline, UsNet remains more committed than ever to *Reach. Connect. Succeed.* with every participating and prospective credit union. That motto has and always will continue to set UsNet apart.

Building Partnerships

Inherent in the development of a long-term, successful business plan is the adoption of sound practices that establish effective strategic relationships. UsNet has worked diligently to maximize its resources and abilities in order to identify opportunities and to learn and understand the needs of prospective and participating credit unions.

Several initiatives that reflect this commitment were launched during the past year, including:

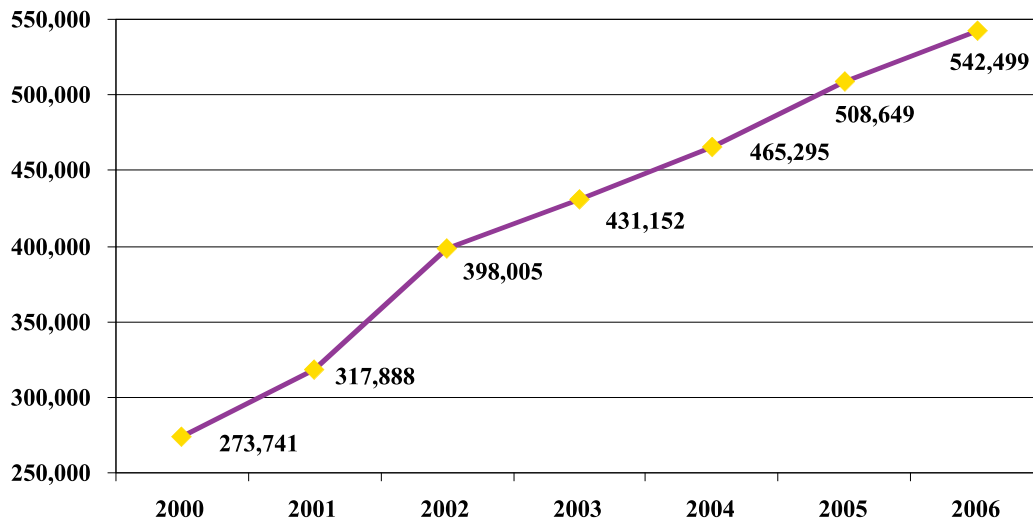
- New marketing materials with updated themes
- Shared branching newsletter, *UsNet News*
- Dedicated operations hotline

In addition to these new services and features, UsNet remained focused on existing services designed to promote credit union and member satisfaction with the network.

This is perhaps best highlighted by the Mystery Shopper program, which ensures that every CU Service Center in the UsNet family is providing consistent, efficient service in a neutral environment. Every CU Service Center is shopped at least once per quarter. In 2006, the cumulative score for all UsNet CU Service Centers was 3.91, based on a four point scoring system.



Member Verification Volume Trend



Usage of UsNet's shared service center network by New York credit unions continues to experience strong growth. In 2006, the number of member verifications grew 6% over 2005.

Network Expansion

Much of UsNet's success continues to be measured by the expansion of CU Service Centers across New York State. There are currently 45 New York credit unions participating in the network. As of June 30, 2007, these credit unions account for 85 CU Service Centers, with seven additional CU Service Centers scheduled to open later in 2007.

Network expansion has meant increased convenience for all credit union members, providing greater access to their accounts from Long Island and Tarrytown to Central New York, the Southern Tier and Rochester, and across to Buffalo and Niagara Falls.

UsNet's ongoing growth in 2006 was highlighted by the addition of new CU Service Centers throughout the state, further strengthening the network. Additional CU Service Centers have helped to create more opportunities to expand the network on a broader basis than ever before.

The continued growth and expansion of UsNet in New York State has mirrored national growth in shared

branching. More than 1,200 credit unions participate in shared branching nationwide and operate more than 2,600 CU Service Centers in 46 states. UsNet remains committed to the vision of increasing member convenience via CU Service Centers as consistent growth and expansion have provided even more credit unions with an opportunity to extend their service range.

Guiding Principles

Adhering to the principles of service, partnership and personal commitment, coupled with an ongoing commitment to achieve success are marks of excellence that define UsNet from a management, Board, shareholder and participant perspective.

With this level of commitment and determination, UsNet continues to strategically position itself to build upon its successes as we move forward together, committed to further strengthen the network and exceed expectations. ■

UsNet's financial statements are subject to an independent audit on an annual basis by the certified public accounting firm of Cusack & Company, Certified Public Accountants LLC. In conjunction with their audit as of and for the year ended December 31, 2006, 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 Operating Officer

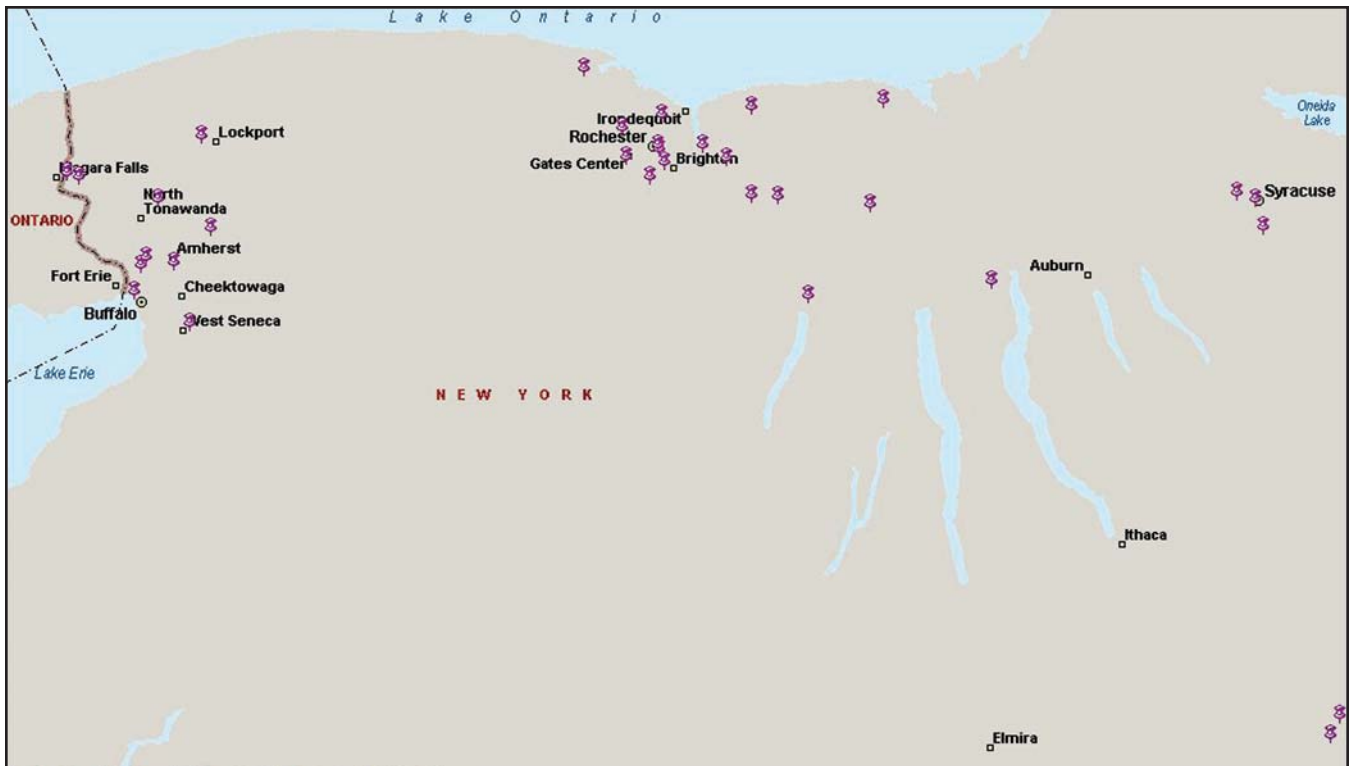
Balance Sheets

	December 31,	
	2006	2005
ASSETS		
Current Assets		
Cash and Cash Equivalents	\$ 91,080	\$ 112,858
Share Certificates	1,965,000	2,030,000
Other Current Asset	65,807	58,809
Total Current Assets	2,121,887	2,201,667
Share Certificates – Long-Term	400,000	–
Membership Shares – Members United Corporate FCU	39,011	36,716
Total Assets	\$ 2,560,898	\$ 2,238,383
LIABILITIES & STOCKHOLDERS' EQUITY		
<i>Liabilities</i>		
Accounts Payable & Accrued Expenses	\$ 26,340	\$ 23,804
<i>Stockholders' Equity</i>		
Common Stock, Class A, no par value, 250 shares authorized; 103 shares issued and outstanding	2,575,000	2,575,000
Additional Paid in Capital	800,000	800,000
Common Stock, Class B, no par value, 20 shares authorized, 15 shares issued and outstanding	375,000	375,000
Total Common Stock	3,750,000	3,750,000
Accumulated Deficit	(1,215,442)	(1,535,421)
Total Stockholders' Equity	2,534,558	2,214,579
Total Liabilities & Stockholders' Equity	\$ 2,560,898	\$ 2,238,383

Income Statements

	Years Ended December 31,	
	2006	2005
<i>Revenues</i>		
Service Fee Income	\$ 500,946	\$ 445,387
Interest Income	103,974	57,526
Total Revenue	604,920	502,913
<i>Expenses</i>		
Total Expenses	281,203	269,774
Income from Operations	323,717	233,139
Provision for Income Tax	(3,738)	(4,336)
Net Income	\$ 319,979	\$ 228,803

Upstate CU Service Centers



Downstate CU Service Centers



CU Service Centers
 ☞ Current CU Service Centers

Board of Directors

James Doig, *Chairman*

Mark Pfisterer, *Vice Chairman*

Edward Paternostro, *Treasurer*

Nancy Kasprzak-Whitmore, *Secretary*

Robert G. Allen

Frank E. Berrish

Alfred Frosolone

Kirk Kordeleski

William Mellin

Vicki O'Neill

Edward Rodgers

Bruno Sementilli

Mark Welshoff

Management

William Mellin, *President*

Edward Kovalefsky, *Senior Vice President*

Marc Inger, *Chief Operating Officer*

William Bywater, *Director of Operations*

Mission Statement

Universal Sharing Network, Inc. (UsNet) is a competitive provider of financial network services with local connections to regional and national 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.