

Supervisory Committee Report

The Supervisory Committee is composed of credit union members appointed by the Board of Directors. The duties that the committee is responsible for are varied and include member account verification, review of monthly bank reconciliation and file maintenance reports, general loan and monthly report reviews and periodic cash counts.

An outside accountant was hired to do a complete certified audit in September 2007. The National Credit Union Administration also did an examination of the credit union in March 2008. All records were found to be in compliance with NCUA rules and regulations.

The Committee would like to offer its congratulations to our dedicated staff for its commitment and exceptional service. Through their loyal service we will continue to thrive and grow in the future. Thank you for another exceptional year.

Christine Kuzma
Amy Walker
Elizabeth Restovich

Your Credit Union Offers These Services

- Share Accounts (savings)
- Car Loans
- Home Improvement Loans
- Personal Service Loans
- Share Secured Loans
- Low Cost Credit Life Insurance
- Low Cost Credit Disability Insurance
- Individual Retirement Accounts
- Direct Deposit
- Free Checking Account/
Free VISA Debit Card
- Money Orders
- Payroll Deduction
- Christmas Clubs
- Vacation Clubs
- Free American Express
Travelers Cheques
- Free Notary Service
- "The Bottom Line"
- Johnny Appleseed Incentive Club
- VISA Credit Card Program
- U.S. Savings Bond Sales and
Redemption
- Home Equity Loans
- Home Mortgages
- 24-Hour ATM Machine
- Teen Succeed Newsletter
- PHEAA Loans
- On-Line Banking - *The Friendly Connection*

Officers

Carl A. Ross
Chairman of the Board
Louis Piroli
First Vice-Chairman
Ed Murphy
Second Vice-Chairman
Amy Walker
Secretary
Ann E. Yates
Treasurer
Carl E. Hennen
Director
Christine Kuzma
Director

Annual Meeting Committee

Louis Piroli
Chairman
Ann E. Yates
Cynthia Hladio
Deanna Ross

Supervisory Committee

Christine Kuzma
Amy Walker
Elizabeth Restovich

Office Staff

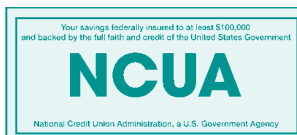
Deanna Ross
CEO/Manager
Cynthia Hladio
Assistant Manager
Denise Mack
Lou Donna Stewart
Gail Schalk
Rosa Majzlik
Tellers
Karen Mancini
Loan Officer

Office Hours

Monday, Tuesday, Wednesday, Thursday
9:00 a.m. - 4:00 p.m.
Friday 9:00 a.m. - 6:00 p.m.
Saturday 9:00 a.m. - 12:00 noon

Friendly Federal Credit Union

2000 Main Street
Aliquippa, PA 15001
(724) 375-0488
ffc@timesnet.net



CREDIT UNIONS ARE A

FAMILY AFFAIR



2007

ANNUAL REPORT



FRIENDLY FEDERAL CREDIT UNION

President's/Manager's Message

As we enter our 53rd year, I would like to take this opportunity to thank you, our members, for making us one of the best performing credit unions in the Beaver Valley.

During 2007, our credit union reached a new safety and soundness milestone. Our capital is a strong 21%. This puts us in a position to provide new services, have little or no fees, and reduce loan costs.

We feel that our biggest challenge ahead is to increase membership. As a result, we are reaching out to our youth. It is important that our family members become credit union members and understand the difference between credit unions and banks. They must realize that the credit union services and benefits are free or at little cost. Also, credit union membership is a lifetime benefit. Our youth will constitute the additional members needed to help the credit unions survive well into the future.

Check our services and benefits. We have services for all ages, from youth to seniors. As we join together to help move our credit union forward, let's all help *Make Credit Unions a Family Affair*.

I want to thank you, our members, our Board of Directors, Office Staff and Committee Members for giving me their cooperation, confidence and opportunity to serve the credit union.

Have an enjoyable evening and a safe trip home.



Deanna Ross,
CEO

Financial Statement

ASSETS

	2006	2007
Outstanding Loans	\$17,045,596	\$18,049,634
Less Loan Allowance	(119,306)	(125,552)
Sub Total	\$16,926,290	\$17,924,082
Cash on Hand	328,690	400,085
Investments	8,104,588	7,251,837
Land and Building	319,424	310,424
Furniture and Fixtures	74,724	60,943
Other Assets	133,219	164,502
Total	\$25,886,935	\$26,111,873

LIABILITIES AND EQUITY

Members Shares	\$19,681,832	\$20,441,347
Regular Reserves	1,761,314	1,761,314
Undivided Earnings	3,397,004	3,585,970
Accounts Payable	1,046,785	323,242
Total	\$25,886,935	\$26,111,873

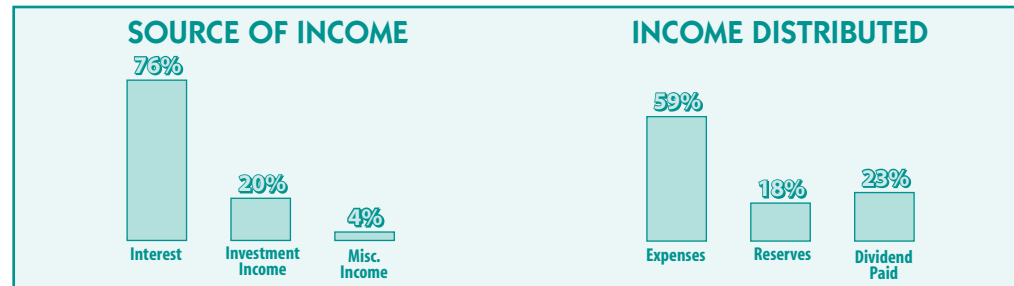
STATEMENT OF OPERATIONS

Interest Income	\$ 1,041,239	\$ 1,128,129
Investment Income	313,303	295,146
Fee Income	57,056	68,337
Total	\$ 1,411,598	\$ 1,491,612

OPERATING EXPENSE

Total Operating Expense	\$ 881,976	\$ 876,454
Dividends Paid	266,887	354,920
Reserves	262,735	260,238
Total	\$ 1,411,598	\$ 1,491,612

Respectfully Submitted - Ann E. Yates, Treasurer



Loan Officer Report

The Friendly Federal Credit Union granted 1065 loans in the amount of \$6,986,756.65 during 2007. Home equity loans, new car loans and used car loans remain the top three loans in total dollar volume, followed by first mortgages and PSL loans.

Your credit union offers a variety of loans with some of the most competitive rates available. Our loans are reviewed carefully on an individual basis, allowing for another year of low delinquency.

We want to be your first choice for all of your borrowing needs. Our friendly and experienced staff looks forward to working with you in 2008!

Karen E. Mancini,
Loan Officer

FFCU Receives Another 5-Star Superior Rating



Friendly Federal Credit Union is proud to announce that we have again received a 5-Star Superior Rating. This rating is based on an analysis of current financial data as filed by Friendly Federal Credit Union with regulators.

Saving Is Easy At Your Credit Union!

