and current economic conditions that may affect the borrower's ability to pay. $100,000 was recorded to income during the period because of ALLL over-funding.

C) Property and equipment. Property and equipment are stated at book value. Depreciation is computed on the straight-line method over the estimated useful lives of the assets. Leasehold improvements were amortized over the lease term which expired March 1, 2002. The credit union currently operates without a lease agreement.

D) Basis of Accounting. The financial statements of the credit union are prepared using the accrual method of accounting.

E) Estimates. The preparation of financial statements requires management to make estimates and assumptions that affect certain reported amounts and disclosures. Accordingly, actual results may differ from these estimates.

2) Investments.

The carrying value of investments as of November 30, 2012, November 30, 2011 and November 30, 2010 is as follows:

	11/30/12	11/30/11	11/30/10
Alloya Corporate FCU	$4,945,042	$3,281,564	$16,602,766
Municipals	16,051,066	-	-
Agency Securities	1,744,075	-	-
Mid-Atlantic Corporate FCU	-	-	5,213,044
Certificates of Deposit	12,213,642	6,965,000	7,691,000
Other Money Market Accounts	1,783,320	8,498,596	3,745,663
	$36,737,145	$18,745,160	$33,252,473

Management has a policy of either holding investments to maturity or as available for sale.

3) Fixed Assets.

Fixed assets and leasehold improvements are summarized as of November 30, 2012, November 30, 2011 and November 30, 2010 as follows:

	11/30/12	11/30/11	11/30/10
Furniture & equipment	$133,510	$135,209	$647,181
Computer software	40,612	48,365	439,262
Leasehold improvements	149,371	149,371	149,371
	323,493	332,945	1,235,814
Less: Accumulated depreciation & amortization	(291,770)	(304,389)	(1,181,318)
Book value	$31,723	$28,556	$54,496

Depreciation and amortization taken for the period was $20,750.

4) Savings accounts.

As of November 30, 2012, November 30, 2011 and November 30, 2010, the credit union offered the following types of savings accounts:

	11/30/12	11/30/11	11/30/10
Regular Share Accounts	$50,555,478	$47,240,626	$44,933,378
Share Draft Accounts	746,996	546,722	569,368
Club Accounts	256,657	254,869	273,300
Total	$51,559,131	$48,042,217	$45,776,046

The dividend rate is set by the Board of Directors on a quarterly basis. Rates are determined based on current operating conditions, including the funding of the allowance for loan losses. Dividends are charged to expense monthly based on anticipated dividends to be paid.

5) Capital.

1199 SEIU Federal Credit Union is required by regulation to maintain a statutory reserve. This reserve, which represents a regulatory restriction of retained earnings, is not available for the payment of dividends.

The Credit Union is exempt, by statute, from federal and state income taxes.

6) The Credit Union's employees are covered by the 1199 SEIU Health Care Employees Pension Fund, a multi-employer fund with contributing employers in the New York and western Pennsylvania areas. This fund is a non-contributory, multi-employer defined benefit plan subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). Retirement benefits are based upon a participant's salary, length of service and age at retirement. Generally, participants working after July 1, 1989 with five or more years of credited service are eligible to receive monthly pension benefits beginning at the normal retirement date.

7) NCUA Corporate Stabilization Assessment

The NCUA Board approved an assessment to furnish liquidity to this fund (NCUSIF), which will equal .095% of June 30th insured shares. The credit union's expense for this assessment was $40,753.

Supervisory Committee Message

The Supervisory Committee is appointed by the Board of Directors from among the members of the credit union to ensure that management adheres to established policies and procedures and that the Credit Union is in compliance with applicable laws and regulations. Our authority and responsibilities include but are not limited to the following:

- The Supervisory Committee Annual Audit as required by the National Credit Union Administration (our regulators).
- The verification of the accounts of all our members. Also a regulatory requirement.
- Oversee the Internal Audit Function.
- Meet with our National Credit Union Administration Examiner.

We performed the "Supervisory Committee Annual Audit" as of November 30, 2012 with the assistance of Mr. James L. Gurrieri, CPA and our "Verification of Member Accounts" as of September 30, 2012 with the assistance of James Radosta, our Internal Auditor. We continually meet with our Regulators to discuss improvement opportunities.

As a result of the reviews conducted throughout this past year, the Supervisory Committee finds the Credit Union to be operating in a safe and sound manner, is financially healthy and in compliance with all laws and regulations.

The Supervisory Committee is pleased to report to you that your money is safe and insured with 1199 SEIU Federal Credit Union.

Jean Turner-Kelly, Chair
Supervisory Committee

Board Of Directors

Chairman........Dalton Mayfield
Vice-Chair........Aida Garcia
Treasurer........Patricia Smith
Secretary........Stephen O. Joseph
Director........Maria Castaneda
Director........Roy A. Hendricks
Director........Isaac Nortey

Supervisory Committee

Chair........Jean Turner-Kelly
Vice-Chair........Charlotte Hackett
Secretary........Francine Guthrie
Member........Alfred A. Jones
Member........Dell Smitherman

Administration

Interim Manager........Kathya Pierre
Accounting Supervisor........Peri Rollsen
Credit and Collections Supervisor........Jemma Romain

Office Staff

Kimberly Blugh	Xavier Melendez
Rosa Caba	Pamela D. Moore
Philip E. Capel	Karen Nunez
Arturo Curtis	Jermaine Nurse
Teresa Edwards	Megha Singh
Rigoberto Fermin	Anastasia Wallace
Yvonne Lozada	Sandra Willmore

1199 SEIU Federal Credit Union
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2012 Annual Report

Let's Build A Solid Financial Future Together

1199 SEIU Federal Credit Union
"For Your Financial Health"®

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Message From The Chairman

Dear Members,

I would like to convey my gratitude to you for your loyalty to 1199 SEIU Federal Credit Union. As you know, we are a member-owned financial cooperative democratically controlled by our members and operate for the purpose of promoting thrift, providing credit at competitive rates and providing other financial services to our members.

Credit unions differ from other financial institutions in that the members who have accounts in the credit union are the owners of the credit union and they elect their board of directors in a democratic one vote per person regardless of the amount of money deposited in the credit union. The volunteer Board of Directors you elected set the policies that serve YOU, the members. Credit unions offer many of the same financial services as banks, often using a different terminology; common services include: share (savings) accounts, share draft (checking) accounts, share term (CDs) certificates, and online banking to name a few.

At 1199 SEIU Federal Credit Union, our member-owners and their financial needs are our top priority. We pride ourselves on holding on to traditional credit union values. Your voice and vote guide the direction of the credit union meaning that we're here for you, we work for you and we'll do everything in our power to ensure that your relationship with us is positive and rewarding through every phase of your life.

If you're already a credit union member, you understand the exclusive benefits the credit union offers and have experienced our personal, world-class member service! If you're not a member yet, please visit our web site (www.1199federalcu.org) to learn more about us and become a member today.

All of us at 1199 SEIU Federal Credit Union look forward to serving your financial needs now and in the future. We'll continue to earn your business by providing a wide array of affordable products and services combined with competitive rates and the responsive personal service you've come to expect.

Thank you for your continued loyalty.

Dalton Mayfield
Board Chairman

AMERICA'S CREDIT UNIONS™
Where people are worth more than money.™

Comparative Statement Of Financial Condition

As Of November 30, 2012, November 30, 2011 And November 30, 2010

	11/30/12	11/30/11	11/30/10
ASSETS			
Loans (see note 1)	$18,510,222	$16,394,271	$17,588,177
Less: Allowance For Loan Loss	(609,715)	(803,278)	(910,582)
Net Loans	17,900,507	15,590,993	16,677,595
Cash	224,081	17,005,646	(432,739)
Investments (see notes 1 & 2)	36,737,145	18,745,160	33,252,473
Prepaid Expenses	18,141	53,580	20,115
Accrued Interest & Other Receivables	251,680	80,773	107,933
Fixed Assets at book value (see notes 1 & 3)	31,723	28,556	54,496
Deposit in NCUSIF	515,359	492,322	467,547
TOTAL ASSETS	$55,678,636	$51,997,030	$50,147,420
LIABILITIES, SHARES AND CAPITAL			
LIABILITIES			
Payables	$8,260	$87,181	$80,965
Accrued Expenses	95,316	134,971	132,090
Dividends Payable	10,431	9,894	37,624
Other Liabilities	8,140	-	-
TOTAL LIABILITIES	122,147	232,046	250,679
SHARES (see note 4)	51,559,131	48,042,217	45,776,046
CAPITAL (see note 5)			
Statutory Reserve	501,204	501,204	501,204
Undivided Earnings	3,496,154	3,221,563	3,619,491
TOTAL CAPITAL	$3,997,358	$3,722,767	$4,120,695
TOTAL LIABILITIES, SHARES AND CAPITAL	$55,678,636	$51,997,030	$50,147,420

The accompanying notes are an integral part of these financial statements.

Comparative Statement Of Income And Expense For The Periods Listed Below

	12 mos ended 11/30/12	12 mos ended 11/30/11	12 mos ended 11/30/10
INCOME			
Interest on Loans	$1,262,817	$1,248,991	$1,451,475
Income from Investments	633,274	363,904	523,759
Fees & Miscellaneous Income	477,703	484,040	559,068
Gross Income	2,373,794	2,096,935	2,534,302
EXPENSES			
Compensation & Benefits	1,181,987	1,172,249	1,184,233
Association Dues	14,320	13,069	15,389
Meetings & Conferences	17,317	40,991	44,552
Office Occupancy	60,759	60,474	60,427
Office Operations Expenses	633,866	667,914	722,794
Loan Servicing Expense	35,399	156,536	86,675
Stabilization Expense (see note 7)	40,753	133,820	117,488
Professional & Outside Services	102,104	93,477	45,661
Provision for Loan Loss (see note 1)	(100,000)	-	55,000
Federal Supv/Examination Expense	11,986	15,624	11,891
Other Operating Expenses	39,388	14,140	45,744
TOTAL OPERATING EXPENSES	2,037,879	2,368,294	2,389,854
NET OPERATING INCOME (LOSS)	335,915	(271,359)	144,448
Non-operating Expense	-	-	129,493
Dividends	61,324	129,104	222,664
NET INCOME (LOSS)	$274,591	$(400,463)	$(207,709)

The accompanying notes are an integral part of these financial statements.

Comparative Analysis Of Capital And Reserve Accounts

As Of November 30, 2012, November 30, 2011 And November 30, 2010

	11/30/12	11/30/11	11/30/10
REGULAR RESERVE (Account 93100)			
Balance-beginning of period	$501,204	$501,204	$501,204
Balance-end of period	$501,204	$501,204	$501,204
UNDIVIDED EARNINGS (Account 94000)			
Balance-beginning of period	$3,221,563	$3,619,491	$3,827,200
Net income (Loss) for period	274,591	(400,463)	(207,709)
Other	-	2,535	-
Balance-end of period	$3,496,154	$3,221,563	$3,619,491
ALLOWANCE FOR LOAN LOSSES (Account 71900)			
Balance-beginning of period	$803,278	$910,582	$1,107,119
Additional Provision (Income)	(100,000)	-	55,000
Write-offs for Period	(285,870)	(442,056)	(471,487)
Recoveries on Written-off Loans & Other	192,307	334,752	219,950
Balance-end of period	$609,715	$803,278	$910,582

Net income is closed to undivided earnings for statement presentation.

The accompanying notes are an integral part of these financial statements.

Notes To Financial Statements

November 30, 2012

1) Significant Accounting Policies.

A) Investments. Investment securities are stated at cost adjusted for amortization of premiums and accretion of discounts, which are recognized as adjustments to interest income on investments. Gains or losses on disposition are based on the net proceeds and the adjusted carrying amount of the securities sold, using the specific identification method. Municipal Bond investments purchased through First Empire Securities, Inc. are designated available for sale.

B) Loans to members and allowance for loan losses. Loans are stated at the amount of unpaid principal, reduced by an allowance for loan losses. The allowance for loan losses is established through a provision for loan losses charged to expenses. Loans are charged against the allowance for loan losses (ALLL) when management believes that the collectibility of the principal is unlikely. The allowance is an amount that management believes will be adequate to absorb possible losses on existing loans that may become uncollectible, based on evaluations of the collectibility of loans and prior loan loss experience. The evaluations take into consideration such factors as changes in the nature and volume of the loan pools, overall portfolio quality,

Continued...