

REPORT OF THE CHAIRMAN

Since USECU's founding in 1953, we've stayed true to our mission of improving the financial lives of our members. Our core purpose continues to guide us as we focus on doing the right thing for our members. These values of honesty, integrity and respect allow us to remain financially strong.

We're pleased to share with you our progress in making the lives of our members easier and our communities stronger, while maintaining our strong financial footing. Our members' financial well-being is always our top priority.

When asked what makes USECU stand out from other financial organizations, our answer is simple: our success is built on our dedicated associates, our strong member-focused culture, and our offering of everyday value.

On behalf of the Board of Directors, it is our pleasure to serve U.S. Employees Credit Union and its members. As a member-owned financial organization, we believe we have a responsibility to give back to our members and the communities where they live.

True to our credit union roots, USECU is about people helping people. As we reflect on the past and plan for the coming years, we remain committed to serving your financial needs through improved products, financial education, competitive rates, and truly exceptional service. To grow with your needs, we will continue to invest heavily in people and in the technology and tools for your convenience and the protection of your accounts.

Regardless of our size or markets we serve, it is our members who make us successful. Ultimately, our growth will come with your financial wellness in mind.

Thank you for your continued trust and confidence in USECU.

Respectfully,

Paul E. Durbak

Paul E. Durbak
Chairman, USECU Board of Directors



REPORT OF THE PRESIDENT/TREASURER

I have the pleasure of announcing that 2016 was a successful year for U.S. Employees Credit Union and its membership. In addition to our solid financial performance, we continued to provide our membership with value-added, low cost, convenient products and services, as well as some of the best rates in the country.

Some key financial highlights for 2016 include:

- Operationally, USECU generated net income in the amount of \$69,213
- Total assets grew to an all-time high of \$82,521,736
- Member Deposits totaled \$71,957,004 at year-end
- USECU disbursed a total of \$12,537,503 in new loans and advances

USECU's objective is to operate a financially stable institution that serves our members' best interests. To meet this objective, we strictly adhere to the policies approved by the Board of Directors, as well as the rules and regulations of the Illinois Department of Financial and Professional Regulation and the National Credit Union Administration.

Management fulfills its responsibilities with a commitment to the highest standards of quality, ethics and professionalism. We pledge to operate USECU in the best interest of the membership, and to maintain USECU's tradition of safety, soundness and service.

I would like to thank the Staff, Management, and the Directors of USECU, for their hard work and dedication. I would also like to thank you, the USECU Members, for your support.

Respectfully,

Eric W. Stiegel

Eric W. Stiegel
President/Treasurer

REPORT OF THE MEMBERSHIP COMMITTEE

I am pleased to provide USECU's 2016 Membership Committee Report. The year ended with:

- 8,397 Share Accounts
 - with an average Share balance of \$2,503
- 4,779 Share Draft Accounts,
 - with an average balance of \$2,923
- 1,229 Preferred Share Accounts,
 - with an average balance of \$21,514

We are dedicated to delivering an exceptional member experience while providing our members with a wide array of products. We continue to reevaluate services in order to offer our members technologically advanced channels. Thank you for your continued support.

Respectfully Submitted,

Lisa M. Kimbrough

Lisa M. Kimbrough
Membership Committee

REPORT OF THE CREDIT MANAGER

I am pleased to report that USECU issued \$12,537,503 in new loans in 2016. New and used vehicle loans totaled \$2,437,682.

USECU processes and approves loans using board-approved guidelines and policies. The Loan Manager and Loan Analyst are responsible for approving loans within established guidelines and for reviewing changes and ensuring compliance.

The Collection Specialist stands ready to provide assistance to USECU members who struggle with financial issues.

It is our goal to offer our members the best loan products available at the lowest rates possible. USECU's Managed Credit Program allows us to provide services to a greater number of members. We strive to find better ways to service our members' needs; therefore, we are constantly looking for new products that exceed our members' expectations.

Respectfully Submitted,

Stephanie Cole

Stephanie Cole
Credit Manager

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee members for 2016 were Therese Anderson, John Kuck, and Stephen Slamar (Chairman).

The role of the Supervisory Committee is to monitor appropriate areas of U.S. Employees Credit Union's operations and to ensure that USECU complies with all of the bylaws, statutes and board policies. This is accomplished by overseeing audits by two certified public accounting firms, acting as a liaison between the auditors and the credit union's management, and carrying out other responsibilities charged to the committee by federal and state regulations.

The committee retained the services of Desmond & Ahern, Ltd. to perform the annual audit in December of 2016. The auditors presented their report of USECU's financial condition to the committee. The report expressed USECU's conformity with generally accepted accounting principles. A letter from the auditors is included in this report.

In addition to the annual audit, the committee also contracted with Selden Fox, Ltd. to conduct three internal audits in 2016. The internal audits have been completed and indicate that the internal controls in place at USECU appear to be sufficient.

I thank the members of the Supervisory Committee for their dedication and hard work in monitoring your interest in USECU in 2016.

Respectfully Submitted,

Stephen F. Slamar

Stephen F. Slamar
Chairman, Supervisory Committee

CONDENSED STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2016 & 2015

ASSETS	2016	2015
CASH INVESTMENTS	\$ 2,804,061	\$ 4,988,188
INVESTMENTS H-T-M AMORTIZED COST	\$ 56,312,022	\$ 53,927,743
LOANS TO MEMBERS (NET OF RESERVE)	\$ 20,964,427	\$ 21,026,704
NCUSIF DEPOSIT	\$ 706,201	\$ 694,749
PROPERTY AND EQUIPMENT, NET OF A/D	\$ 175,588	\$ 201,042
PREPAID EXPENSE AND OTHER ASSETS	\$ 1,559,437	\$ 1,552,255
TOTAL ASSETS	\$ 82,521,736	\$ 82,390,681
MEMBERS' SHARES	\$ 71,957,004	\$ 71,708,388
ACCRUED EXPENSES AND OTHER LIAB.	\$ 239,471	\$ 426,245
TOTAL LIABILITIES	\$ 72,196,475	\$ 72,134,633
MEMBER'S EQUITY	\$ 10,325,261	\$ 10,256,048
TOTAL LIABILITIES AND EQUITY	\$ 82,521,736	\$ 82,390,681
GROSS CAPITAL TO ASSET RATIO	13.18%	12.88%

CONDENSED STATEMENT OF INCOME

AS OF DECEMBER 31, 2016 & 2015

	2016	2015
INTEREST INCOME	\$ 2,098,496	\$ 2,033,025
INTEREST EXPENSE	\$ 98,948	\$ 99,175
NET INTEREST INCOME	\$ 1,999,548	\$ 1,933,850
PROVISION FOR LOAN LOSSES (PLL)	\$ 358,133	\$ 62,972
NET INTEREST INCOME AFTER PLL	\$ 1,641,415	\$ 1,870,878
NON-INTEREST INCOME	\$ 2,001,619	\$ 1,962,261
NON-INTEREST OPERATIONAL EXPENSE	\$ 3,573,821	\$ 3,680,062
NET INCOME	\$ 69,213	\$ 153,077

INDEPENDENT AUDITOR'S REPORT ON CONDENSED FINANCIAL STATEMENTS

To the U.S. Employees Credit Union Board of Directors,

We have audited the statement of financial condition of U.S. Employees Credit Union as of December 31, 2016 and 2015, and the related statements of income, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Credit Union's management. Our responsibility is to express an opinion on these financial statements based on our audits.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of U.S. Employees Credit Union as of December 31, 2016 and 2015, and the results of its operations and its cash flows for the years then ended, in conformity with U.S. generally accepted accounting principles.

DESMOND & AHERN, LTD., CERTIFIED PUBLIC ACCOUNTANTS
March 2017
Chicago, IL

2016 BOARD & COMMITTEE MEMBERS

Board of Directors

Therese Anderson
Charlie Davis Jr
Paul Durbak
John Kuck
Candida Miranda
Stephen Slamar
Eric Stiegel

Investment/ALM Committee

Frank Nicholson
Nilda Padin
Eric Stiegel

Executive Committee

Charlie Davis Jr
Paul Durbak
Eric Stiegel

Supervisory Committee

Therese Anderson
John Kuck
Stephen Slamar

Membership Committee

Linda Jackson
Lisa Kimbrough
Nilda Padin

Legislative Representative

Eric Stiegel

Chapter Delegate

Nilda Padin

STAFF

Gisela Calderon	Stephanie Frayer	John Morin
Chrocki Clark	Cynthia Harris	Frank Nicholson
Stephanie Cole	Tammy Hassan	Nilda Padin
Christine Combs	Linda Jackson	Aida Rivera
Gwendolyn Cossom	Dyamonde Kimbrough	Janet Russell
Vanessa Cruz	Lisa Kimbrough	Iris Sanoguet
Leslie Estremera	Valerie Lubben	David Scasny
Mae Fizer	Melissa Miranda	Eric Stiegel
Charles Frayer	June Moore	

BRANCHES

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CUSTOM HOUSE BRANCH

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2016 ANNUAL REPORT

