

## REPORT OF THE CHAIRMAN

We hope this message finds you healthy and safe. We know that 2020 is off to a chaotic start, but we are committed to helping you through it, just as we have with each of the challenging times that we have faced together in the past. We are fortunate to be coming off another good year financially, and are well-positioned to see our members through whatever lies ahead.

In early 2019, several of our members continued to be affected by the Government Shutdown. USECU was there to aid our members with several no cost programs Interest free loans were made available to our members who directly deposit their pay into their USECU accounts. In addition, USECU assisted affected members who had existing USECU loans with "skip-a-pays" and fee waivers. As our tagline states; "We're Here for You." Interest free loans were available only to members who chose us as a partner in their financial lives. Allow us to help you smooth out the bumps in the road to your financial success, by making USECU your primary financial institution.

Later in 2019, we began planning enhancements to our suite of electronic services. Several of these products are already available, with implementation of the others coming soon. The new services are:

- Updated Mobile App and Home Banking system
- Enhanced Debit Card Fraud Detection
- External Transfers to/from your other bank accounts
- Zelle - a fast, safe and easy way to send and request money

We were fortunate to grow in 2019, and we recognize that this is because of our members. The business you do with us helps make USECU a more financially sound organization. Each day you help us to build a stronger, smarter credit union, and we could not have accomplished so much without your support.

We look forward to serving your financial needs long into the future and wish you the best in 2020. Thank you for being a member of U.S. Employees Credit Union.

Respectfully,

*Paul E. Durbak*

Paul E. Durbak  
Chairman of the Board



## REPORT OF THE PRESIDENT/TREASURER

I have the pleasure of announcing that 2019 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 2019 include:

- Operationally, USECU generated net income in the amount of \$379,911
- Total assets ended the year at \$84,234,411
- Member Deposits totaled \$75,096,788 at year-end
- USECU disbursed a total of \$12,864,937 in member 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 2019 Membership Committee Report. The year ended with:

- 7,875 Share Accounts
  - with an average Share balance of \$2,908
- 4,461 Share Draft Accounts,
  - with an average balance of \$3,527
- 1,093 Preferred Share Accounts,
  - with an average balance of \$24,383

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 \$12,864,937 in new loans in 2019. New and used vehicle loans totaled \$1,744,083.

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 Account Resolution 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 2019 were Stephen Slamar (Chairman), John Kuck and Cherie McLendon.

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 2019. 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 2019. 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 2019.

Respectfully Submitted,

*Stephen F. Slamar*

Stephen F. Slamar  
Chairman, Supervisory Committee

**CONDENSED STATEMENT OF FINANCIAL CONDITION**

AS OF DECEMBER 31, 2019 &amp; 2018

<b>ASSETS</b>	<b>2019</b>	<b>2018</b>
CASH INVESTMENTS	\$ 3,941,398	\$ 908,810
INVESTMENTS H-T-M AMORTIZED COST	\$ 52,051,656	\$ 55,519,030
LOANS TO MEMBERS (NET OF RESERVE)	\$ 23,336,696	\$ 24,223,495
NCUSIF DEPOSIT	\$ 732,652	\$ 732,438
PROPERTY AND EQUIPMENT, NET OF A/D	\$ 206,352	\$ 85,769
PREPAID EXPENSE AND OTHER ASSETS	\$ 3,965,657	\$ 4,440,460
<b>TOTAL ASSETS</b>	<b>\$ 84,234,411</b>	<b>\$ 85,910,362</b>
MEMBERS' SHARES	\$ 75,096,788	\$ 74,962,467
ACCRUED EXPENSES AND OTHER LIAB.	\$ 340,815	\$ 255,006
TOTAL LIABILITIES	\$ 75,437,603	\$ 75,217,473
MEMBER'S EQUITY	\$ 8,796,808	\$ 10,692,889
<b>TOTAL LIABILITIES AND EQUITY</b>	<b>\$ 84,234,411</b>	<b>\$ 85,910,362</b>

**CONDENSED STATEMENT OF INCOME**

AS OF DECEMBER 31, 2019 &amp; 2018

	<b>2019</b>	<b>2018</b>
INTEREST INCOME	\$ 2,958,041	\$ 2,466,298
INTEREST EXPENSE	\$ 258,906	\$ 173,055
NET INTEREST INCOME	\$ 2,699,135	\$ 2,293,243
PROVISION FOR LOAN LOSSES (PLL)	\$ 359,766	\$ 407,361
NET INTEREST INCOME AFTER PLL	\$ 2,339,369	\$ 1,885,882
NON-INTEREST INCOME	\$ 1,779,173	\$ 2,060,983
NON-INTEREST OPERATIONAL EXPENSE	\$ 3,738,631	\$ 3,679,608
NET INCOME	\$ 379,911	\$ 267,257

**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, 2019 and 2018, 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, 2019 and 2018, 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 2020  
Chicago, IL

**2019 BOARD & COMMITTEE MEMBERS****Board of Directors**

Therese Anderson  
Paul Durbak  
John Kuck  
Cherie McLendon  
Michael Myers  
Stephen Slamar  
Eric Stiegel

**Supervisory Committee**

John Kuck  
Cherie McLendon  
Stephen Slamar

**Legislative Representative**

Eric Stiegel

**Investment/ALM Committee**

Frank Nicholson  
Nilda Padin  
Eric Stiegel

**Executive Committee**

Paul Durbak  
Stephen Slamar  
Eric Stiegel

**Membership Committee**

Linda Jackson  
Lisa Kimbrough  
Nilda Padin

**STAFF**

Chrocki Clark	Cynthia Harris	John Morin
Stephanie Cole	Tammy Hassan	Frank Nicholson
Christine Combs	Linda Jackson	Nilda Padin
Gwendolyn Cossom	Dyamonde Kimbrough	Iris Sanoguet
Vanessa Cruz	Lisa Kimbrough	David Scasny
Essie Gilliams Fizer	Martha Luna	Eric Stiegel
Stephanie Frayer	June Moore	

**BRANCHES****MAIN OFFICE BRANCH**

230 S. Dearborn Street  
Suite 2962  
Chicago, IL 60604  
PH: (312) 922-5310  
Fax: (312) 922-8609  
Monday – Friday  
9:00 am – 4:00 pm

**HINES BRANCH**

5<sup>th</sup> Ave & Roosevelt Rd  
Bldg 1, Room C124  
Hines, IL 60141  
Fax: (708) 344-0042  
Mon, Tues, Wed & Fri  
8:00 am – 3:00 pm  
Thur. 8:00 – 12:00 pm

**CUSTOM HOUSE**

610 S. Canal Street  
Suite 240  
Chicago, IL 60607  
Fax: (312) 922-5126  
Monday – Friday  
9:00 am – 4:00 pm



myusecu.org  
(312) 922-5310



**2019 ANNUAL REPORT**