

REPORT OF THE CHAIRMAN

I'm pleased to report that U.S. Employees Credit Union (USECU) had another successful year. 2018 marked our 65th year of making a difference for our members through the products and services we offer and the way we deliver them.

In December of 2018, a number of our members were affected by the Government Shutdown. USECU was there to aid our members with several no cost programs to assist them. Over three-hundred interest free shutdown loans were granted to our members. The average shutdown loan amount was \$1,750. 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".

There is a fundamental difference in how we operate. As a not-for-profit financial cooperative, we return our profits to our members through lower loan rates, higher deposit rates and ongoing investments in technology to provide security and convenience. As a cooperative, the more products and services our members use, the more value we can return every year.

USECU is a collection of friends, family and co-workers. As a member, it is to your advantage for us to grow together. I challenge each and every one of you to spread the word about your credit union and bring in a new member. This is a mutually beneficial arrangement. We know that you can take your business elsewhere. There are many reasons you entrust your financial matters to us. Don't be selfish, tell others!

Respectfully,

Paul E. Durbak

Paul E. Durbak
Chairman of the Board



REPORT OF THE PRESIDENT/TREASURER

I have the pleasure of announcing that 2018 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 2018 include:

- Operationally, USECU generated net income in the amount of \$267,257
- Total assets grew to an all-time high of \$85,910,362
- Member Deposits totaled \$74,962,467 at year-end
- USECU disbursed a total of \$10,049,339 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 2018 Membership Committee Report. The year ended with:

- 7,998 Share Accounts
 - with an average Share balance of \$2,859
- 4,567 Share Draft Accounts,
 - with an average balance of \$3,360
- 1,133 Preferred Share Accounts,
 - with an average balance of \$23,978

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 \$10,049,339 in new loans in 2018. New and used vehicle loans totaled \$2,351,055.

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 Manager 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 2018 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 2018. 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 2018. 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 2018.

Respectfully Submitted,

Stephen F. Slamar

Stephen F. Slamar
Chairman, Supervisory Committee

CONDENSED STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2018 & 2017

ASSETS	2018	2017
CASH INVESTMENTS	\$ 908,810	\$ 1,295,875
INVESTMENTS H-T-M AMORTIZED COST	\$ 55,519,030	\$ 57,168,441
LOANS TO MEMBERS (NET OF RESERVE)	\$ 24,223,495	\$ 19,253,411
NCUSIF DEPOSIT	\$ 732,438	\$ 721,770
PROPERTY AND EQUIPMENT, NET OF A/D	\$ 85,769	\$ 118,730
PREPAID EXPENSE AND OTHER ASSETS	\$ 4,440,460	\$ 5,429,768
TOTAL ASSETS	\$ 85,910,362	\$ 83,987,995
MEMBERS' SHARES	\$ 74,962,467	\$ 73,338,690
ACCRUED EXPENSES AND OTHER LIAB.	\$ 255,006	\$ 223,673
TOTAL LIABILITIES	\$ 75,217,473	\$ 73,562,363
MEMBER'S EQUITY	\$ 10,692,889	\$ 10,425,632
TOTAL LIABILITIES AND EQUITY	\$ 85,910,362	\$ 83,987,995
GROSS CAPITAL TO ASSET RATIO	13.00%	13.98%

CONDENSED STATEMENT OF INCOME

AS OF DECEMBER 31, 2018 & 2017

	2018	2017
INTEREST INCOME	\$ 2,466,298	\$ 2,121,597
INTEREST EXPENSE	\$ 173,055	\$ 107,766
NET INTEREST INCOME	\$ 2,293,243	\$ 2,013,831
PROVISION FOR LOAN LOSSES (PLL)	\$ 407,361	\$ 1,080,597
NET INTEREST INCOME AFTER PLL	\$ 1,885,882	\$ 933,234
NON-INTEREST INCOME	\$ 2,060,983	\$ 2,817,863
NON-INTEREST OPERATIONAL EXPENSE	\$ 3,679,608	\$ 3,650,726
NET INCOME	\$ 267,257	\$ 100,371

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, 2018 and 2017, 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, 2018 and 2017, 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 2018
Chicago, IL

2018 BOARD & COMMITTEE MEMBERS

Board of Directors

Therese Anderson
Paul Durbak
John Kuck
Cherie McLendon
Candida Miranda
Stephen Slamar
Eric Stiegel

Supervisory Committee

Therese Anderson
John Kuck
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
Mae Fizer	Martha Luna	Eric Stiegel
Charles Frayer	Melissa Miranda	
Stephanie Frayer	June Moore	

BRANCHES

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Monday – Friday
9:00 am – 4:00 pm

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5th 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
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2018 ANNUAL REPORT