

REPORT OF THE CHAIRMAN

Looking back on 2020, a few words come to mind – uncertainty, resilience, and perseverance.

Our thoughts go out to those that experienced a personal impact and we express our sincere appreciation to the many front-line heroes that kept essential services available for the good of our community.

As an organization, we adjusted service delivery to ensure the health and safety of our staff while maintaining business continuity with minimal disruption to our members. It was a collaborative effort as our staff worked in new ways.

Several of our employees adjusted quickly and seamlessly to remote work in early 2020. At the same time a group of employees continued working on site at all three of our locations.

Employees learned new roles through cross training and gained a greater understanding of the overall operation of USECU. The Board of Directors made the difficult decision to close the Custom House Branch at year-end due to a lack of in branch transactions.

We look forward to serving your financial needs long into the future and wish you the best in 2021. 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 2020 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 2020 include:

- Operationally, USECU generated net income in the amount of \$257,487
- Total assets ended the year at \$95,275,894
- Member Deposits totaled \$85,943,570 at year-end
- USECU disbursed a total of \$16,650,535 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 2020 Membership Committee Report. The year ended with:

- 7,669 Share Accounts
 - with an average Share balance of \$3,709
- 4,385 Share Draft Accounts,
 - with an average balance of \$4,511
- 1,063 Preferred Share Accounts,
 - with an average balance of \$26,561

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 \$16,650,535 in new loans in 2020. New and used vehicle loans totaled \$2,146,015.

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 stood 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 2020 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 2020. 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 2020. 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 2020.

Respectfully Submitted,

Stephen F. Slamar

Stephen F. Slamar
Chairman, Supervisory Committee

CONDENSED STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2020 & 2019

ASSETS	2020	2019
CASH INVESTMENTS	\$ 5,331,948	\$ 3,941,398
INVESTMENTS H-T-M AMORTIZED COST	\$ 58,893,358	\$ 52,051,656
LOANS TO MEMBERS (NET OF RESERVE)	\$ 25,895,148	\$ 23,336,696
NCUSIF DEPOSIT	\$ 811,438	\$ 732,652
PROPERTY AND EQUIPMENT, NET OF A/D	\$ 210,544	\$ 206,352
PREPAID EXPENSE AND OTHER ASSETS	\$ 4,133,458	\$ 3,965,657
TOTAL ASSETS	\$ 95,275,894	\$ 84,234,411
MEMBERS' SHARES	\$ 85,943,570	\$ 75,096,788
ACCRUED EXPENSES AND OTHER LIAB.	\$ 278,029	\$ 340,815
TOTAL LIABILITIES	\$ 86,221,599	\$ 75,437,603
MEMBER'S EQUITY	\$ 9,054,295	\$ 8,796,808
TOTAL LIABILITIES AND EQUITY	\$ 95,275,894	\$ 84,234,411
NUMBER OF MEMBERS	7,669	7,875

CONDENSED STATEMENT OF INCOME

AS OF DECEMBER 31, 2020 & 2019

	2020	2019
INTEREST INCOME	\$ 2,673,027	\$ 2,958,041
INTEREST EXPENSE	\$ 132,310	\$ 258,906
NET INTEREST INCOME	\$ 2,540,717	\$ 2,699,135
PROVISION FOR LOAN LOSSES (PLL)	\$ 83,717	\$ 359,766
NET INTEREST INCOME AFTER PLL	\$ 2,457,000	\$ 2,339,369
NON-INTEREST INCOME	\$ 1,378,750	\$ 1,779,173
NON-INTEREST OPERATIONAL EXPENSE	\$ 3,578,263	\$ 3,738,631
NET INCOME	\$ 257,487	\$ 379,911

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, 2020 and 2019, 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, 2020 and 2019, 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 2021
Chicago, IL

2020 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

Michael Myers
Frank Nicholson
Eric Stiegel

Executive Committee

Paul Durbak
Stephen Slamar
Eric Stiegel

Membership Committee

Stephanie Frayer
Lisa Kimbrough
Nilda Padin

STAFF

Stephanie Cole	Lisa Kimbrough	Iris Sanoguet
Christine Combs	Martha Luna	David Scasny
Gwendolyn Cossom	June Moore	Eric Stiegel
Vanessa Cruz	John Morin	
Essie Gilliams Fizer	Frank Nicholson	
Stephanie Frayer	Nilda Padin	

BRANCHES

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Thur. 8:00 – 12:00 pm



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2020 ANNUAL REPORT