

REPORT OF THE CHAIRMAN

With so many choices available, we thank you for choosing U.S. Employees Credit Union as your financial partner. We work hard to stand out from our competitors by focusing on service, offering competitive rates, maintaining our fees as low as possible, providing quality products and services, and making technological enhancements.

USECU experienced another productive and successful year in 2017. Our priorities remain focused on returning value to the membership through the execution of key strategic initiatives based on our core beliefs. We remained committed to ensuring that information systems continued to evolve.

USECU implemented the Payment Saver Auto Loan program in 2017. This program offers our members payments up to 40% lower than conventional financing. With flexible terms like no money down and up to 72-month financing, this product is quickly becoming a member favorite.

We also added the NextGen account. This product is an account geared towards young people, between the ages 14 to 21. It is the perfect way to introduce them to the concept of financial responsibility. We feel this is very important, because they represent our future.

We are constantly working to improve our products and services. In 2018 we are focusing on improving our credit union's internet services such as Home Banking, Remote Deposit, online Lending, and Person to Person transactions.

As stewards of our financial co-operative, the Board of Directors remains committed to maintaining USECU's financial strength. On behalf of the Board of Directors, volunteers, management, and staff, I would like to personally invite each and every one of you to fully partake in the safe and secure financial services offered by your credit union, U.S. Employees Credit Union.

Respectfully,

Paul E. Durbak

Paul E. Durbak
Chairman, USECU Board of Directors



REPORT OF THE PRESIDENT/TREASURER

I have the pleasure of announcing that 2017 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 2017 include:

- Operationally, USECU generated net income in the amount of \$100,371
- Total assets grew to an all-time high of \$83,987,995
- Member Deposits totaled \$73,338,690 at year-end
- USECU disbursed a total of \$8,676,782 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 2017 Membership Committee Report. The year ended with:

- 8,241 Share Accounts
 - with an average Share balance of \$2,673
- 4,673 Share Draft Accounts,
 - with an average balance of \$2,998
- 1,183 Preferred Share Accounts,
 - with an average balance of \$23,060

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 \$8,676,782 in new loans in 2017. New and used vehicle loans totaled \$2,339,139.

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 2017 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 2017. 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 2017. 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 2017.

Respectfully Submitted,

Stephen F. Slamar

Stephen F. Slamar
Chairman, Supervisory Committee

CONDENSED STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2017 & 2016

ASSETS	2017	2016
CASH INVESTMENTS	\$ 1,295,875	\$ 2,804,061
INVESTMENTS H-T-M AMORTIZED COST	\$ 57,168,441	\$ 56,312,022
LOANS TO MEMBERS (NET OF RESERVE)	\$ 19,253,411	\$ 20,964,427
NCUSIF DEPOSIT	\$ 721,770	\$ 706,201
PROPERTY AND EQUIPMENT, NET OF A/D	\$ 118,730	\$ 175,588
PREPAID EXPENSE AND OTHER ASSETS	\$ 5,429,768	\$ 1,559,437
TOTAL ASSETS	\$ 83,987,995	\$ 82,521,736
MEMBERS' SHARES	\$ 73,338,690	\$ 71,957,004
ACCRUED EXPENSES AND OTHER LIAB.	\$ 223,673	\$ 239,471
TOTAL LIABILITIES	\$ 73,562,363	\$ 72,196,475
MEMBER'S EQUITY	\$ 10,425,632	\$ 10,325,261
TOTAL LIABILITIES AND EQUITY	\$ 83,987,995	\$ 82,521,736
GROSS CAPITAL TO ASSET RATIO	13.98%	13.18%

CONDENSED STATEMENT OF INCOME

AS OF DECEMBER 31, 2017 & 2016

	2017	2016
INTEREST INCOME	\$ 2,121,597	\$ 2,098,496
INTEREST EXPENSE	\$ 107,766	\$ 98,948
NET INTEREST INCOME	\$ 2,013,831	\$ 1,999,548
PROVISION FOR LOAN LOSSES (PLL)	\$ 1,080,597	\$ 358,133
NET INTEREST INCOME AFTER PLL	\$ 933,234	\$ 1,641,415
NON-INTEREST INCOME	\$ 2,817,863	\$ 2,001,619
NON-INTEREST OPERATIONAL EXPENSE	\$ 3,650,726	\$ 3,573,821
NET INCOME	\$ 100,371	\$ 69,213

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, 2017 and 2016, 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, 2017 and 2016, 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

2017 BOARD & COMMITTEE MEMBERS

Board of Directors

Therese Anderson
Paul Durbak
John Kuck
Cherie McClendon
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

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

BRANCHES

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Hines, IL 60141
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Mon, Tues, Wed & Fri
8:00 am – 3:00 pm
Thur. 8:00 – 12:00 pm

CUSTOM HOUSE BRANCH

610 S. Canal Street
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2017 ANNUAL REPORT

