

REPORT OF THE CHAIRMAN

Seventy years ago, USECU's founders started the credit union with a vision of helping each other on their financial journeys. As we reflect on 2022 and look forward to the new year, we're proud that our purpose remains the same, helping members with their financial journey every step of the way.

2022 did not pass without its challenges. Inflation and rising interest rates affect us all. As we look ahead, we know many are still feeling economic uncertainty. Please know that whatever the economy may bring, your financial well-being remains our focus.

With potential storm clouds on the horizon, you can rest assured that your credit union is well-prepared to face them. Through your loyal support, USECU ended 2022 with a net worth of 10.21%, well above what regulators consider to be "well-capitalized".

With a strong asset base and net worth supporting us, USECU will remain determined and disciplined in our approach to any upcoming economic turbulence; just like we weathered the 2008 recession and 2020 COVID-19 pandemic. We will continue to keep your needs at the forefront.

Several years ago, during a government debt ceiling induced shutdown, USECU members with direct deposit did not miss a paycheck. USECU made interest free loans, until the government issued back payments. Sadly, the same situation is on the near horizon. How do you ensure that you will not miss a paycheck? Sign up for direct deposit today. If you wait until the shutdown begins, it will be too late. USECU will be there to help you navigate through the tough times.

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 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 2022 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 2022 include:

- Operationally, USECU generated a net income in the amount of \$697,200
- Total assets grew to an all-time high of \$101,726,447
- Member Deposits totaled \$90,991,361 at year-end
- USECU disbursed a total of \$15,142,252 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 2022 Membership Committee Report. The year ended with:

- 7,209 Share Accounts
 - with an average Share balance of \$4,538
- 4,132 Share Draft Accounts,
 - with an average balance of \$5,229
- 964 Preferred Share Accounts,
 - with an average balance of \$28,049

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 \$15,142,252 in new loans in 2022. New and used vehicle loans totaled \$1,459,273.

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 Frayer

Stephanie Frayer
Credit Manager

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee members for 2022 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 2022. 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 2022. 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 2022.

Respectfully Submitted,

Stephen F. Slamar

Stephen F. Slamar
Chairman, Supervisory Committee

CONDENSED STATEMENT OF FINANCIAL CONDITION

AS OF DECEMBER 31, 2022 & 2021

ASSETS	2022	2021
CASH INVESTMENTS	\$ 3,378,547	\$ 2,356,535
INVESTMENTS H-T-M AMORTIZED COST	\$ 64,143,843	\$ 65,583,944
LOANS TO MEMBERS (NET OF RESERVE)	\$ 28,984,141	\$ 27,604,179
NCUSIF DEPOSIT	\$ 884,852	\$ 883,684
PROPERTY AND EQUIPMENT, NET OF A/D	\$ 112,223	\$ 151,715
PREPAID EXPENSE AND OTHER ASSETS	\$ 4,222,841	\$ 4,201,111
TOTAL ASSETS	\$ 101,726,447	\$100,781,168
MEMBERS' SHARES	\$ 90,991,361	\$ 90,739,493
ACCRUED EXPENSES AND OTHER LIAB.	\$ 350,259	\$ 354,048
TOTAL LIABILITIES	\$ 91,341,620	\$ 91,093,541
MEMBER'S EQUITY	\$ 10,384,827	\$ 9,687,627
TOTAL LIABILITIES AND EQUITY	\$101,726,447	\$100,781,168
NUMBER OF MEMBERS	7,209	7,442

CONDENSED STATEMENT OF INCOME

AS OF DECEMBER 31, 2022 & 2021

	2022	2021
INTEREST INCOME	\$ 2,544,464	\$ 2,388,908
INTEREST EXPENSE	\$ 107,137	\$ 63,265
NET INTEREST INCOME	\$ 2,437,327	\$ 2,325,643
PROVISION FOR LOAN LOSSES (PLL)	\$ (1,388)	\$ 9,584
NET INTEREST INCOME AFTER PLL	\$ 2,438,715	\$ 2,316,059
NON-INTEREST INCOME	\$ 1,874,938	\$ 1,624,415
NON-INTEREST OPERATIONAL EXPENSE	\$ 3,616,453	\$ 3,307,142
NET INCOME	\$ 697,200	\$ 633,332

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, 2022 and 2021, 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, 2022 and 2021, 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 2023
Chicago, IL

2022 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

Abaan Ansari	Stephanie M. Frayer	Iris Y. Sanoguet
Melanie Blancas	Lisa M. Kimbrough	Eric W. Stiegel
Latrice Campbell	Martha S. Luna	Julie K. Stretch
Christine M. Combs	John Morin	Nivea E. Thomas
Arturo U. Contreras	Frank P. Nicholson	
E. Mae Gilliams Fizer	Nilda R. Padin	

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2022 ANNUAL REPORT