



**PROUD Past. STRONG Future.**



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# 2018

ANNUAL REPORT

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# Chairman's

## Message

2018 was a year of celebration as we reached our 85th anniversary milestone, where we took the time to honor our members and thank them for their loyalty. We are very proud of our 85-year history and our steady growth. Through the years, our focus remains the same – to “Encourage member’s personal success through exceptional financial services.”

We work hard every day to ensure a strong future so we can continue to provide affordable financial services to our members and the communities we serve. Together, we can build a strong credit union.

As members of your volunteer board, we are responsible for ensuring your credit union is operating in a safe and sound manner. We are tasked with confirming that USE has a solid financial foundation and I’m proud to say that we’ve had another successful year. We attribute that success to our members, employees, and leadership team.

In 2018, we provided over \$40 million in loans to members and we’re also proud to say that we serve more than 7,000 members at two Houston locations and hundreds of shared branches. We will continue to offer electronic, mobile access and free checking to make it easy and affordable to do business with us. We work hard to offer the products and services you want and need so that you can save time and money.

Improving your member experience is a continuing focus for the Board of Directors and Management. In 2018, we upgraded our core system and enhanced our mobile app to provide greater efficiencies and better service to members. Employees also received additional service training to better assist members.

In closing, I would like to say thank you to all of our members, volunteers, and staff for their commitment and trust over the years. As your Board, we know that the staff will continue to make sound financial decisions while providing honest and friendly service. We are focused on protecting the credit union and making sure the credit union’s well-being is always intact. Please know that we want to continue serving the financial needs of you, your family and your friends for many years to come.

Clarence Brooks  
*Chairman of the Board*

## Mission Statement

Encourage member’s personal success through exceptional financial services *today and tomorrow.*

## Management Team

Jessica Gillen  
CEO/ President

Debbie Gonzalez  
VP of Operations

Sandy Childers  
VP of Information  
Technology

Marina Izvekova  
VP of Accounting

# Treasurer's

## Message

2018 was a financially strong year for USE Credit Union. We are always proud of our past but we look forward to a financially strong future. In 2018, we saw significant success in meeting member needs for loans, checking accounts and deposits.

USE Credit Union continues to perform very well and efficiently and we expect to see similar strength in the years to come. As always, this is a testament to the trust our members place in us. Therefore, we will continue to be good stewards of the credit union finances by monitoring expenses and looking for new ways to increase income.

As your Treasurer, I am officially reporting that the fiscal year 2018 ended as of December 31, 2018, with the following financial highlights:

- USE Credit Union ended 2018 with assets of \$80,342,597.40.
- We had a net income of \$178,615.93.
- We funded over \$40 million in loans for members.
- USECU ended with shares of \$73.3 million.

During 2018, our credit union engaged Doeren Mayhew CPA and Advisors for our annual audit and received a positive review. Credit union regulators define a well-capitalized credit union as having at least 7% of its assets in reserve. USE Credit Union finished the year at a very healthy 7.91%. Overall, your credit union is financially stable and well positioned to meet the financial needs of our member-owners for the future.

It has been my pleasure to serve as your Treasurer. As such, I will continue to work with our Management Team to ensure that USE Credit Union is operating in the most efficient manner and protect the long-term interest of our members and the organization.

Charles Konikoff  
*Secretary/Treasurer*

## 2018 Board of Directors

Each volunteer board member is elected to a three-year term and is responsible for setting policies, participating in the development of the strategic plan, reviewing and approving the annual budget.

Clarence Brooks	Chairman of the Board	Term expires 2021
Michael Foster	Vice Chairman	Term expires 2020
Charles Konikoff	Secretary/Treasurer	Term expires 2019
Ray Biggerstaff	Director	Term expires 2021
Troy Conner	Director	Term expires 2019
Pamela Edwards	Director	Term expires 2020
Michael Larrivee	Director	Term expires 2021
Bernard Middleton	Director	Term expires 2019

# President's Message

2018 was a very good year for USE Credit Union. This past year we focused on celebrating our 85th anniversary and our strong history, as well as, reducing expenses and increasing loan production.

Financially, 2018 was another good year, as you will see in the financial section of this report. Our assets are at \$80.3 million, and our membership has reached beyond 7,000 people. Loan and deposit growth were moderate, thanks to our loyal members who seek us first when they have a financial need. As your credit union, our goal is to provide the very best financial products and services at the most affordable cost.

In 2018, we gave away just over \$5,000 in cash prizes to our loyal members in our 85th anniversary weekly and monthly celebrations. We closed over \$40 million in member loans while continuing to provide affordable financing options for autos, personal loans, and credit cards. In addition, we held two Home Buying Seminars which were very well attended. We are proud to offer a free checking option to members, so you can make the most of your money. Unfortunately, we ended the year with a government shutdown which directly impacted many of our members; however, USE Credit Union was ready and willing to help with financial assistance via interest-free, short-term loans and loan deferments.

As we work towards 2020 to achieve the goals within our strategic plan, we will continue to strengthen and secure our infrastructure, improve your member experiences and offer the products and services you want and need. Your volunteer Board of Directors, Management and the staff of USE Credit Union thank you for your continued support. We look forward to serving your financial needs in the future and providing you with exceptional member experiences, products, and services.

I would like to thank the Board of Directors for their trust in me to lead this organization. I would also like to thank the employees for welcoming and supporting me for the last four years. Most of all, I would like to thank you – our members – for your business and trust. Please let me know what we can do to better serve you and your family.

Jessica Gillen  
CEO/President



# Statement of Financial Condition

December 31, 2018

## ASSETS

Loans	40,013,392.67
Cash	811,606.22
Investments	35,284,712.53
Fixed Assets	3,022,110.45
Other Assets	1,210,775.53
<b>Total Assets</b>	<b>80,342,597.40</b>

## LIABILITIES, SHARES & EQUITY

Payables Miscellaneous	655,796.47
Dividends & Interest Payable	16,656.90
Total Member Deposits	73,313,484.20
Regular Reserves	1,234,019.11
Other Capital Accounts	5,122,640.72
<b>Total Liabilities &amp; Equity</b>	<b>80,342,597.40</b>

# Statement of Income & Expenses

December 31, 2018

## INCOME

Income From Loans	1,677,645.05
Investment Income	615,125.98
CUSO Investment	67,161.38
MHL Funding Interest	2,715.75
Fees And Charges	970,801.67
Miscellaneous Operating	75,750.74
<b>Total Gross Income</b>	<b>3,409,200.57</b>

## EXPENSES

Compensation	1,057,719.49
Employee Benefits	244,546.44
Travel & Conference	10,854.40
Association Dues	15,672.54
Office Occupancy	184,382.71
Office Operations	794,982.10
Education & Promotion	94,584.50
Loan Servicing	181,078.83
Shared Branch	81,006.08
Professional Services	140,568.15
Supervision & Exam Fee	14,859.00
Interest On Borrow Funds	870.89
Annual Meeting	3,748.43
Miscellaneous Operating	4,227.96
<b>Total Operating Expenses</b>	<b>2,829,101.52</b>

Dividends	173,142.40
Provision For Loan Loss	247,500.00
Gain (Loss) In Assets Disposal	19,159.28
<b>Net Gain / Loss</b>	<b>178,615.93</b>



**North Houston Branch**

24909 Kuykendahl  
Tomball, TX 77375

**Southwest Houston Branch**

9700 Richmond, Suite 150  
Houston, TX 77042

713-595-3400

Toll Free: (800) 444-0197

[www.USECreditUnion.com](http://www.USECreditUnion.com)



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