

U\$X
FEDERAL
CREDIT UNION[®]

**2018
Annual Report**

"Driven by VALUES... Empowered by MEMBERS"

CHAIRMAN'S AND PRESIDENT'S REPORT

Business for the year 2018 has been successfully concluded. With optimism and commitment to the credit union motto of “people helping people” we begin a new business year. As a result of the collaborative efforts of our employees, executive staff and volunteer board of directors we have achieved many objectives during 2018 including returning to a year end favorable bottom line.

At the forefront of our objectives and strategic plan is our mission of educating our members regarding financial wisdom and their utilization of U\$X Federal Credit Union's products and services in order to gain advantages and success in their financial lives.

Our successes of achieving our goals are reflected by our members' loyalty, referrals and repeat business. We always strive to provide the products, services and delivery systems as well as member service designed to exceed our members' expectations.

The primary message we convey to our members' is that U\$X Federal Credit Union (U\$X FCU) remains a financial cooperative that is safe and sound with the security of capital strength.

U\$X FCU has come a long way from our early beginnings as a single office in downtown Pittsburgh with a dozen employees. Our footprint has expanded to eleven offices; nine offices distributed in four counties of the Pittsburgh area, along with two offices in Findlay Ohio. We now serve over 26,000 members from over 700 sponsor employee groups. Last year alone we added over 70 new sponsor employee groups which we have designated as preferred partners.

We had a modest increase in total assets during the past year reaching \$223.8 million. Loans also have increased to over \$165 million which was a 2.1% increase from 2017. This loan growth is especially significant because it occurred during the same period delinquencies were reduced by over \$ 3.2 million and the delinquency rate was stabilized at a rate below 1%.

Our net worth remains strong at 12.7% which is well above the minimum national credit union administration's (NCUA) requirement of 7%.

Our marketing strategies as well as our efforts to offer various loan and deposit promotions during the year continued to achieve their intended objectives. During 2018 we attracted new deposits as needed and maintained a loan to deposit position approaching 85%.

U\$X FCU focused on providing returns to members through dividends on our various deposit products. Dividends to members have increased by approximately \$200,843.00, a 35% increase from the previous year.

We price our products fairly in the markets where we have a presence and maintain a fee structure which remains significantly lower than other financial institutions.

During the last few years U\$X FCU has been investing in technology improvements focused on member convenience and security; talent to enhance our service delivery; and building capital to enhance financial strength which builds a foundation for future growth. We cannot be all things to all people, but will continue to do what is necessary to best serve the member in front of us, all of our members and even our future members.

The services provided by our financial advisor, U\$X Financial Group, are available to all of our members who desire assistance in wealth management, retirement planning and access to alternative investment/insurance products.

The board of directors serve as the representatives of our members to manage the trajectory of our financial cooperative. The board of directors is committed to consistently acting in good faith and prudently oversee and protect the financial integrity of U\$X FCU.

It's an honor and privilege to serve our members and to be a part of an outstanding and dedicated team of professionals.

We sincerely thank all of our employees for their efforts in serving, assisting and embracing the ideal of people helping people during 2018 and our sincere thanks to all of our loyal members for their continued trust and support of the credit union.

SINCERELY,

John E. (Jack) Toth, Chairman

David R. Ackerman, President/CEO

SUPERVISORY COMMITTEE REPORT

U\$X Federal Credit Union has assets of \$223.8 million and serves over 26,111 members. The credit union has nine offices operating in Pennsylvania and two offices operating in Ohio.

The Supervisory Committee audits many aspects of Credit Union operations to ensure: Accounting reports and records are prepared promptly and accurately, internal controls are in place to monitor activities policies and procedures and operations are in compliance with state and federal regulations.

The Supervisory Committee retains the accounting firm S.R. Snodgrass to perform a complete financial statement audit each year and the accounting firm Cottrill, Arbutina and Associates to perform various internal control tests as well as internal audits.

The National Credit Union Administration (NCUA) also conducts an annual examination of the credit union.

Each of these organizations review our loan portfolio, deposit accounts, credit card portfolio, operations, data processing, as well as policies and procedures in order to ensure that records are correct and that U\$X Federal Credit Union complies with current laws, regulations and accounting standards.

U\$X Federal Credit Union continues to receive positive reports about its effective operations and proactive management executed by volunteers and employees.

Your Supervisory Committee is pleased to report that the affairs for the Credit Union during 2018 were concluded in accordance with all rules and regulation.

A copy of the audited financial statement is available for review at our administrative office in Cranberry Township, PA.

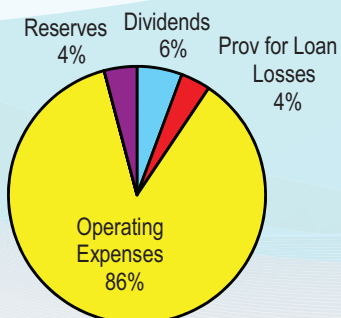
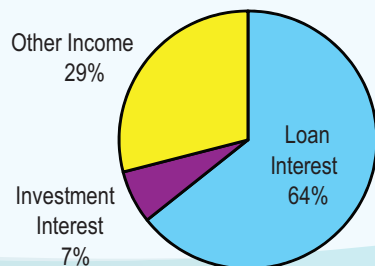
Richard C. Nichols
Supervisory Committee Chairman

INCOME

	12/31/18	
Loan Interest	\$8,777,414	64.3%
Investment Interest	911,136	6.7%
Other Income	<u>3,959,947</u>	29.0%
	<u>13,648,497</u>	

EXPENSES

Dividends	775,041	5.7%
Prov for Loan Losses	509,175	3.7%
Operating Expenses	11,801,525	86.5%
Loyalty Dividend	-	0.0%
Reserves	<u>562,756</u>	4.1%
	<u>13,648,497</u>	



FINANCIAL STATEMENTS

	12/31/18	12/31/17
ASSETS		
Loans, net	\$162,324,482	\$156,163,338
Cash & Equivalents	6,801,349	10,139,359
Investments	46,921,757	48,178,331
Other	<u>7,793,721</u>	<u>8,232,558</u>
Total Assets	<u>\$223,841,309</u>	<u>\$222,713,586</u>

LIABILITIES & EQUITY

Accounts Payable	\$823,411	\$657,009
Certificate Dividends Payable	<u>26,504</u>	<u>15,706</u>
Total Liabilities	<u>849,915</u>	<u>672,715</u>
Regular Shares	94,690,544	95,279,064
IMMA Shares	43,559,202	46,545,728
Checking Accounts	24,449,802	22,005,234
Certificates	30,742,356	29,325,966
IRA Shares	<u>1,442,819</u>	<u>1,399,475</u>
Total Shares	<u>194,884,723</u>	<u>194,555,467</u>
Members' Equity	28,106,671	27,485,404
Total Liabilities & Equity	<u>\$223,841,309</u>	<u>\$222,713,586</u>

INCOME

Interest:		
Loans	\$8,777,414	\$9,099,728
Investments	<u>911,136</u>	<u>721,812</u>
Total Interest	<u>9,688,550</u>	<u>9,821,540</u>
Non-Interest		
Gain (loss) on Sale of Investments	(6,970)	864
Fees	1,480,123	1,847,801
Miscellaneous	<u>2,486,794</u>	<u>2,274,964</u>
Total Income	<u>13,648,497</u>	<u>13,945,169</u>

EXPENSES

Dividends:		
Regular Shares	106,075	103,579
IMMA Shares	253,909	154,321
Certificates	413,419	315,267
IRA Shares	<u>1,638</u>	<u>1,031</u>
Total Dividends	<u>775,041</u>	<u>574,198</u>
Provision for Loan Losses	509,175	6,151,389
Operating Expenses	<u>11,801,525</u>	<u>11,536,343</u>
Total Expenses	<u>13,085,741</u>	<u>18,261,930</u>
Income Before Loyalty Dividend and NCUSIF Stabilization Expense	562,756	(4,316,761)
Loyalty Dividend	-	-
Net Income	<u>\$562,756</u>	<u>\$(4,316,761)</u>

BOARD OF DIRECTORS

John E. Toth, Chairman
Albert J. Flynn, Jr., Vice Chairman
Mashawn A. Lorenz, Secretary
Thomas M. White, Treasurer
Richard C. Nichols
Christopher D. Panian
James D. Settelmaier
Jose A. Quinones - Associate
Sachin Patel - Associate

SUPERVISORY COMMITTEE

Richard C. Nichols, Chairman
Jose A. Quinones
Sachin Patel
Cottrill, Arbutina & Associates, P.C. - Internal Audit Firm
S. R. Snodgrass Certified Public Accountants and Consultants - External Audit Firm

MANAGEMENT

David R. Ackerman, President / CEO
Mark A. Volponi, Executive Vice President - Chief Financial Officer
Valerie J. Stumpf, Vice President - Operations
Timothy C. Wojtaszek, Vice President - Marketing / Business Development
David C. Chapkis, Vice President - Lending

US\$ FCU PRODUCTS AND SERVICES

MEMBERSHIP

- Preferred Partner Groups
- Family Memberships
- Once a Member, Always a Member

SAVINGS PRODUCTS

- Share Savings Accounts
- Christmas Club Accounts
- Youth Club Savings Accounts
- Designated Share Savings Accounts
- Share Certificates
- Insured Money Management Account

Deposits insured by the National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000

TAX ADVANTAGED PRODUCTS

- Individual Retirement Accounts (IRAs)
- Roth IRAs
- Coverdell Educational Savings Accounts

Deposits insured by the National Credit Union Share Insurance Fund (NCUSIF) up to \$250,000

US\$ FINANCIAL GROUP

- Financial Planning and Retirement Services

CONSUMER LOANS

- New Vehicle Loans
- Used Vehicle Loans
- Motorcycle Loans
- Boat Loans
- Motor Home Loans
- Signature Loans
- Stock / Share Pledged Loans
- Better Choice Loan Program
- Private Student Loan Program

VISA® PRODUCTS

- VISA Platinum Credit Card
- VISA Blue Credit Card

REAL ESTATE LOANS

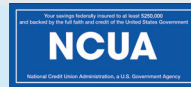
- Home Equity Loans
- Home Equity Lines-of-Credit
- Mortgages (Terms up to 30 Years)

MEMBER TRANSACTION PRODUCTS

- Free Online Account Access with NETBRANCH
- Free Electronic BILLPAY
- Free Mobile Banking
- Free Remote Check Deposit
- Free Personal Financial Management Tools
- VISA Debit Card
- Free Checking Account / Overdraft Protection
- Member Plus Checking with Interest / Overdraft Protection
- Over 97,000 Free ATM Machines & No Surcharge Networks
- Direct Deposit
- Payroll Deduction
- Toll Free Phone Access
- Wire Transfer Service
- Money Orders

1-888-219-3159

www.usxfcu.org



US\$ FEDERAL CREDIT UNION LOCATIONS

CRANBERRY/ADMINISTRATIVE OFFICES

1293 Freedom Rd PO Box 1728
Cranberry Twp PA 16066
Toll Free Number: 1-888-219-3159
Fax (724) 779-4656
Toll Free Phone Access 1-800-590-0207
NETBRANCH www.usxfcu.org

CRANBERRY EAST OFFICE

1694 Route 228 Ste 102
Cranberry Twp PA 16066

PITTSBURGH OFFICE

600 Grant St Concourse Level
Pittsburgh PA 15219

NEW STANTON OFFICE

100 Bair Blvd PO Box 657
New Stanton PA 15672

SARVER OFFICE

479 N Pike Rd
Sarver PA 16055

MARATHON OFFICE

539 S Main St Rm 1024
Findlay OH 45840

FINDLAY OFFICE

1038 Interstate Court
Findlay OH 45840

JEFFERSON OFFICE

575 Coal Valley Rd
Jefferson Hills PA 15025

GREENSBURG OFFICE

55 S. Washington Ave
Greensburg PA 15601

MONACA OFFICE

400 Frankfort Rd
Monaca PA 15061

PETROLIA OFFICE

200 Main Hill Rd
Petroia PA 16050