

2019 Annual Report



U\$X
FEDERAL
CREDIT UNION®

CHAIRMAN'S AND PRESIDENT'S REPORT

We end the year 2019 as well as the decade of the 2010s with three words that can be best used to describe our credit union – “People Helping People”. The past 10 years were years of change, challenges and hard work that resulted in many accomplishments including a favorable bottom line for 2019.

We begin the new year and decade as a safe and sound financial cooperative with the security of capital strength.

We have undergone many operational changes during the past ten years in order to keep abreast of new technology and to provide members new and relevant products which they expect in this digital age. Modern delivery channels are used by our members to transact business with ease and convenience .

Ten years ago (2010) we were a \$180 million dollar credit union with 19,600 members. At the end of the decade (2019) we served 24,594 members and have grown to \$226.9 million dollars in asset size.

Our capital position remains consistently strong at 12.8% which is well above the National Credit Union Administration (NCUA) minimum requirement of 7%. We are well capitalized and well positioned for any unforeseen economic conditions.

We've added 50 new employer sponsor groups during 2019 and our business development department has been expanded and restructured to focus strictly on working with our nearly 800 preferred partners in our efforts to grow our membership.

We experienced a modest growth in members' deposit accounts of 1.13% from the previous year. Dividends to holders of these accounts increased from \$775K last year to \$1.3M at year end 2019 representing a 68% increase.

The lending environment continues to be very competitive and compliant-heavy. We granted 5,398 loans during 2019 valued at \$57.8M. As a result of the efforts of our loan department a number of these loans were refinanced from other financial institutions and over the past 5 years we have saved our members' over \$11M in finance charges.

The way we conduct business in this digital age with ever changing technology presents many new threats, risks and challenges. The greatest threats to any business are cyber attacks and data breaches.

We continually focus on security measures to protect both our members' and credit union's data. Our IT department provides ongoing security training for all of our staff as well as penetration testing of our systems and a bi-annual network audit.

We continue to offer the services of our financial advisor, U\$X Financial Group, to any of our members' who seek assistance in retirement planning, wealth management or access to alternative investment or insurance products.

The board of directors serve as representatives and trustees for our members. While we plan for the course of our credit union we are committed to consistently act in good faith and prudently oversee and protect the financial integrity of the credit union.

It is an honor and privilege to be a part of the dedicated leadership team that serves our members.

We sincerely thank all of our employees who through their efforts serve and assist our members in the spirit of people helping people to make a meaningful difference in their lives.

Most of all we thank all of our loyal members for your continued trust and support of the credit union.

Sincerely,
John E. (Jack) Toth, Chairman
Mark Volponi, President/CEO

SUPERVISORY COMMITTEE REPORT

U\$X Federal Credit Union has assets of \$226.9 million and serves over 24,594 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.

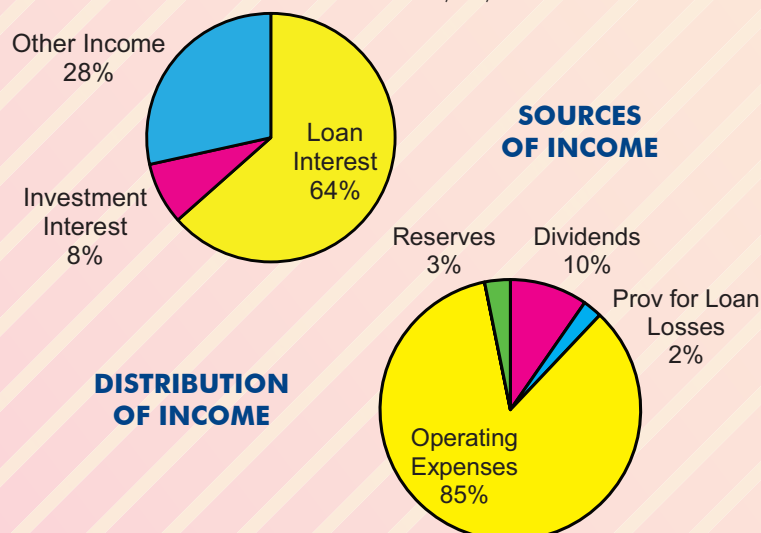
Your Supervisory Committee is pleased to report that the affairs for the Credit Union during 2019 were concluded in accordance with all rules and regulation.

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

	12/31/19	
INCOME		
Loan Interest	\$8,553,504	63.5%
Investment Interest	1,089,461	8.1%
Other Income	3,834,222	28.4%
	<u>13,477,187</u>	

EXPENSES		
Dividends	1,301,397	9.7%
Prov for Loan Losses	323,231	2.4%
Operating Expenses	11,426,011	84.8%
Loyalty Dividend	-	0.0%
Reserves	426,548	3.2%
	<u>13,477,187</u>	



FINANCIAL STATEMENTS

	12/31/19	12/31/18
ASSETS		
Loans, net	\$162,168,886	\$162,324,482
Cash & Equivalents	13,244,081	6,801,349
Investments	43,625,311	46,921,757
Other	7,961,040	7,793,721
Total Assets	<u>\$226,999,318</u>	<u>\$223,841,309</u>

LIABILITIES & EQUITY		
Accounts Payable	\$980,999	\$823,411
Certificate Dividends Payable	35,196	26,504
Total Liabilities	<u>1,016,195</u>	<u>849,915</u>
Regular Shares	89,141,169	94,690,544
IMMA Shares	42,795,192	43,559,202
Checking Accounts	25,622,245	24,449,802
Certificates	37,328,152	30,742,356
IRA Shares	2,034,790	1,442,819
Total Shares	<u>196,921,548</u>	<u>194,884,723</u>
Members' Equity	29,061,575	28,106,671
Total Liabilities & Equity	<u>\$226,999,318</u>	<u>\$223,841,309</u>

INCOME		
Interest:		
Loans	\$8,553,504	\$8,777,414
Investments	1,089,461	911,136
Total Interest	<u>9,642,965</u>	<u>9,688,550</u>
Non-Interest		
Gain (loss) on Sale of Investments	45,080	(6,970)
Fees	1,531,405	1,480,123
Miscellaneous	2,257,736	2,486,794
Total Income	<u>13,477,186</u>	<u>13,648,497</u>

EXPENSES		
Dividends:		
Regular Shares	104,918	106,075
IMMA Shares	380,277	253,909
Certificates	814,470	413,419
IRA Shares	1,732	1,638
Total Dividends	<u>1,301,396</u>	<u>775,041</u>
Provision for Loan Losses	323,231	509,175
Operating Expenses	11,426,011	11,801,525
Total Expenses	<u>13,050,638</u>	<u>13,085,741</u>
Income Before Loyalty Dividend and NCUSIF Stabilization Expense	426,548	562,756
Loyalty Dividend	-	-
Net Income	<u>\$426,548</u>	<u>\$562,756</u>

BOARD OF DIRECTORS

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

SUPERVISORY COMMITTEE

Richard C. Nichols, Chairman
Jose A. Quinones
Sachin Patel
H2R CPA - Internal Audit Firm

S. R. Snodgrass Certified Public Accountants and Consultants - External Audit Firm

MANAGEMENT

Mark A. Volponi, President / CEO
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
- 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
- Free Checking Account / Overdraft
Protection
- Free VISA Debit Card
- Free CardTrac
- Member Plus Checking with Interest /
Overdraft Protection
- Over 90,000 Free ATM Machines
& No Surcharge Networks
- Direct Deposit
- Payroll Deduction
- Toll Free Phone Access
- Wire Transfer Service

1-888-219-3159

www.usxfc.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.usxfc.org

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