



Annual Report 2017

Chair Message

Supervisory Committee Report

The Supervisory Committee is of vital importance to the healthy operation of the credit union. It is the committee's responsibility to ensure that the credit union operates with sound internal controls, maintains records which accurately account for the credit union's assets, and adheres to practices that will safeguard those assets. These responsibilities are carried out by:

- Conducting periodic audits of the credit union's records and processes;
- Contracting for a financial statement audit at least annually; and
- Conducting annual member account verifications.

The annual financial statement audit of the credit union was completed as of March 31, 2017 by the Certified Public Accounting firm of Nearman, Maynard, Vallez CPAs, P.A. The audit report, issued directly to the Supervisory Committee and reported to the Board of Directors, did not identify any areas of material concern.

The Supervisory Committee believes that USF Federal Credit Union is a financially sound institution which will continue to provide outstanding service to each member. We encourage your participation as a key element for the continued success of the credit union. Your input is vital in enhancing the Supervisory Committee's ability to serve the membership.

You may contact Janene Culumber, Supervisory Committee Chair by writing to:

P.O. Box 770634, Orlando, FL 32837-0634.

Thank you for your continued support of USF Federal Credit Union.

Dr. Janene Culumber, Chair

Treasurer's Report

To the membership, every year I say the same thing—not as a way of opening my report to you, but to remind myself of how much I have witnessed during my tenure as your Board member. We seek to serve you, our members, every day. Whether it is to deposit funds, obtain a loan, or seek advice, our emphasis is always on you and protecting your assets.

How do we achieve and maintain that level of service? We do it through the prudent management of your resources and by working hard to grow those resources in a way that says we will always seek to provide the member the best possible return on your equity. In the past year, we have expanded locations. This was done to meet your needs and better serve our members in the areas where they live. Our growth, if any, will always be commensurate with meeting the needs of the membership.

Federally Insured by NCUA. | Equal Housing Lender.

The USF Federal Credit Union continued to do well in 2017, and we are confident in the financial strength of your credit union. Your deposits remain secure, and our outstanding staff is ready to help you with your financial needs.

During 2017, there were several significant accomplishments. USF FCU completed the New Tampa office that opened for business on October 30, 2017. This new branch brings additional service opportunities for our members and has secured the additional space necessary for immediate requirements and for our long-range growth. USF FCU successfully merged with West Coast Federal Employees Credit Union to provide USF FCU a presence in the Sarasota area. This expansion will allow us to continue serving former West Coast Federal Employees members with enhanced services and bring products and services closer to our USF community in the region. Additionally, we launched the Catalyst Relationship Rewards Program to bring even better service and product opportunities to our engaged members.

USF FCU continued to make progress improving processes and organizational performance excellence throughout your credit union. Your credit union is in continuous improvement with what is internally referred to as the Pride Journey. These efforts are based on the Baldrige Award criteria for achieving excellence combined with societal responsibility. Ultimately we are providing a healthy and efficient credit union while improving services and products to effectively address the needs of all of our members.

The credit union movement started with the concept of members helping members in a cooperative model. Over the years, the movement gained global attention and credit unions are recognized as member-owned financial cooperatives. The mission of credit unions is based on the principle of "people helping people" while providing financial services at competing rates.

Your volunteers serving on the Board of Directors and the Supervisory Committee, in association with the Management Team are tasked with and are focused on providing the direction and continuing the mission of our credit union. Each decision made considers impacts on our membership and the overall financial strength of your credit union. Our management team continues to implement infrastructure and initiatives for ensuring the current and future success of your credit union. We can be your primary financial institution and help you improve your financial security.

Dr. Richard Will, Board Chair

Last year, your credit union began the year with assets of \$563,065,332, and today we have experienced a net growth of \$61,614,163. We attribute that to prudent management and staff members who believe their primary focus should always be on you. That focus will continue this year and permit you to see constant growth. To continue the mindset of the past and today, "we will not grow for growth's sake, but always to meet the needs of the membership."

Willie Stokes, Treasurer

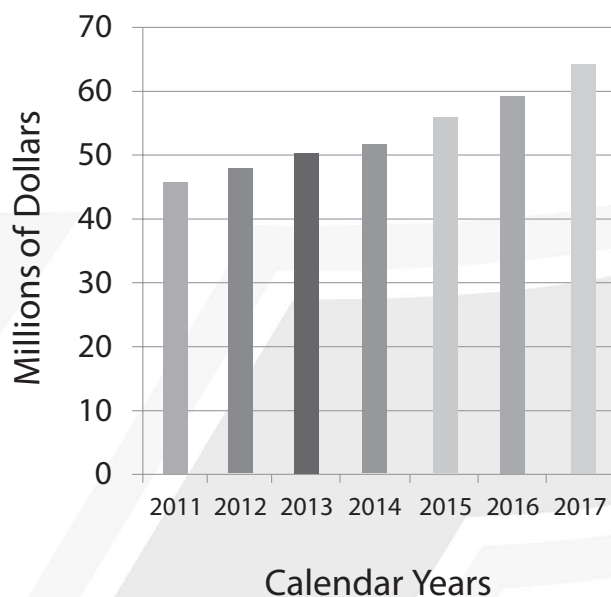
STATEMENT OF FINANCIAL CONDITION December 31

ASSETS	2017	2016
Consumer Loans	\$305,063,525	\$272,652,221
Mortgage Loans	170,784,938	149,161,393
VISA Loans	27,354,625	24,221,606
Business Loans	5,727,995	6,236,296
Less: Allowance/Loan Losses	-5,806,130	-4,131,111
Net Loans	\$503,124,953	\$448,140,405
Cash	6,745,301	6,398,968
Investments	84,331,011	83,008,081
Bldg., Furniture & Equipment, Net	10,060,872	4,420,178
Other Assets	20,417,358	21,097,700
Total Assets	\$624,679,495	\$563,065,332
LIABILITIES		
Accounts Payable	7,352,414	6,684,769
SHAREHOLDER'S EQUITY		
Members Shares and Savings Accounts	553,234,890	497,236,469
Reserves	3,688,130	3,688,130
Undivided Earnings	60,404,061	55,455,964
Total Liabilities & Equity	\$624,679,495	\$563,065,332

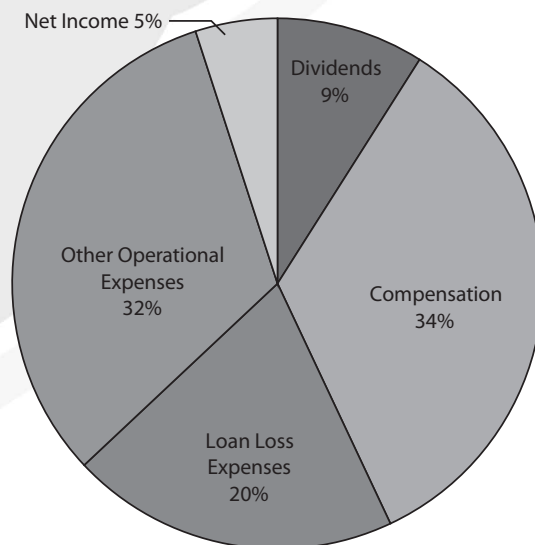
STATEMENT OF OPERATIONS December 31

INCOME	2017	2016
Interest	\$21,958,304	\$20,024,952
Investment	863,326	622,588
Other	8,993,840	8,627,586
Total Income	\$31,815,470	\$29,275,126
EXPENSES		
Comp. & Employee Benefits	10,769,013	9,378,805
Other Operating Expenses	10,216,150	9,887,716
Provisions for Loan Losses	6,243,716	3,952,227
Total Expenses	27,228,879	23,218,748
Dividends	2,843,809	2,510,213
Gain/(Loss) on Investments	-24,040	-34,618
Net Income	\$1,718,742	\$3,511,548

Capital Growth Chart



Allocation of Current Year's Income



Significant Balance Sheet Items

