

**PEOPLES ENERGY CREDIT UNION
FINANCIAL STATEMENTS
December 31, 2017**

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

INCOME	<u>2017</u>	<u>2016</u>
Interest on Loans to Members	\$ 578,145	\$ 557,211
Interest on Government Securities		2,250
Interest on Certificates of Deposit	404,020	395,790
Fines, Fees and Commissions	<u>27,475</u>	<u>26,595</u>
Total Income	1,009,640	981,846
EXPENSE		
Salary Expense	\$ 257,447	\$ 286,052
Payroll Taxes	25,720	29,108
Retirement Plan Contributions	25,884	30,693
Employee/Director Benefits	20,171	24,377
Illinois Credit Union League and Chapter Dues	11,298	11,246
Depreciation/Amortization Expenses	4,062	348
Maintenance and Repairs (Prop. & Equip.)	400	386
Office Supplies and Expenses	79,682	71,925
Insurance(Burglary, Forgery and Fidelity)	16,220	16,137
Network Fees	4,100	3,769
EFT Expenses	39,154	38,917
Checking Account Expenses	1,013	849
Promotional Expenses	12,420	18,996
Gift Card Expenses	62	545
Staff Development	200	200
Loan Servicing Expenses	20,721	13,308
Collection Expenses	2,754	670
Repossession Expenses	1,547	
State Regulatory Fees	23,599	26,238
Insurance Assessment Expense	7,531	
Meetings(League, Chapter, Director and Annual)	7,379	13,069
Provision for Loan Losses	<u>69,000</u>	<u>113,500</u>
Total Operating Expenses	630,364	700,333
Income from Operations	379,276	281,512
(Less)Dividends on Shares	<u>(326,407)</u>	<u>(258,459)</u>
NET INCOME	<u>\$ 52,869</u>	<u>\$ 23,054</u>

COMPARATIVE BALANCE SHEET

	ASSETS			
	<u>December 31, 2017</u>		<u>December 31, 2016</u>	
CURRENT ASSETS				
Cash on Hand	\$	2,000		\$ 2,000
Cash in Bank		<u>339,821</u>	\$ 341,821	<u>165,425</u> \$ 167,425
INVESTMENTS				
Certificates of Deposit		24,073,000		25,558,000
Short-term Government Securities			<u>24,073,000</u>	<u>25,558,000</u>
LOANS TO MEMBERS				
		9,617,101		8,634,615
(Less) Allowance for Loan Losses		(63,737)		(33,074)
Home Equity Line of Credit Loans		190,085		284,197
(Less) Allowance for HELOC Losses		<u>(50,000)</u>	9,693,449	<u>(50,000)</u> 8,835,738
OTHER ASSETS				
Share Insurance Deposit		393,043		389,612
Alloya Capital Deposit		40,000		40,000
Fiserv EFT Settlement Dep		9,000		9,000
Investment Income Receivable		37,293		36,429
Loan Income Receivable		16,969		13,177
Accounts Receivable				5,180
Property and Equipment-Net		8,655		5,910
Prepaid Insurance & Maintenance		9,058		10,728
Less Fiserv EFT Clearing			<u>514,018</u>	<u>510,036</u>
TOTAL ASSETS		<u>\$ 34,622,288</u>		<u>\$ 35,071,198</u>

	LIABILITIES, SHARES AND RESERVES			
	<u>December 31, 2017</u>		<u>December 31, 2016</u>	
LIABILITIES				
Payroll Taxes Payable	\$	6,037		\$ 4,248
Federal Withholding Taxes Payable		9,040		6,046
State Withholding Taxes Payable		2,865		1,041
Accounts Payable		<u>11,394</u>	29,336	<u>4,301</u> 15,636
SHARES				
Regular		29,503,102		30,049,095
Holiday Club		47,217		44,735
Checking		<u>168,282</u>	29,718,601	<u>140,251</u> 30,234,080
RESERVES				
Regular Reserve		650,000		650,000
Contingent Reserve		2,500,000		2,450,000
Surplus		<u>1,724,351</u>	4,874,351	<u>1,721,482</u> 4,821,482
Total Liabilities, Shares and Reserves		<u>\$ 34,622,288</u>		<u>\$ 35,071,198</u>

ALLOCATION OF NET INCOME

Regular Reserve		\$ 650,000
Balance in Surplus December 31, 2016	\$ 1,721,482	
Add-Net Earnings for Year 2017	<u>2,869</u>	1,724,351
Balance in Contingent December 31, 2016	2,450,000	
Add-Net Earnings for Year 2017	<u>50,000</u>	<u>2,500,000</u>
Reserve balance December 31, 2017		<u><u>\$ 4,874,351</u></u>

ANALYSIS OF ALLOWANCE FOR LOAN LOSSES

Balance in Allowance for Loan Losses December 31, 2016		\$ 33,074
Add - Provision in 2017	\$ 69,000	
- Recoveries on Loans Charged Off	54,766	
-Miscellaneous Adjustment	<u>123,766</u>	\$ 123,766
(Less) - Net Loans Charged Off in 2017	(93,103)	
		<u>30,663</u>
Balance in Allowance for Loan Losses December 31, 2017		<u><u>\$ 63,737</u></u>
Balance in Allowance for HELOC Losses December 31, 2016		\$ 50,000
Add - Provision in 2017		
- Recoveries on Loans Charged Off		
-Miscellaneous Adjustment	<u>-</u>	\$ -
(Less) - Net Loans Charged Off in 2017	-	
		<u>-</u>
Balance in Allowance for Loan Losses December 31, 2017		<u><u>\$ 50,000</u></u>

COMPARATIVE STATEMENTS OF SHARE AND LOAN ACCOUNTS

	2017		2016		2015	
	Number	Amount	Number	Amount	Number	Amount
Share Accounts	2,440	\$ 29,501,102	2,428	\$ 30,049,095	2,417	\$ 29,801,100
Loan Accounts	987	\$ 9,807,186	943	\$ 8,918,811	907	\$ 8,219,611
Average Share		\$ 12,091		\$ 12,376		\$ 12,330
Average Loan		\$ 9,936		\$ 9,458		\$ 9,062