

**PEOPLES ENERGY CREDIT UNION
FINANCIAL STATEMENTS
December 31, 2016**

COMPARATIVE STATEMENT OF INCOME AND EXPENSE

INCOME	<u>2016</u>	<u>2015</u>
Interest on Loans to Members	\$ 557,211	\$ 552,073
Interest on Government Securities	2,250	680
Interest on Certificates of Deposit	395,790	409,113
Fines, Fees and Commissions	<u>26,595</u>	<u>24,244</u>
Total Income	981,846	986,110
EXPENSE		
Salary Expense	\$ 286,052	\$ 280,483
Payroll Taxes	29,108	29,129
Retirement Plan Contributions	30,693	30,052
Employee/Director Benefits	24,377	25,941
Illinois Credit Union League and Chapter Dues	11,246	11,374
Depreciation/Amortization Expenses	348	2,566
Maintenance and Repairs (Prop. & Equip.)	386	939
Office Supplies and Expenses	71,925	76,428
Insurance(Burglary, Forgery and Fidelity)	16,137	15,832
Network Fees	3,769	2,831
EFT Expenses	38,917	32,864
Checking Account Expenses	849	1,402
Promotional Expenses	18,996	28,589
Gift Card Expenses	545	479
Staff Development	200	450
Loan Servicing Expenses	13,308	13,972
Collection Expenses	670	1,043
Repossession Expenses		
Consulting Fees		
State Regulatory Fees	26,238	22,882
Meetings(League, Chapter, Director and Annual)	13,069	12,145
Provision for Loan Losses	<u>113,500</u>	<u>-</u>
Total Operating Expenses	700,333	589,401
Income from Operations	281,512	396,709
(Less)Dividends on Shares	<u>(258,459)</u>	<u>(290,698)</u>
NET INCOME	<u>\$ 23,054</u>	<u>\$ 106,011</u>

COMPARATIVE BALANCE SHEET

	ASSETS			
	<u>December 31, 2016</u>		<u>December 31, 2015</u>	
CURRENT ASSETS				
Cash on Hand	\$	2,000		\$ 2,000
Cash in Bank		<u>165,425</u>	\$ 167,425	<u>526,725</u> \$ 528,725
INVESTMENTS				
Certificates of Deposit		25,558,000		25,652,000
Short-term Government Securities			<u>25,558,000</u>	<u>25,652,000</u>
LOANS TO MEMBERS				
8,634,615				7,917,027
(Less) Allowance for Loan Losses		(33,074)		(68,519)
Home Equity Line of Credit Loans		284,197		302,584
(Less) Allowance for HELOC Losses		<u>(50,000)</u>	8,835,738	<u>(50,000)</u> 8,101,092
OTHER ASSETS				
Share Insurance Deposit		389,612		388,795
Alloya Capital Deposit		40,000		40,000
Fiserv EFT Settlement Dep		9,000		9,000
Investment Income Receivable		36,429		34,866
Loan Income Receivable		13,177		12,565
Accounts Receivable		5,180		6,460
Property and Equipment-Net		5,910		
Prepaid Insurance & Maintenance		10,728		9,973
Less Fiserv EFT Clearing			<u>510,036</u>	<u>501,659</u>
TOTAL ASSETS		<u>\$ 35,071,198</u>		<u>\$ 34,783,476</u>

	LIABILITIES, SHARES AND RESERVES			
	<u>December 31, 2016</u>		<u>December 31, 2015</u>	
LIABILITIES				
Payroll Taxes Payable	\$	4,248		\$ 3,930
Federal Withholding Taxes Payable		6,046		5,404
State Withholding Taxes Payable		1,041		963
Accounts Payable		<u>4,301</u>	15,636	<u>4,577</u> 14,874
SHARES				
Regular		30,049,095		29,801,100
Holiday Club		44,735		43,153
Checking		<u>140,251</u>	30,234,080	<u>125,921</u> 29,970,174
RESERVES				
Regular Reserve		650,000		650,000
Contingent Reserve		2,450,000		2,450,000
Surplus		<u>1,721,482</u>	4,821,482	<u>1,698,428</u> 4,798,428
Total Liabilities, Shares and Reserves		<u>\$ 35,071,198</u>		<u>\$ 34,783,476</u>

ALLOCATION OF NET INCOME

Regular Reserve		\$ 650,000
Balance in Surplus December 31, 2015	\$ 1,698,428	
Add-Net Earnings for Year 2016	<u>23,054</u>	1,721,482
Balance in Contingent December 31, 2015	2,450,000	
Add-Net Earnings for Year 201	<u> </u>	<u>2,450,000</u>
Reserve balance December 31, 2015		<u><u>\$ 4,821,482</u></u>

ANALYSIS OF ALLOWANCE FOR LOAN LOSSES

Balance in Allowance for Loan Losses December 31, 2015		\$ 68,519
Add - Provision in 2016	\$ 113,500	
- Recoveries on Loans Charged Off	34,248	
-Miscellaneous Adjustment	<u> </u>	\$ 147,748
(Less) - Net Loans Charged Off in 2016	(183,193)	
		<u>(35,445)</u>
Balance in Allowance for Loan Losses December 31, 2016		<u><u>\$ 33,074</u></u>
Balance in Allowance for HELOC Losses December 31, 2015		\$ 50,000
Add - Provision in 2016		
- Recoveries on Loans Charged Off		
-Miscellaneous Adjustment	<u> </u>	\$ -
(Less) - Net Loans Charged Off in 2016	-	
		<u>-</u>
Balance in Allowance for Loan Losses December 31, 2016		<u><u>\$ 50,000</u></u>

COMPARATIVE STATEMENTS OF SHARE AND LOAN ACCOUNTS

	2016		2015		2014	
	Number	Amount	Number	Amount	Number	Amount
Share Accounts	2,428	\$ 30,049,095	2,417	\$ 29,801,100	2,446	\$ 29,907,341
Loan Accounts	943	\$ 8,918,811	907	\$ 8,219,611	896	\$ 7,246,750
Average Share		\$ 12,376		\$ 12,330		\$ 12,227
Average Loan		\$ 9,458		\$ 9,062		\$ 8,088