



**1199 SEIU Federal  
Credit Union**

"For Your Financial Health"®



# ANNUAL REPORT 2018

## 1199 SEIU Federal Credit Union

Tel: 212-957-1055

Website: <http://www.1199federalcu.org>

310 West 43<sup>rd</sup> Street, 2<sup>nd</sup> Floor

New York, NY 10036



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# CHAIR'S MESSAGE

I would like to start by mentioning how honored and privileged I am to represent the members of 1199 SEIU Federal Credit Union. We are a volunteer board, and like you, we are members of the credit union. The well-being of our fellow members is most vital to us and we never lose sight of that. Being there for you is our sole reason for being. As a credit union, we don't have to pay big corporate stockholders, our profits go back to you. We focus on delivering the financial products and services that you truly need to reach your goals and enrich your life.

The board's top priority is to support the management and staff in ensuring that the mission and values of our credit union are maintained. We exist to serve you, the member-owners of the 1199 SEIU Federal Credit Union.

I would like to express my thanks and gratitude to Kathya Pierre, our Chief Executive Officer and her staff, as well as my fellow board members and Supervisory Committee members. They are the backbone of our credit union and they take the well-being of our members very seriously. Every goal established by us has the members' financial success in mind and always will. We have no other reason to exist.

As always, it is an honor to serve you and I look forward to another year of being there for you.

A handwritten signature in cursive script that reads "Aida Garcia".

**Board Chair**

# CEO'S MESSAGE

As Chief Executive Officer of 1199 SEIU Federal Credit Union, I have the honor of meeting the needs of more than 19,500 members. Obviously, it's not me alone. I have an excellent staff who I am very proud of and volunteers who donate a lot of time. We are all passionate about our work. It is my role to implement approved policies and to ensure that the goals established by the Board of Directors are met.

2017 and 2018 tested our resolve as a community and as a credit union. Through it all, I was consistently amazed by the loyalty and determination of my staff. Neither the hot summer nor the bitter cold winter could keep them away. For a total of 17 months they came to work in a building with no heat and no air conditioning. They had to work at two separate locations to ensure no disruption to our members. Their loyalty and dedication kept 1199 SEIU Federal Credit Union going. They worked harder to make up for lost time and use the setback as a chance to be innovative and reach new heights. The last 2 years we did just that. Not only did we do all we could to give you more today, but we also laid the groundwork to give you even more tomorrow. Over the course of 2017/2018, we focused on putting essential strategies in place to ensure we can keep giving our members the best possible banking experience, now and in the future.

The mission and values of 1199 SEIU Federal Credit Union are our top priority. While we do value financial strength and stability, we never lose sight of our reason for existence, you, the member-owners. Our common bond keeps us united and makes us successful. Going forward we will continue to be a credit union that you can depend upon and provide you even greater value.

On behalf of my staff and myself, we appreciate your loyalty and look forward to a long and healthy relationship with you. Our goal is to meet your financial needs.

*Kathya Pierre*

Chief Executive Officer

# SUPERVISORY COMMITTEE MESSAGE

The Supervisory Committee is comprised of 5 members appointed by the Board of Directors. The other four members are Charlotte Hackett, Carla Verdecias, Gina Miller & Dell Smitherman. The Supervisory Committee's major accountability is to you, the members of 1199 SEIU Federal Credit Union. As an independent body, the Supervisory Committee ensures that the Credit Union's Board of Directors establish practices and procedures that properly safeguard your assets. We monitor the quality and integrity of the credit union's financial statements and the adequacy of the credit union's system of internal controls: We accomplish this by:

- Attending monthly board meetings
- Reporting supervisory committee activity to the board at their monthly board meeting.
- Performing an annual verification of member accounts.
- Thoroughly reviewing monthly board packets which include Statement of Financial Condition and Income Statement.
- Fulfilling educational requirements.
- Overseeing the "Internal Audit function" which helps us evaluate and improve effectiveness.
- Ensuring that the "Annual Supervisory Committee Audit" is performed. This audit performed by James Gurrieri, CPA ensures compliance with generally accepted accounting principles and fair presentation of our financial statements.
- Investigating member grievances not resolved to their satisfaction by management.

Based on our continuous monitoring of the Board & Management's Activities, On-going Internal Reviews and our Annual Supervisory Committee Audit we are confident that your money is secure. It's also insured by the National Credit Union Administration Share Insurance Fund for a maximum of \$250,000. You are in safe hands with the 1199 SEIU Federal Credit Union Family.

Thank you.



**Supervisory Committee Chair**





COMPARATIVE STATEMENT OF FINANCIAL CONDITION  
AS OF DECEMBER 31, 2018, 2017 AND 2016

<u>ASSETS</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
LOANS	\$21,668,275	\$22,730,229	\$22,894,046
LESS: ALLOWANCE FOR LOAN LOSSES	(834,018)	(655,398)	(587,564)
NET LOANS	\$20,834,257	\$22,074,831	\$22,306,482
CASH	3,898,782	1,888,752	366,679
INVESTMENTS	44,790,578	41,603,087	40,622,303
PREPAID EXPENSES	98,721	73,438	85,307
ACCRUED INTEREST & OTHER RECEIVABLES	220,274	226,921	251,584
FIXED ASSETS AT BOOK VALUE	14,045	10,681	16,581
DEPOSIT IN NCUSIF	655,342	629,600	593,407
TOTAL ASSETS	<b>\$70,511,999</b>	<b>\$66,507,310</b>	<b>\$64,242,343</b>
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<u>LIABILITIES, SHARES AND CAPITAL</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
PAYABLES AND CLEARING ACCOUNTS	\$31,956	\$29,450	\$24,681
ACCRUED EXPENSES	87,310	68,638	42,199
DIVIDENDS PAYABLE	0	0	0
OTHER LIABILITIES	2,180	2,164	1,126
DEFERRED INCOME	94,721	150,907	201,673
TOTAL LIABILITIES	<b>\$216,167</b>	<b>\$251,159</b>	<b>\$269,679</b>
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<u>SHARES</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
	<b>\$64,897,446</b>	<b>\$60,943,392</b>	<b>\$58,834,755</b>
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<u>CAPITAL</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
STATUTORY RESERVE	\$501,204	\$501,204	\$501,204
UNDIVIDED EARNINGS	5,097,596	4,878,511	4,708,352
ACCUMULATED UNREALIZED GAIN/LOSS	(200,414)	(66,956)	(71,647)
TOTAL CAPITAL	<b>\$5,398,386</b>	<b>\$5,312,759</b>	<b>\$5,137,909</b>
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<u>TOTAL LIABILITIES, SHARES AND CAPITAL</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
	<b>\$70,511,999</b>	<b>\$66,507,310</b>	<b>\$64,242,343</b>

COMPARATIVE STATEMENT OF INCOME AND EXPENSE  
FOR THE PERIODS INDICATED BELOW

<u>INCOME</u>	<u>12 mos ended</u> <u>12/31/18</u>	<u>12 mos ended</u> <u>12/31/17</u>	<u>12 mos ended</u> <u>12/31/16</u>
INTEREST ON LOANS	\$1,520,378	\$1,489,248	\$1,478,696
INCOME FROM INVESTMENTS	996,129	748,755	627,762
FEES & MISCELLANEOUS INCOME	447,978	452,782	503,269
<b>GROSS INCOME</b>	<b>\$2,964,485</b>	<b>\$2,690,785</b>	<b>\$2,609,727</b>
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<u>EXPENSES</u>	<u>12 mos ended</u> <u>12/31/18</u>	<u>12 mos ended</u> <u>12/31/17</u>	<u>12 mos ended</u> <u>12/31/16</u>
COMPENSATION & BENEFITS	\$1,286,360	\$1,278,942	\$1,198,416
ASSOCIATION DUES	20,266	19,998	20,450
MEETINGS & CONFERENCES	40,441	45,927	60,388
OFFICE OCCUPANCY	100,781	12,368	58,394
OFFICE OPERATIONS EXPENSES	861,234	812,285	755,934
EDUCATION & PROMOTION	12,409	14,497	15,542
LOAN SERVICING EXPENSE	59,880	51,873	66,940
PROFESSIONAL & OUTSIDE SERVICES	64,398	64,634	86,701
PROVISION FOR LOAN LOSS	282,431	160,996	124,133
FEDERAL SUPV/EXAMINATION EXPENSE	17,566	14,667	11,033
OTHER OPERATING EXPENSES	6,072	20,061	2,390
<b>TOTAL OPERATING EXPENSES</b>	<b>\$2,751,838</b>	<b>\$2,496,248</b>	<b>\$2,400,321</b>
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<u>NET OPERATING INCOME (LOSS)</u>	<u>12 mos ended</u> <u>12/31/18</u>	<u>12 mos ended</u> <u>12/31/17</u>	<u>12 mos ended</u> <u>12/31/16</u>
	\$212,647	\$194,537	\$209,406
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<u>OTHER</u>	<u>12 mos ended</u> <u>12/31/18</u>	<u>12 mos ended</u> <u>12/31/17</u>	<u>12 mos ended</u> <u>12/31/16</u>
NON-OPERATING (EXPENSE) INCOME	\$45,656	\$5,969	\$8,624
GAIN ON SALE OF SECURITIES	0	7,017	5,299
DIVIDENDS	(39,218)	(37,363)	(35,692)
<b>NET INCOME (LOSS)</b>	<b>\$219,085</b>	<b>\$170,160</b>	<b>\$187,637</b>

COMPARATIVE ANALYSIS OF CAPITAL AND RESERVE ACCOUNTS  
AS OF DECEMBER 31, 2018, 2017 & 2016

<u>REGULAR RESERVE</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
BALANCE - BEGINNING OF PERIOD	\$501,204	\$501,204	\$501,204
BALANCE - END OF PERIOD	<b>\$501,204</b>	<b>\$501,204</b>	<b>\$501,204</b>

  

<u>UNDIVIDED EARNINGS</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
BALANCE - BEGINNING OF PERIOD	\$4,878,511	\$4,708,352	\$4,520,715
NET INCOME (LOSS) FOR PERIOD	219,085	170,159	187,637
BALANCE - END OF PERIOD	<b>\$5,097,596</b>	<b>\$4,878,511</b>	<b>\$4,708,352</b>

  

<u>ALLOWANCE FOR LOAN LOSSES</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
BALANCE - BEGINNING OF PERIOD	\$655,398	\$587,564	\$671,065
ADDITIONAL PROVISION	282,431	160,996	124,133
WRITE-OFFS FOR PERIOD	(192,775)	(196,262)	(349,967)
RECOVERIES ON WRITTEN-OFF LOANS & OTHER	88,964	103,100	142,333
TOTAL	<b>\$834,018</b>	<b>\$655,398</b>	<b>\$587,564</b>

  

<u>ACCUMULATED UNREALIZED GAINS/LOSSES</u>	<u>12/31/18</u>	<u>12/31/17</u>	<u>12/31/16</u>
BALANCE - BEGINNING OF PERIOD	(\$66,956)	(71,647)	\$18,437
CHANGE FOR PERIOD	(133,458)	4,691	(90,084)
BALANCE - END OF PERIOD	<b>(\$200,414)</b>	<b>(\$66,956)</b>	<b>(\$71,647)</b>

## VOLUNTEERS- BOARD OF DIRECTORS

Chairperson	Aida Garcia
Vice-chair	Maria Castaneda
Treasurer	Patricia Smith
Secretary	William Kee
Director	Dell Smitherman
Director	Charisse Simpson
Director	Jean Joachim

## SUPERVISORY COMMITTEE

Chairperson	Jean Turner-Kelly
Vice-chair	Charlotte Hackett
Secretary	Carla Verdecias
Committee Member	Gina Miller
Committee Member	Dell Smitherman

## ADMINISTRATION

Chief Executive Officer	Kathya Pierre
Senior Operating Officer	Anastasia Wallace
Chief Information Officer	Rohan Ketwaroo
Accounting Supervisor	Peri Rollsen
MSR/Teller Supervisor	Dadrie Simmonds

## OFFICE STAFF

Account Recovery Specialists	Teresa Edwards Rigoberto Fermin
ACH/Share Draft Coordinators	Karen Nunez Sandra Willmore
Loan Officers	Christopher Ramlall Shanel Richards
Member Service Representatives/Tellers	Fazeela Hussain Yvonne Lozada Ivonne Intriago Ramirez Jason Stone
Payroll Clerk	Yelizaveta Agadzhanova Pamela Moore

