

UNIVERSITY

ANNUAL
REPORT 2019



OF NEBRASKA
FEDERAL CREDIT UNION

OPENING DOORS
TO THE FUTURE

FINANCIALS

	2019	2018
Total Loans	54,904,791	49,922,537
Less: Allowance for Loan Losses	(204,325)	(182,624)
Cash	1,075,801	1,089,770
Total Investments	42,229,995	44,753,367
Land and Building	4,303,834	4,117,063
Other Fixed Assets	466,146	184,189
Other Assets	4,437,518	3,381,510
Total Assets	<u>107,213,761</u>	<u>103,265,812</u>
Total Liabilities	711,029	727,937
Total Shares and Deposits	97,044,031	93,591,673
Total Equity	9,458,700	8,946,201
Total Liabilities, Shares and Equity	<u>107,213,761</u>	<u>103,265,812</u>
Income from Loans	2,454,682	2,243,341
Income from Investment	972,317	869,510
Total Interest Income	<u>3,426,999</u>	<u>3,112,850</u>
Dividends	127,261	90,542
Interest on Borrowed Money	0	195
Total Interest Expense	<u>127,261</u>	<u>90,737</u>
Interest Spread	3,299,738	3,022,113
Provision for Loan Loss Expense	137,628	129,708
Net Interest Spread	<u>3,162,110</u>	<u>2,892,405</u>
Salary and Benefits	2,100,987	1,826,701
Travel and Conference	46,305	39,296
Office Occupancy	301,587	244,969
Office Operations	440,177	358,861
Education and Promotion	255,389	200,105
Loan Service	272,891	214,216
Professional Service	665,743	573,666
Operating Fees	27,826	26,510
Other Expenses	75,909	58,224
Total Operating Expenses	<u>4,186,816</u>	<u>3,542,547</u>
Other Income	1,330,832	1,308,862
Net Expenses	<u>2,855,984</u>	<u>2,233,685</u>
Gain (Loss) from sale of asset	0	0
Net Income	<u>306,126</u>	<u>658,720</u>

CHAIRMAN & PRESIDENT'S MESSAGE

The University of Nebraska Federal Credit Union remains safe, financially sound, and committed to the credit union motto of "People Helping People". We accomplished much in 2019, and we are committed to doing everything we can in 2020 to serve our members during the extended coronavirus pandemic.

Our top two strategic business priorities going in to 2019 were to open our new full-service branch in Kearney by the third quarter of the year, and to grow loans to members. We are pleased to report we accomplished both of these. Our first full-service branch outside of Lincoln opened in August serving our members in and around the UNK campus. This monumental feat included site selection, contract negotiation, branch design, builder coordination, staff selection, staff training, vendor selection and coordination, and many other aspects including a detailed marketing plan.

We are also pleased to report we grew our loan portfolio by \$5,000,000 in 2019 representing 10% loan growth, exceeding both our budget and peer averages. Providing our members access to high quality, low cost loans accomplishes our mission of helping our members succeed financially while also strengthening the credit union balance sheet.

While achieving these two important strategic priorities, it's equally noteworthy we also maintained our exceptional track record of Examination and Audit results. Our regulator, the National Credit Union Administration, recently examined the credit union as of December 31, 2019, and noted we again achieved superior results. Likewise, our annual audit and past audits highlight our long track record of strong lending and accounting compliance while serving an excellent field of membership.

A very talented and caring staff, Board of Directors, and other volunteers will continue to put your best interests at the forefront of all we do. Perhaps more than any other year, we applaud the work of many on our team who came together achieving these lofty results. Thank you for your membership in this great credit union.

Keith Kauffeld
President & CEO

Chris Kabourek
Board Chair

MISSION STATEMENT

The mission of the University of Nebraska Federal Credit Union is to provide convenient, affordable financial services, which will assist members in improving their financial stability while operating in such a way as to provide for the financial stability of the Credit Union.

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is comprised of five volunteer members appointed by the Board of Directors. The primary responsibilities of the committee are the annual audit and the verification functions as outlined in the Federal Credit Union Act.

The committee also works with the credit union staff, the Board of Directors, and the NCUA examiners to oversee financial integrity and internal control structure of the University of Nebraska Federal Credit Union. The committee meets on a monthly basis.

Petersen & Associates, hired by the Supervisory Committee, performed their quarterly and annual audits. The auditors examined the credit union's financial statements and internal control policies and procedures. Again this year, the audit showed no exceptions and made only minor recommendations.

Cheryl Hassler and I met with NCUA examiners to verify internal controls and then participated in an exit interview. As required, after the exit interview, the committee reviewed the NCUA Exam results. All

findings were verified, addressed, and documented by management.

This April, Anne Mulligan and I will complete our terms on the Supervisory Committee. I think I can speak for Anne as well as for myself that it's been a pleasure serving on this committee and working with our other committee members, Cheryl Hassler, Rhonda Alexander, and Beth Whitaker. A huge thank you to Rnel Sohl, Shelly Heng and Keith Kauffeld for their time and help with our committee.

Gary Lang
Supervisory Committee Chair

FINANCIAL EDUCATION RECOGNIZED

Over the past several years the credit union has been recognized on a national level for its commitment to financial education. In July of 2019, the credit union was recognized with an *Editors' Choice™ Award for Community Commitment* from *cardrates.com*. The recognition was based on the credit union's, "dedication to saving members time and money while supporting community outreach and philanthropic programs."

This past year the credit union provided hands-on financial education to 569 individuals. This included seminars on Wills and ID Theft to a course taught on entrepreneurship at the 4-H Clover College. "We've been able to reach out to so many different age groups on a variety of financial topics in 2019," said Dena Noe, Vice President of Marketing and Communication. "I'm really proud of our credit union and its commitment to fulfill our mission to foster financial intelligence."

The credit union was asked to serve on a sub-team of the Well-Being Collaborative Council at UNL. The council is focused on the 9 Dimensions of Well-Being that include career, cultural, emotional, environmental, financial, intellectual, physical, social and spiritual. Our sub-team is financial. Through our involvement with the council we learned about the food insecurities many of our students face. Learning of this need our credit union held a frozen food drive with staff and helped fill the freezers at Husker Pantry and the Big Blue Cupboard in Kearney.

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Kari Williams

KEARNEY STAFF

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Patti Parks

Greyson Wynn



2019 STATS

10%

loan growth

\$898

average interest saved
per member from
auto loan recaputre program

569

individuals served through
financial education and outreach

\$17,421

sponsorships &
donations

Main Office

1720 P Street, Lincoln, NE

East Branch

301 N. 52nd Street, Lincoln, NE

Kearney Branch

208 W 29th Street, Ste. C, Kearney, NE

University of
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FEDERAL CREDIT UNION