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University of Nebraska
Federal Credit Union

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Annual Report

FINANCIALS

	2020	2019
Total Loans	58,388,689	54,904,791
Less: Allowance for Loan Losses	(220,094)	(204,325)
Cash	1,460,035	1,075,801
Total Investments	58,015,003	42,229,995
Land and Building	4,181,715	4,303,834
Other Fixed Assets	318,827	466,146
Other Assets	5,791,156	4,437,518
Total Assets	<u>127,935,331</u>	<u>107,213,761</u>
Total Liabilities	748,115	711,029
Total Shares and Deposits	117,157,089	97,044,031
Total Equity	10,030,126	9,458,700
Total Liabilities, Shares and Equity	<u>127,935,331</u>	<u>107,213,761</u>
Income from Loans	2,577,978	2,454,682
Income from Investment	867,466	972,317
Total Interest Income	<u>3,445,444</u>	<u>3,426,999</u>
Dividends	109,913	127,261
Interest on Borrowed Money	<u>0</u>	<u>0</u>
Total Interest Expense	109,913	127,261
Interest Spread	3,335,531	3,299,738
Provision for Loan Loss Expense	<u>80,527</u>	<u>137,628</u>
Net Interest Spread	3,255,004	3,162,110
Salary and Benefits	2,288,574	2,100,987
Travel and Conference	11,397	46,305
Office Occupancy	347,930	301,587
Office Operations	469,023	440,177
Education and Promotion	231,820	255,389
Loan Service	242,165	272,891
Professional Service	620,092	665,743
Operating Fees	29,218	27,826
Other Expenses	<u>50,599</u>	<u>75,909</u>
Total Operating Expenses	4,290,818	4,186,816
Other Income	1,193,887	1,330,832
Net Expenses	<u>3,096,930</u>	<u>2,855,984</u>
Gain (Loss) from sale of asset	<u>300</u>	<u>0</u>
Net Income	<u>158,374</u>	<u>306,126</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". Though 2020 will be remembered as the year of the pandemic, we also recognize it made us find new and innovative ways to serve our members. While it forced us to close our lobbies, we responded by emphasizing digital delivery channels and by expanding our drive-thru operations. While businesses and industries were shutting down, we responded by eliminating fees and providing no-cost loan extensions. Early in the pandemic we committed to the goals of maintaining our member service levels, keeping all our staff safe while in the work space, and keeping every employee gainfully employed. We're happy to report we accomplished these goals, and more including setting a record for loan production in a year, and implementing a new phone system to better serve our members.

Our top business priorities going in to 2020 were to originate \$20,500,000 in loans to members, and to expand our operations following the grand opening of our new full-service branch in Kearney. The combination of the record low interest rate environment along with our caring staff eager to assist members resulted in us generating more than \$25,700,000 in loans, and our new Kearney Branch generating 255% of their high, but achievable loan production goal.

We implemented a new phone system and reorganized the credit union to better serve our members both during the pandemic and going forward. And we've laid the groundwork for modernizing our mobile and internet banking programs in 2021.

While achieving these 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, in their most recent Examination 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 our staff and volunteers who came together achieving these lofty results in the face of trials and the most unusual of circumstances. Thank you for your membership in this great credit union.

Keith Kauffeld
President/CEO

Kim Phelps
Board Chair

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 monthly. Through the COVID-19 lobby closure, we have changed our review process to online but continue to be vigilant. We also try to have one member attend the Board meetings. Thank you, Beth Whitaker, for volunteering to do this.

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. This year's audits show no findings.

Last April, Anne Mulligan and Gary Lang completed their terms on the Supervisory Committee. We thank them for their dedicated service and leadership. It was a pleasure to work with them. Elaine Gokie and Larry Bock were appointed to the committee and join Beth Whitaker and Ronda Alexander.

A huge thank you to Rnel Sohl, Shelly Heng, and Keith Kauffeld for their time and talents. We are looking forward to in-person meetings and some orientation for our new committee members.

Cheryl Hassler
Supervisory Committee 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.

BOARD OF DIRECTORS

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FEDERAL CREDIT UNION