

Supervisory Committee Report

Cheryl Hassler, Supervisory Committee Chair

The Supervisory Committee is comprised of five volunteers appointed by the Board of Directors. Their primary responsibility is to ensure that the board of directors and credit union management are meeting required financial reporting objectives and establishing practices and procedures to safeguard members' assets. Current committee members are Beth Whitaker, Elaine Gokie, Larry Bock, Dustin Baker, and Cheryl Hassler.

The committee works with the credit union staff, Board of Directors, and the NCUA examiners to oversee the financial integrity and internal controls of the University of Nebraska Federal Credit Union. The committee meets once a month. Beth attends the Board of Directors meeting as our representative. We continue to use Zoom and in person meetings as needed. Beth and I term off the Committee as of May 2023.

The committee is responsible for selecting an independent audit firm to perform quarterly and annual audits. Petersen & Associates is the current auditing firm. The auditors examine the credit union's financial statements as well as internal control policies and procedures.

It has been a very busy year at the credit union. The staff has implemented a new Mobile/Internet Banking product, signed a card processing agreement, launched MakeCents checking and will move phone systems in 2023. The staff formed teams across departments to bring expanded services to the membership. They strive to provide the best credit union experience possible.

A huge thank you to Rnel Sohl, Shelly Heng, Jackson Ostergaard, and Keith Kauffeld for their time and talents. Keith's vision for the credit union is commendable. It is well positioned for the future. It has been Beth's and my pleasure to serve on the Supervisory Committee. If you or anyone you know is interested in volunteering, please contact Rnel Sohl.

Board of Directors

Frances Hayes, Chair
Heath Tuttle, 1st Vice Chair
Chris Tran, 2nd Vice Chair
Andrea Childress, Treasurer
Ben Lennander, Secretary
Jennifer Hellwege, Director
Kim Phelps, Director

Supervisory Committee

Cheryl Hassler, Chair
Dustin Baker
Larry Bock
Elaine Gokie
Beth Whitaker

NUFCU Staff

Brooklynn Alphin
Chase Alphin
Edyn Alstrom
Peyton Barrett
Bronson Burge
Monte Dickson
Alexis Henry
Shelly Heng
Jake Johnson
Keith Kauffeld
Pam Lannin
Spencer Leiting
Melissa Lennander
Sarah Lenz
Julie Manes
Matt McArdle
Mary Mendoza
Maggie Meyers
Ahmaad Miley
Cheryl Montgomery

Molly Morgaridge
TJ Murphy
Sabrina Nielsen
Dena Noe
Jackson Ostergaard
Abbi Ott
Erica Peebles
Mark Priess
Laura Ray
Lori Reininger
Rnel Sohl
Stacey Spitz
Anika Stephen
Sara Teetor
Violet Wells
Karen Westover
Melissa Whitney
Annie Wiedel
Rylie Young

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2022 ANNUAL REPORT



Chair and President's Report

The last three years were unmatched in our lifetimes – the pandemic, the war in Ukraine, major supply chain disruptions, and ongoing labor shortages all preceded 40-year high inflation, spiking interest rates, the collapse of SVB and other large banks, and what many analysts forecast as an impending recession. Despite all these challenges we are pleased to report the University of Nebraska Federal Credit Union remains safe, financially sound, and committed to the credit union motto of “People Helping People.” Established 86 years ago, we remain governed by an all-volunteer board of directors committed to serving our members with integrity and with a focus on placing people before profits. Our cooperative model of member owners differentiates us from banks and other for-profit entities, ensuring that acting in the best interest of our membership is our highest priority.

Our credit union not only survived but thrived through these challenging years. By remaining committed to our principles, our members demonstrated their trust and loyalty in the credit union by increasing their deposits by 30%, from \$100 million to over \$130 million, in the last 3 years alone. This is the strongest 3-year period of growth in our credit union history, and it was accomplished while maintaining our decades-long track record of superior asset quality. We were even named a “Best In State” credit union by Forbes in 2021, being the smallest financial institution in the nation to earn the designation.

Specifically in 2022 our greatest achievement was the successful implementation of a new internet and mobile banking system. Staff put in more than 1,800 hours of preparation resulting in a seamless implementation, while ensuring members continue to have the most sought after and convenient banking features available at their fingertips. The robustness of our mobile banking app will realize its full potential when we add Apple Pay, Google Pay, contactless cards, and integrated card controls later this year.

We recently launched another new product MakeCents, which puts money into your checking account just for using your debit card and spending your own money. While other financial institutions may only reward you for leaving your money sit in your account and charge you fees for using it, at NUFCU

we reward members for using their own money. That just MakesCents.

While achieving these important strategic priorities, it's equally noteworthy that we also maintained our exceptional track record of examination and audit results. Our regulator, the National Credit Union Administration, noted in their most recent examination that 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. We applaud the work of our staff and volunteers who came together to achieve 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

Frances Hayes
Board Chair

Community Involvement

The employees of the University of Nebraska FCU are excited about the community they serve and the credit union. This year, with your help we gave \$7,884 in cash donations along with charitable donations of supplies and toys to members of our community who need it the most. Beneficiaries include Making Strides - American Cancer Society, Team Jack Foundation, Nebraska Trails Foundation, Children's Hospital, Lincoln Action Program, Student Money Management, Lincoln Calling, Lincoln Parks & Recreation, Nebraska Recycling Council, Junior Achievement, Capital Humane Society, Streets Alive, Fresh Start, University of Nebraska Foundation and Lancaster County 4-H.

Financial Literacy is part of the mission statement at your credit union and we take it to heart. Over 260 people took advantage of our spring and fall seminar series. In addition to our seminar series, staff presented on topics such as credit bureaus and credit scores, budgeting, the language of credit, and the consequences of debt at the Kearney Finance Institute, to parents and students through Upward Bound, and at several campus events.

Statement of Financial Condition

Assets	2022	2021
Total Loans	55,817,230	55,341,875
Less: Allowance for Loan Losses	(207,963)	(221,818)
Cash	1,688,761	1,294,984
Total Investments	72,441,289	73,306,021
Land and Building	4,044,202	4,108,075
Other Fixed Assets	457,723	246,572
Other Assets	6,698,695	6,534,957
Total Assets	<u>140,939,936</u>	<u>140,610,666</u>
Liabilities, Shares and Equity		
Total Liabilities	1,644,892	717,832
Total Shares and Deposits	132,049,294	130,154,804
Total Equity	<u>7,245,750</u>	<u>9,738,030</u>
Total Liabilities, Shares and Equity	<u>140,393,936</u>	<u>140,610,666</u>

Statement of Income and Expense

Interest Income	2022	2021
Income from Loans	2,535,805	2,498,355
Income from Investment	<u>1,072,205</u>	<u>791,666</u>
Total Interest Income	3,608,010	3,290,021
Interest Expense		
Dividends	93,162	92,527
Interest On Borrowed Money	<u>0</u>	<u>0</u>
Total Interest Expense	93,162	95,257
Interest Spread	3,514,848	3,197,494
Provision for Loan Loss Expense	<u>68,293</u>	<u>52,097</u>
Net Interest Spread	3,446,555	3,145,397
Operating Expenses		
Salary and Benefits	2,352,763	2,167,630
Travel and Conference	28,296	11,249
Office Occupancy	329,844	354,311
Office Operations	446,240	479,364
Education and Promotion	208,708	234,381
Loan Service	287,986	285,436
Professional Service	808,221	655,600
Operating Fees	22,341	25,344
Other Expenses	<u>72,617</u>	<u>59,295</u>
Total Operating Expenses	4,557,016	4,272,610
Total Other Income	1,606,031	1,361,245
Net Expenses	<u>2,950,985</u>	<u>2,911,365</u>
Net Income (Loss)	<u>495,870</u>	<u>234,032</u>