



***Serving our Members,
our Community,
and Each Other***

IU Credit Union

2017 Annual Report

Chair and President's Report



Doris Sims
Board Chair



Bryan Price
President & CEO

We are pleased to report that 2017 was another outstanding year for the IU Credit Union. We implemented programs, services and products to enhance the member experience; maintained strong community support; and achieved numerous financial goals.

In 2017 we implemented a Skip-A-Pay program for consumer loans, enabled Apple, Samsung and Android Pay Mobile Wallet options, and introduced a new Cash Rewards Credit Card. Other notable achievements included launching surveys to measure member satisfaction, implementing a strategic plan developed to attract and engage millennial members and installing a new phone system to enhance member service through our contact center.

IU Credit Union annually provides more than \$250,000 in community sponsorships and financial contributions. Our new Employee Volunteer Program encourages and supports employees who contribute time to causes important to them. IU Credit Union and its employees have consistently contributed \$40,000 or more to the local United Way Campaign. And we were proud to be awarded the 2017 Community Builder Award from the United Way of Monroe County.

Through our annual scholarship program, \$30,000 of financial assistance was provided to college students. We experienced record-breaking participation in the YMCA's Corporate Challenge with 125 employees, not only winning our division but being named Overall Champion for the first time.

IU Credit Union achieved impressive financial results in 2017. Auto loan originations were a record \$115 million, increasing balances by \$47 million, or 36%. We remained the leader in real estate lending, closing the highest number and amount of mortgages in Monroe County. Business loan balances increased by \$20 million for the third consecutive year. Combined, these results produced record loan growth of \$90 million with total balances in excess of \$703 million. Our loan to share ratio increased to 87%, the highest in our history.

Total share balances increased \$44 million, our second largest annual increase. Net income in 2017 was a record \$10.4 million.

Total assets increased by \$54 million, or 6%. Net worth, a key indicator of safety and soundness, surpassed \$125 million, or 13% of total assets. IU Credit Union remains well-positioned for continued strong financial performance.

IU Credit Union Investment Services acquired a record \$26.8 million in new investments and continues to serve as a trusted provider of professional and personalized investment services.

Serving our members, our community, and each other is at the heart of our organization. In 2018, as we approach \$1 billion in assets, we will carry these principles forward. We will launch an internal knowledge management system to help us quickly share information across the organization; introduce low down payment mortgage options to better serve first-time home buyers; complete a credit card processor conversion to allow us to remain competitive; and continue to support the community with scholarships, sponsorships, donations and our presence at local events.

Since our founding in 1956, we have been led by outstanding volunteers who have served on our Board and Supervisory Committee. On behalf of our Board of Directors, we thank you for your continued confidence in IU Credit Union and we look forward to serving you in the coming year.

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Treasurer's Report

Brad Heim
Treasurer



IU Credit Union ended 2017 with assets of \$944 million, an increase of \$54 million, or 6.1% from 2016. Total loan balances increased \$90 million, or 14.7%. Total share and certificate balances increased \$44 million in 2017.

Net income for 2017 was \$10.4 million. As a result, the Credit Union's total equity increased to \$126 million or 13.3% of assets.

Statement of Condition

as of December 31, 2017 and 2016

Assets	2017	2016
Cash and due from banks	\$10,901,184	\$9,091,269
Interest bearing deposits with other financial institutions	70,053,706	57,074,647
Certificates of deposit with other financial institutions	1,479,737	7,654,533
Securities available for sale, at market value	111,291,823	155,441,939
Federal Home Loan Bank stock, at cost	3,605,400	3,605,400
Loans held-for-sale	227,200	1,444,325
Loans to members (Note 1)	701,049,680	611,326,451
Accrued interest receivable	2,055,118	1,802,087
Premises and equipment, net	13,303,910	13,763,630
Business Owned life insurance	20,598,759	20,081,115
National Credit Union Share Insurance Fund capitalization deposit	7,623,419	7,104,131
Prepaid expenses and other assets	1,845,219	1,464,863
TOTAL ASSETS	\$944,035,155	\$889,854,390

Note 1 - Net of allowance for possible loan losses

Liabilities and Members' Equity	2017	2016
Accrued expenses and other liabilities	\$11,434,849	\$11,869,497
Shares and certificates	806,954,246	762,554,654
Statutory reserves	41,680,862	37,777,010
Undivided earnings	84,065,019	77,551,900
Unrealized gain (loss) on securities, net	(99,821)	101,329
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$944,035,155	\$889,854,390

Statement of Income

for the years ended December 31, 2017 and 2016

	2017	2016
Interest income	\$28,385,241	\$24,999,275
Interest expense	2,683,249	1,992,920
Net interest income	25,701,992	23,006,355
Provision for possible loan losses	1,130,783	876,386
Net interest income after provision	24,571,209	22,129,969
Other income	10,942,957	10,077,585
Other expenses	25,097,195	24,740,820
Net income	\$10,416,971	\$7,466,734

Supervisory Committee Report



Vivian Winston

Supervisory Committee Chair

The primary objective of the Supervisory Committee is to determine that members' assets are adequately safeguarded. This objective is carried out through reviews and evaluations of IU Credit Union's operating, financial reporting, and internal control systems. These responsibilities are administered through the combined efforts of the Audit Services Department, independent certified public accountants and others. The findings and recommendations of these audits are communicated to the Supervisory Committee, Management and the Board of Directors on a regular basis.

IU Credit Union Officials

Board of Directors

Doris Sims (Chair)	Housing and Neighborhood Development Director, City of Bloomington
Larry Polley (Vice Chair)	Retired, Controller, Dynamic Medical Practice Services
John Whikehart (Secretary)	Retired, Chancellor, Ivy Tech Community College Bloomington; and Deputy Mayor, City of Bloomington
Brad Heim (Treasurer)	Professor, School of Public and Environmental Affairs, Indiana University
Jon Barada	President, Bloomington Health Foundation
Hannah Buxbaum	John E. Schiller Chair in Legal Ethics at the Maurer School of Law, Indiana University
Bruce Jaffee	Emeritus Professor of Business Economics and Public Policy, Indiana University
Kim Milford	Executive Director, Research and Education Network Information Sharing and Analysis Center (REN-ISAC), Indiana University
Dana Palazzo	Former Vice President, Bloomington Economic Development Corporation
Scott Smart	Director, Corporate Finance Academy, Kelley School of Business, Indiana University
Emily Springston	Chief Student Welfare and Title IX Officer, Indiana University

Supervisory Committee

Vivian Winston (Chair)	Senior Lecturer, Kelley School of Business, Indiana University
Dennis Cromwell	Associate Vice President, Enterprise Infrastructure, Indiana University
Roy Elkes	Professor of Accounting, Ivy Tech Community College
Marcy Shepardson	Assistant Professor of Accounting, Kelley School of Business, Indiana University
Gregory Udell	Chase Chair of Banking & Finance, Kelley School of Business, Indiana University

Director Emeriti

P.A. Mack, Jr.	Retired, Former Indiana University Trustee, Former NCUA Board Member
Don Weaver	Retired, Assistant to the President for State Relations, Indiana University
Tim Thrasher	Retired, Director of Business Operations, Monroe County Community School Corporation

Senior Management

Bryan Price	President & Chief Executive Officer
Andy Allard	Vice President, Chief Operating Officer
Julie Ragsdale	Vice President, Chief Administrative Officer
Teddie Gambler	Vice President, Information Technology
Chris Hawk	Vice President, Finance
David Sipes	Vice President, Marketing & Business Development

Community Matters



Community matters. In fact, it matters a great deal to IU Credit Union since serving our community is at the heart of what we do. Pictured above is a sampling of our community involvement in 2017.

1. IUCU employees participate in Bowl for Kids' Sake; **2.** IUCU collects coats for kids for the Salvation Army; **3.** IUCU managers helped out at the Hoosier Hills Food Bank during the 14th Annual Day of Service; **4.** CEO, Bryan Price accepted the Community Builder Award from the United Way of Monroe County Executive Director, Barry Lessow; **5.** Employees walk in the Indiana University Homecoming Parade; **6.** CEO, Bryan Price receives an original artwork from artist Cheyenne Schlegel and CEO, Leslie Green of Stone Belt as a token of gratitude for our lasting dedication to the organization; **7.** IUCU proudly sponsored the MCCSC High School Parade Band; **8.** IUCU sponsored the Bloomington Hospital Foundation's Snowflake Festival; **9.** IUCU counts the cash that was collected in the Salvation Army Red Kettle Kick-off Campaign; **10.** Our Member Service Support team makes a holiday donation to the Community Kitchen after their annual Supermarket Sweep competition.

We invite you to visit iucu.org and click on Community Matters at the bottom of the home page to learn more.



Purpose & Vision Statements

IU Credit Union Purpose Statement

To provide financial solutions for everyone, consistent with the not-for-profit cooperative spirit on which we were founded, by creating value for our members, promoting financial education and well-being, and contributing to the betterment of our community.

IU Credit Union Vision Statement

To build long-term relationships with our members as a trusted financial partner.

IU Credit Union

We started a credit union
and created a community.