



Shaping Our Future

2019 Annual Report

IU Credit Union

Chair and President's Report



Brad Heim
Board Chair



Bryan Price
President & CEO

We are pleased to report that 2019 was another outstanding year for the IU Credit Union. Thanks to the ongoing support and loyalty of our members and dedicated staff, a number of significant results were achieved.

In 2019, we broke ground on our new Operations Center, which will allow for future growth within our organization. Other notable achievements included completion of a brand survey, where we ranked higher in brand recognition than any participating credit union nationwide, as well as completion of a member survey and implementation of a new loan payment option.

IU Credit Union is an active partner in the communities we serve and we are proud to annually provide more than \$250,000 in sponsorships and financial contributions. Through our scholarship program we awarded more than \$30,000 in financial assistance to college students. IU Credit Union and its employees again contributed \$40,000 to the local United Way Campaign and received the Community Builder Award in recognition of our ongoing support.

"Serving our members, each other and our community reflects the heart of what we do every day"

We thank our members for voting IU Credit Union as the Herald-Times Readers' Choice "Best Bank/Credit Union" in 2019 for a record thirteenth year. Additionally, we were recognized by the Bloomington Economic Development Corporation as a top employer through its Best Places to Work in Bloomington Awards for the second year.

IU Credit Union achieved impressive financial results in 2019. Retail loan balances increased \$50 million, or 8.6%. We remained the leader in real estate lending, closing the highest number and amount of mortgages in Monroe County. Business loan balances increased \$27 million, the third largest dollar increase in the history of the Credit Union. Combined, these results produced loan growth of \$77 million with total balances increasing to \$878 million.

Total share balances increased \$106 million, doubling the previous record of \$52 million in 2016. Net income in 2019 was \$12.2 million.

Total assets increased \$147 million, or 14.7%, to over \$1.1 billion. Net worth, a key indicator of safety and soundness, was \$151 million, or 13.4% of total assets. IU Credit Union remains well-positioned for continued strong financial performance.

IU Credit Union Investment Services acquired a record \$28 million in new investments and continues to serve as a trusted provider of professional and personalized investment services.

Serving our members, each other and our community reflects the heart of what we do every day and we will carry these principles forward in 2020. We will complete a debit card processor conversion; introduce high yield checking and savings account options; and continue our commitment to sustaining strong communities.

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.

Treasurer's Report

Bruce Jaffee
Treasurer



IU Credit Union ended 2019 with assets of \$1.14 billion, an increase of \$147 million, or 14.7% from 2018. Total loan balances increased \$77 million, or 9.6%. Total share and certificate balances increased a record \$106 million in 2019.

Net income for 2019 was \$12.2 million. As a result, the Credit Union's total equity increased to \$151 million or 13.1% of assets.

Statement of Condition as of December 31, 2019 and 2018

Assets	2019	2018
Cash and due from banks	\$11,891,742	\$14,269,350
Interest bearing deposits with other financial institutions	120,312,124	53,131,352
Securities available for sale, at market value	81,345,439	82,944,707
Federal Home Loan Bank stock, at cost	3,624,900	3,624,900
Loans held-for-sale	675,000	440,000
Loans to members (Note 1)	874,334,860	797,860,747
Accrued interest receivable	2,451,972	2,302,008
Premises and equipment, net	17,841,835	12,455,867
Business Owned life insurance	21,816,350	21,203,565
National Credit Union Share Insurance Fund capitalization deposit	8,533,439	7,962,860
Prepaid expenses and other assets	2,170,378	1,928,449
TOTAL ASSETS	\$1,144,998,039	\$998,123,805

Note 1 - Net of allowance for possible loan losses

Liabilities and Members' Equity	2019	2018
Accrued expenses and other liabilities	\$8,523,678	\$11,317,663
Shares and certificates	955,717,500	849,581,066
Borrowings	30,000,000	-
Statutory reserves	51,252,821	46,203,521
Undivided earnings	99,145,224	91,949,014
Accumulated other comprehensive income (loss)	358,816	(927,459)
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$1,144,998,039	\$998,123,805

Statement of Income for the years ended December 31, 2019 and 2018

	2019	2018
Interest income	\$39,404,209	\$33,931,481
Interest expense	8,671,434	5,135,624
Net interest income	30,732,775	28,795,857
Provision for possible loan losses	1,617,744	1,691,690
Net interest income after provision	29,115,031	27,104,167
Other income	11,403,134	11,580,091
Other expenses	28,272,655	26,277,604
Net income	\$12,245,510	\$12,406,654

Supervisory Committee Report



Marcy Shepardson
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

Brad Heim (Chair)	Associate Dean for Faculty Affairs and Professor, O'Neill School of Public and Environmental Affairs, Indiana University
Kim Milford (Secretary)	Executive Director, Research and Education Network Information Sharing and Analysis Center (REN-ISAC), Indiana University
Hannah Buxbaum	Vice President for International Affairs, Indiana University; John E. Schiller Chair in Legal Ethics and Professor of Law, Indiana University
Andrea Mobley	Executive Director of the Media Digitization and Preservation Initiative, Indiana University; Adjunct Faculty member in The O'Neill School of Public and Environmental Affairs, Indiana University Assistant Superintendent for Human Resources and Operations, Monroe County Community School Corporation
Doris Sims	Housing and Neighborhood Development Director, City of Bloomington
Emily Springston	Chief Student Welfare and Title IX Officer, Indiana University

Supervisory Committee

Marcy Shepardson (Chair)	Assistant Professor of Accounting, Kelley School of Business, Indiana University
Jacob Farmer	Director of Client Services, University Information Technology Services (UITS), Indiana University

Director Emeriti

Scott Smart	Clinical Professor of Finance; Associate Chair of the Full-Time MBA Program, Kelley School of Business, Indiana University
Don Weaver	Retired, Assistant to the President for State Relations, Indiana University

Senior Management

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

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. Community is not a buzzword or a feel good word for us. It's about what we do as individuals and as an organization to show what is important. We're passionate about the communities we serve, particularly in the areas of education and financial literacy.

We invite you to visit www.iucu.org often to see firsthand the community matters the IU Credit Union participates in.

www.iucu.org



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.