

# ***Driven by Purpose***

2020 Annual Report

***IU Credit Union***

# Chair and President's Report



**Jon Barada**  
Board Chair



**Bryan Price**  
President & CEO

As we look back on 2020, a year filled with uncertainties and disruptions associated with the COVID-19 pandemic, we are pleased to report IU Credit Union achieved a number of goals across a range of initiatives. Most importantly, we continued to serve our members and community throughout the unprecedented challenges of a global pandemic.

As an essential service provider, we quickly adapted our operations to ensure uninterrupted member service through branch drive-ups and by appointment in our branch lobbies. The health and safety of our members and employees is our top priority as evident in our social distancing measures, sanitization practices and installation of shield partitions at all branch locations. We are proud to have provided numerous financial relief options to members affected by the pandemic and continue to work with those facing financial hardships.

Despite the year's challenges, a number of accomplishments were achieved in 2020. Key accomplishments included opening our new operations center; completing a debit card conversion; enhancing email services within our Mobile Banking App; implementing real time account activity alerts; developing a strategy for future ATM services; and launching a new website.

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 nearly \$30,000 in financial assistance to college students. Additionally, IU Credit Union and its employees contributed \$40,000 to the local United Way Campaign and an additional \$5,000 to the United Way COVID-19 Emergency Relief Fund, in support of 16 nonprofit organizations serving the area's most vulnerable individuals.

We thank our members for voting IU Credit Union as "Best Bank/Credit Union" in the Herald-Times Best of Btown for the 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 third year. For the first time, we were named one of the Best Places to Work in Indiana in the Indiana Chamber of Commerce's Best Places to Work in Indiana program.

IU Credit Union achieved impressive financial results in 2020. Total retail loan balances increased \$12 million. We remained a leader in real estate lending and originated a record \$136 million in fixed rate mortgage products. Total business loan balances increased \$34 million, the largest dollar increase in the history of the Credit Union. Combined, these results produced loan growth of \$46 million, with total loan balances increasing to \$924 million.

Total share balances increased a record \$170 million. Net income in 2020 was \$11 million.

Total assets increased \$204 million, or 18%, to \$1.4 billion. Net worth, a key indicator of safety and soundness, was \$163 million, or 12% of total assets. IU Credit Union remains well-positioned for continued strong financial performance.

IU Credit Union Investment Services acquired \$21 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 2021. We will implement changes to improve our indirect auto loan program; upgrade a number of ATMs; develop a strategy to improve our call center experience; launch Zelle in our Mobile Banking App; 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.

***IU Credit Union has continued to serve its members and community throughout the unprecedented challenges of the global pandemic.***



# Treasurer's Report

**Bruce Jaffee**  
Treasurer



IU Credit Union ended 2020 with assets of \$1.4 billion, an increase of \$204 million, or 18% from 2019. Total loan balances increased \$46 million, or 5%. Total share and certificate balances increased a record \$170 million in 2020.

Net income for 2020 was \$11 million. As a result, the Credit Union's total equity increased to \$163 million or 12% of assets.

## Statement of Condition as of December 31, 2020 and 2019

<b>Assets</b>	<b>2020</b>	<b>2019</b>
Cash and due from banks	\$8,787,173	\$11,891,742
Interest bearing deposits with other financial institutions	92,566,525	120,312,124
Securities available for sale, at market value	255,170,241	81,345,439
Federal Home Loan Bank stock, at cost	3,804,200	3,624,900
Loans held-for-sale	303,500	675,000
Loans to members (Note 1)	920,366,815	874,334,860
Accrued interest receivable	2,500,485	2,451,972
Premises and equipment, net	18,819,500	17,841,835
Business Owned life insurance	32,673,768	21,816,350
National Credit Union Share Insurance Fund capitalization deposit	10,099,763	8,533,439
Prepaid expenses and other assets	4,248,545	2,170,378
<b>TOTAL ASSETS</b>	<b>\$ 1,349,340,515</b>	<b>\$1,144,998,039</b>

Note 1 - Net of allowance for possible loan losses

<b>Liabilities and Members' Equity</b>	<b>2020</b>	<b>2019</b>
Accrued expenses and other liabilities	\$10,150,896	\$8,523,678
Shares and certificates	1,126,331,590	955,717,500
Borrowings	50,000,000	30,000,000
Statutory reserves	56,121,921	51,252,821
Undivided earnings	105,351,926	99,145,224
Unrealized gain (loss) on securities, net	1,384,182	358,816
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$1,349,340,515</b>	<b>\$1,144,998,039</b>

## Statement of Income for the years ended December 31, 2020 and 2019

	<b>2020</b>	<b>2019</b>
Interest income	\$37,484,992	\$39,404,209
Interest expense	6,685,417	8,671,434
Net interest income	30,799,575	30,732,775
Provision for possible loan losses	1,187,987	1,617,744
Net interest income after provision	29,611,588	29,115,031
Other income	11,543,682	11,403,134
Other expenses	30,079,468	28,272,655
Net income	<b>\$11,075,802</b>	<b>\$12,245,510</b>

# 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.

# Continuing Student Scholarship Recipients

IU Credit Union is a strong supporter of life-long learning, and we are proud to award scholarships annually to deserving students attending Indiana University and Ivy Tech.

## Indiana University

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### *Graduate Full-time - \$2,150 Award*

- Brynn Parkinson, Master of Social Work – Mental Health & Addictions, Bloomington, May '22
- Karyn Housh, PhD Learning Sciences, Bloomington, Fall '22

### *Undergraduate Full-time - \$2,150 Award*

- Audia Anders, Human Biology, Kokomo
- Chloe Miller, Animal Behavior, Bloomington
- Kaili Stedman, Elementary Education, Bloomington
- Henry Ruff, Political Science/Physical Therapy, Bloomington

## Ivy Tech Community College

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### *Full-time – \$850 Award*

- Crystal Cave, Pre-Nursing, Ellettsville
- Adrienne Anderson, Social Work, Bedford
- Maxwell Williams, Computer Science, Bloomington

### *Part-time – \$450 Award*

- Mikayla Thompson, Psychology, Bloomington



# IU Credit Union Officials

## Board of Directors

Jon Barada (Chair)	Vice President, IU Ventures
Kim Milford (Vice Chair)	Executive Director, Research and Education Network Information Sharing and Analysis Center (REN-ISAC), Indiana University
Dennis Cromwell (Secretary)	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
Bruce Jaffee (Treasurer)	Emeritus Professor of Business Economics and Public Policy, Indiana University
Nandini Gupta	Associate Professor of Finance; Cathie and Jerry Anderson Faculty Fellow, Kelley School of Business, Indiana University
Brad Heim	Professor and Executive Associate Dean, Paul H. O'Neill School of Public and Environmental Affairs, Indiana University
Andrea Mobley	Assistant Superintendent for Human Resources and Operations, Monroe County Community School Corporation
Dana Palazzo	Engineer, Chexology
Larry Polley	Retired, Controller, Dynamic Medical Practice Services
Scott Smart	Clinical Professor of Finance; Associate Chair of the Full-Time MBA Program, Kelley School of Business, Indiana University
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
Jason Brown	Associate Professor of Accounting, Kelley School of Business, Indiana University
Roy Elkes	Professor of Accounting, Ivy Tech Community College
Jacob Farmer	Director of Client Services, University Information Technology Services (UITS), Indiana University
DJ Masson	President, The Treasury Academy; Associate Clinical Professor of Finance, Kelley School of Business, Indiana University; Instructor and Curriculum Developer, Association for Financial Professionals, Association of Corporate Treasurers in the U.K., and Citibank's Global Transactions Services Unit

## Director Emeriti

	Vice President for International Affairs, Indiana University; John E. Schiller Chair in Legal Ethics and Professor of Law, Indiana University
Doris Sims	
John Whikehart	Retired, Chancellor, Ivy Tech Community College Bloomington; Former Deputy Mayor, City of Bloomington

## Senior Management

Bryan Price	
Andy Allard	
Julie Ragsdale	Senior Vice President, Chief Administrative Officer
Chris Hawk	Senior Vice President, Chief Financial Officer



# 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](http://www.iucu.org) often to see firsthand the community matters the IU Credit Union participates in.

[www.iucu.org](http://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.*