

Notre Dame Federal Credit Union 2015 ANNUAL REPORT

# IT WILL NEVER CHANGE IF YOU DON'T START.

- TOM GRYP. CUTIMES TRAILBLAZER CEO OF THE YEAR



# YOUR CREDIT UNION

It started as just an idea, an idea shared over a beer at the local tavern on Notre Dame Avenue. In May 1941, near the end of the Great Depression, Professors Lou Buckley and John Sheehan were not interested in making money, but rather, they were looking for a way to save money. Times were tough, and they wanted to help all of their friends on the faculty and staff at the University of Notre Dame.

From that conversation, the University of Notre Dame Federal Credit Union was born. Housed in Room 329 of the Administration Building, under the Golden Dome, the credit union had a total of 30 members after the first day of business. Soon after, the University of Notre Dame Federal Credit Union issued its very first loan for just \$100 to a secretary in the Alumni office.

Nearly 75 years later, Notre Dame Federal Credit Union has grown to over 52,000 members worldwide with nine full-service branches in St. Joseph County and a nationwide network of ATMs and shared branches. Additionally, we continue to expand our products and services, providing affordable and tech-savvy solutions to our members for all of their financial needs.

We were founded to serve our members, and as such, we are owned and controlled by the members we serve. It's the only reason we exist, and we work tirelessly to fulfill that purpose, and will continue to do so in the years to come.

# 2015 COMMUNITY IMPACT

# \$139,862

**UND Father Ted Fischoff Winter Gala** Giden Community Center Donation Penn STEM TAP

**DECEMBER** 

SB Heritage MLK

Celebration

Center for the

Homeless

**SEPTEMBER** 

**Scholarship Foundation** 

**College Fair** 

SJRMC Secret Sisters Society

**SB/Mish Realtors Camp** 

Logan Newman Fest **Domer Run** 

**JANUARY** 

#### **NOVEMBER**

Saint Adalbert **Boys and Girls Club** 

#### **OCTOBER**

USC Charity Challenge **Kelly Cares Golf Outing EYSP Scholarship NAACP Sponsorship** 

#### **FEBRUARY**

YMCA Greatest Chef YMCA Triathlon/ Livestrong

#### MARCH

Right to Life Prayer Dinner **Elite Bird** Penn Rugby

**History Museum Dinner** Sacred Heart Football Sponsor NNN Apprentice Sponsor 100 Black Men Dinner La Casa Musical Arts

#### **AUGUST**

JB Youth NAACP Luncheon

#### **VARYING**

**Internships Scholarships Financial Peace** University

#### **APRIL**

SJRMC Sponsorships YMCA Start-Up Weekend Hispanic Leadership Coalition **Eating Well Fundraiser** SM Alumni ACE for Science SB Realtors Golf

#### MONTHLY

Chamber of Commerce Pledge **Road to Discovery Innovation Park** 

#### JUNE

MAY SB Civic Theater

**Charity Auction Promo** 

Holy Cross College -

Through the Eyes

St. Joseph Grade

**School Field Day** 

Take 10 T-Shirts Catholic Radio Holy Cross College Fair Hospice Bike Michiana Michiana East End All-Stars **Brian Parker Memorial** La Casa De Amistad Chiara Home

Gesture

#### JULY

Pack-a-Backpack Shred-a-Thon Vesper Chorale Concert Potawatomi Zoo Family & Children's Center **JDRF** 

## DEAR FELLOW MEMBERS,

#### As I write this Annual Report letter to you, I find myself thinking of Notre Dame FCU's future.

From my seat, things have never been better. 2015 was a record year in many ways – in finance, innovation and community outreach.

In 2015, your credit union generated over \$2 million in earnings. We introduced Irish Card Shield™ to become one of the first financial institutions nationwide to provide its members with complete control of their credit and debit cards.

We instituted a cash back program for autos, which you responded to with overwhelming enthusiasm. Our Elevate™ program continues to gain national awareness, as we spread our mission into dioceses and parishes coast to coast.

In 2015, we awarded more scholarships and internships than ever before. We also expanded our financial literacy efforts by offering more Financial Peace University classes than in any year prior. We were also pleased to offer these classes in both English and Spanish, to ensure that we provide value to all our members.

It is in these latter accomplishments that I feel the most pride. Don't get me wrong; we must make a profit to continue delivering innovation to our members. Profit also enables us to provide the salaries and benefits necessary to attract and retain the best staff possible.

However, profit is a means to an end, not the end in itself.

Let me give you an example. In 2015, we began charging members one dollar to receive their statements in the mail versus receiving them electronically. Several of our wealthier members demanded that we waive this fee for them, saying that banks regularly waive such charges. Many were incredulous when they were told that this fee was to be waived for no one.

Here's why. It is true that most banks waive fees like this for clients who have significant deposits and/or loans with them. It is also true that for people who do not meet these thresholds, the fees that are charged are significant. For example, chargeable bank "paper statement" fees imposed on those with no other options are about \$3 per month, with some as high as \$5 per month.

See the problem? By waiving fees for some, the others pay more. That is why we charge only one dollar for everyone. No exceptions.

I started this letter talking about what the future holds for Notre Dame FCU. Have no doubt that our future will be very bright. However, how we define our "brightness" will not be measured simply by profits.

Our success as a member-owned cooperative will be more determined by how well we remain true to our mission and the role we are to play in the lives of our members. We must never forget the plight of our retirees, those members who fight the daily battle to make ends meet and our members who struggle with English as their second language, as we create policies, products and services that will impact our entire membership.

Sometimes mistakes happen. We are not perfect, but nothing is *ever* perfect.

What matters more is that we keep our organizational hearts and minds open to doing good and being fair wherever and whenever we can. Like you, we fight this battle every day, but it is much easier when we do it together.

Be proud of where you bank. We do make a difference as a direct result of your loyalty and support. Thank you for being a member of the Notre Dame FCU family!

Thomas J. Gryp, President/CEO Class of '79

### **Board of Directors**

A credit union's Board of Directors consists of volunteers elected at the annual meeting by its members. Notre Dame FCU's Board of Directors is no different, with each member dedicated to setting the credit union's policies and strategic direction, all the while maintaining the best interests of the membership.

Victor J. DeCola Board Chairman

James J. Lyphout Vice-Chairman

Brenda L. Bickel Treasurer

Mark P. Mullaney
Secretary

Rodney C. Donigan
Director

Pat Ruszkowski Director

Kevin M. Smith
Director

James M. Summers
Director

Frederick "Freddie" W. Thon
Director

# **Supervisory Committee**

Notre Dame FCU's Supervisory Committee monitors the operations of the credit union and its internal control system. Supervisory Committee members not only attend every Board of Directors meeting but also meet periodically with the regulatory examiners and external auditors to ensure the efficiency and ethical practices of the credit union.

**Pat Ruszkowski** Committee Chairman

**David Brenner** 

Colleen M. Healy

**Jerry Langley** 

**Lou Pierce** 

# **The Supervisory Committee's Report**

The NCUSIF (National Credit Union Share Insurance Fund), an agency of the United States Government, was established exclusively to insure credit union deposits in members' accounts. Most properly established share accounts are insured up to \$250,000, with an additional \$250,000 for Individual Retirement and Keogh Accounts.

Plante & Moran, PLLC, Certified Public Accountants, were hired at the recommendation of the Supervisory Committee to audit the 2015 financial statements and render an opinion thereon. Although the financial statements audited by the credit union's independent accountants, Plante & Moran, PLLC, are not included in this Annual Report, they are available upon request from the credit union. As your Supervisory Committee, it is our opinion that Notre Dame FCU meets the requirements of State and Federal regulations, and credit union by-laws, and continues to focus on efficient and effective operations, as directed by the Board policy.



# **Assets**

	December 31, 2015	December 31, 2014
Cash and due from financial institutions	\$ 26,112,543	\$ 16,289,336
Interest-earning balances in other financial institutions	6,058,292	10,240,929
Total cash and cash equivalents	32,170,835	26,530,265
	*	
Certificate of deposit in other financial institutions		
maturing in greater than 90 days	1,000,000	1,000,000
Securities available for sale	37,122,675	41,715,470
Loans - Net	373,465,178	368,287,321
Loans held for sale	2,349,475	573,420
Mortgage servicing rights - Net	1,353,000	1,177,173
Premises and equipment - Net	6,044,589	7,041,991
Credit Union - owned life insurance	5,555,054	5,396,081
FHLB stock	1,641,100	2,232,500
Membership capital at corporate credit union	1,500,000	1,500,000
Share insurance deposits	4,142,786	4,166,698
Prepaid pension asset	2,300,661	2,401,267
Accrued interest receivable	2,154,419	2,196,724
Other assets	1,166,827	1,417,671
Total assets	\$ 471,966,599	\$ 465,636,581

# **Liabilities and Members' Equity**

#### Liabilities

Total liabilities and members' equity	\$ 471,966,599	\$ 465,636,581
Members' Equity	35,946,117	33,476,724
Total Habilities	450,020,402	432,137,037
Total liabilities	436,020,482	432,159,857
Accrued and other liabilities	3,747,648	3,601,898
Federal Home Loan Bank advances	10,000,000	11,750,000
Members' share accounts	\$ 422,272,834	\$ 416,807,959



Interest Income	December 31, 2015	December 31, 2014
Loans	\$ 15,779,585	\$ 15,909,232
Securities available for sale	647,873	767,880
Other	132,967	141,953
Total interest income	16,560,425	16,819,065
Interest Francisco		
Interest Expense Members' shares	1 022 001	2,122,923
FHLB advances and other borrowings	1,932,081 317,025	2,122,923 584,959
	·	
Total interest expense	2,249,106	2,671,882
Net Interest Income	14,311,319	14,147,183
Provision for Loan Losses	1,900,000	2,115,000
Net Interest Income After Provision for Loan Losses	12,411,319	12,032,183
Non-interest Income		
Service fees and charges	2,441,477	2,516,711
Interchange fees	3,242,994	3,183,259
Gain on sales of loans - Net	915,398	916,658
Commissions	1,164,733	1,149,614
Other	845,892	776,131
Total non-interest income	8,610,494	8,542,373
Non-interest Expense		
Salaries and employee benefits	9,196,485	9,152,282
Occupancy	1,580,354	1,781,951
Credit card servicing	611,889	789,631
Marketing	1,049,508	595,392
Equipment and data processing	2,739,913	2,796,574
Share insurance deposit expense	17,327	14,824
Other	3,775,905	4,225,238
Total non-interest expense	18,971,381	19,355,892
Net Income (Loss)	\$ 2,050,432	\$ 1,218,664

