



ANGELA BOULEVARD

PIMHOOK PARK

Innovation Park

LINCOLN WAY

South Bend Civic Theatre

LEEPER PARK

PORTAGE AVENUE

MICHIGAN STREET

Best. Dive Back. Ever.

West Side Small Business Resource Center

HOWARD PARK

SAINT JOSEPH RIVER

SOUTH BEND AVENUE

Potawatomi Zoo

POTAWATOMI PARK

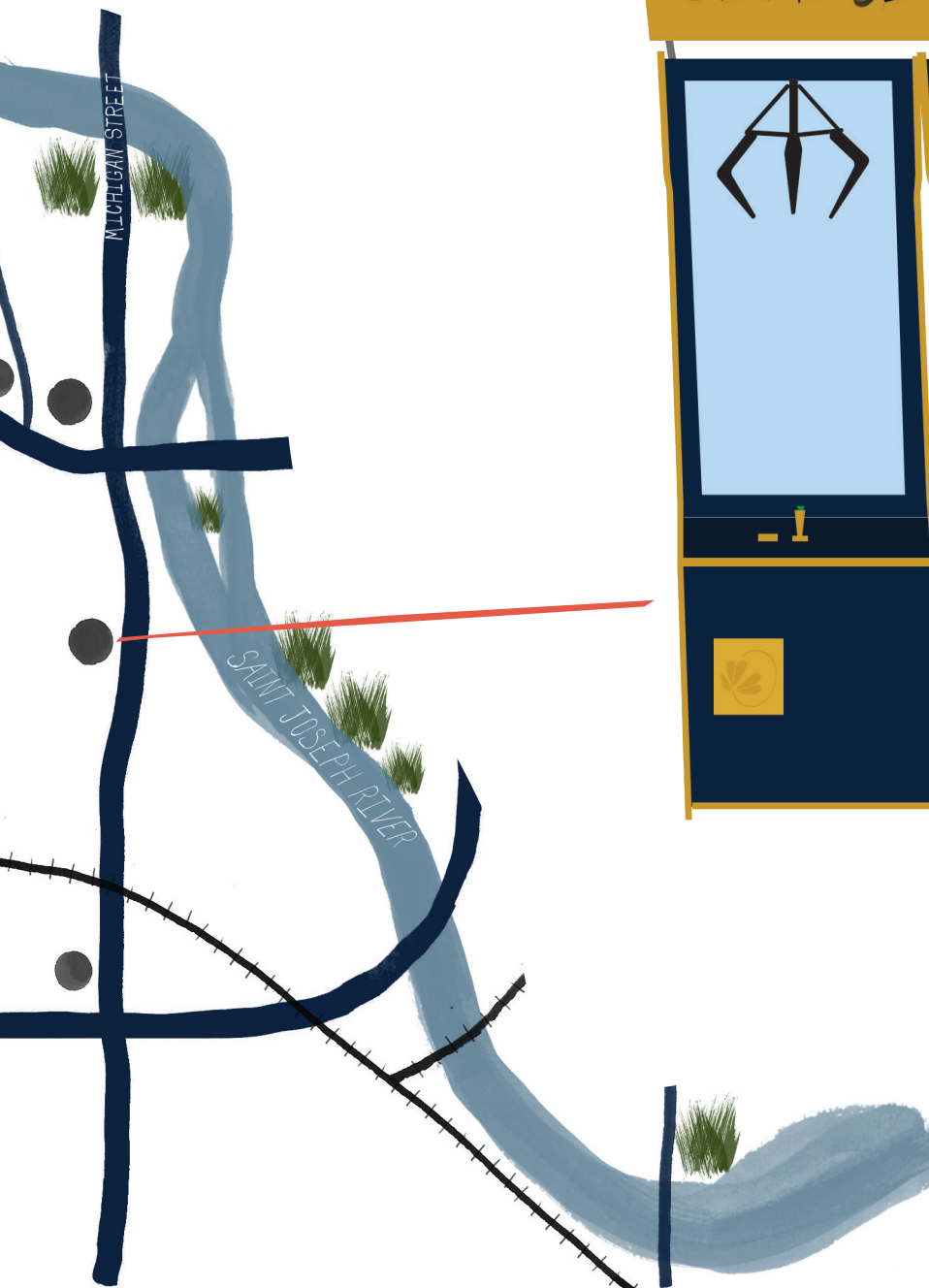
TWICKENHAM DRIVE

La Casa de Amistad

Center for the Homeless

SOUTH BEND

2018 NOTRE DAME FCU GIVE BACK and ANNUAL REPORT



# Dear Fellow Member-Owners,

Each year, when the time comes to pause and write this Annual Report letter to you, it is one of the few times I permit myself the luxury of looking *back* rather than always focusing on the future. Through this exercise, I find myself considering the things that we could have done better in 2018 – mistakes that could have been avoided or situations that could have been handled differently. Through that process, it is a great chance to use these situations as opportunities to become wiser and more effective as your CEO.

Along with these learning experiences also came a myriad of wonderful successes coupled with story after story of how Notre Dame FCU made a meaningful difference in the lives of so many of your co-owners. As a result, we ended the year stronger and better prepared than ever to provide you the best banking experience possible.

In 2018 we gave-back an incredible amount to you and the communities we serve – an amount in excess of \$1 million! The organizations highlighted in this Annual Report are just a small sample of the kinds of endeavors we supported this past year.

Your credit union also made history by becoming the first and only credit union in Indiana to earn the prestigious national Juntos Avanzamos distinction for our commitment to serving and empowering Hispanic and immigrant consumers. The Juntos Avanzamos distinction acknowledges our historical and ongoing commitment to help our owners “move forward together” with financial empowerment tools that improve lives.

Other highlights of 2018 include the installation of new Interactive Teller Machines (ITMs) at our Granger and Portage Branches, bringing continued innovation to our credit union. It is our plan to continue the rollout of these machines at all our drive-up locations. Once complete, we will be able to offer extended after hour access to “live” tellers, even after the branches close.

I could also not be prouder to work at an organization that has received the honor of being named Michiana’s Best Financial Institution for the sixth year in a row. The partners who work here are passionate about improving and enhancing your financial life and it is gratifying to see that those efforts are noticed and appreciated by those who continually vote us the best financial institution in town!

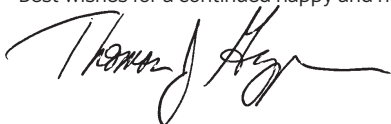
In 2018, your Board of Directors continued to “walk the walk” in living our mission by again raising our minimum wage – this time to \$15 per hour. In a period of prosperity and growth for financial institutions, it is my sincere desire that this initiative will be taken up by more banks and credit unions. If Notre Dame FCU can pay a living wage, there is no reason other financial institutions cannot do so as well.

Never forget that the sole reason for our existence is to improve *your* financial life. It is not to maximize profits or build monuments or to enrich some at the expense of others. We are a cooperative, and as such, spend every waking minute thinking about ways to provide you the best financial services possible at the lowest possible cost.

Some days we hit the bullseye and other days we struggle to even hit the side of a barn. I think what really matters however, is that you own a credit union that will always strive to do the right thing and continually pushes forward to improve lives. Such perseverance is in our organizational DNA and you can be assured it is something we will never forsake.

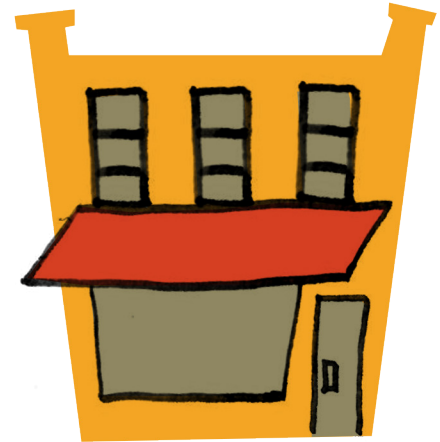
We cannot dictate what other financial institutions do; we can only strive to control our own destiny and in doing so, perhaps make our world a little better. We are very blessed to have you as loyal owners, who enable us to continue this journey.

As always, if you have any questions, suggestions, comments or complaints, please do not hesitate to contact me at [TGryp@NotreDameFCU.com](mailto:TGryp@NotreDameFCU.com). Best wishes for a continued happy and healthy 2019!



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





*West Side Small  
Business Resource Center*

*South Bend Civic Theatre*



*Innovation Park*



## West Side Small Business Resource Center

The center opened in 2018 to stimulate small business development along Lincoln Way and throughout the community. Available services include basic SCORE mentoring, access to Small Business Development Center services, Small Business Administration, Small Business Innovation Research, and Small Business Technology Transfer program training and support. The West Side Small Business Resource Center projects 50 new business launches, 50 expanded businesses and 200 new jobs by 2020.

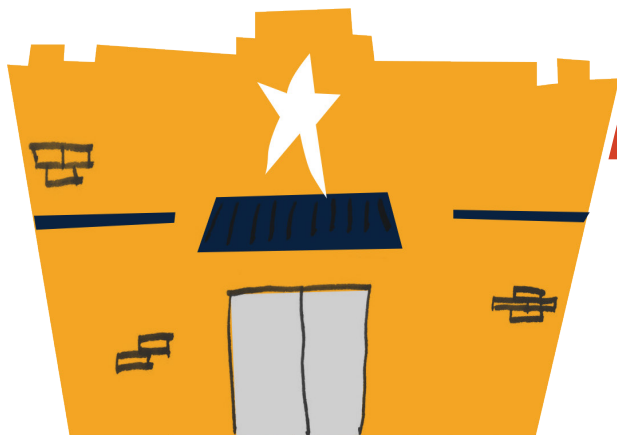
## Innovation Park

The IDEA Center is the University of Notre Dame's collaborative innovation hub dedicated to expanding the technological and societal impact of the University's innovations. The Center provides the necessary space, services, and expertise for idea development, commercialization, business formation, prototyping, entrepreneurial education, and student entrepreneurial efforts.

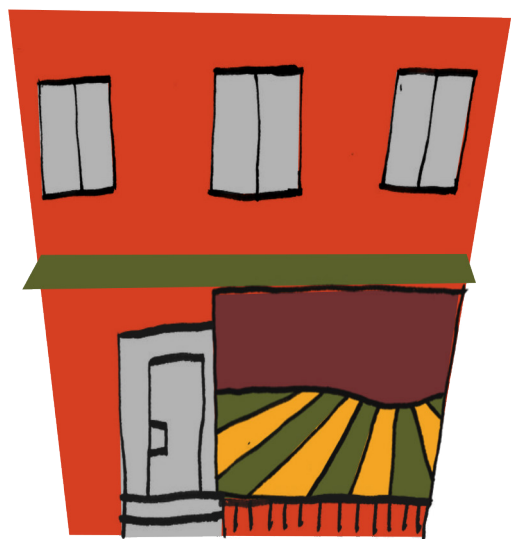
## South Bend Civic Theatre

The theatre was founded in 1957; early performances were held in homes, hotel, and locations at the University of Notre Dame. Today the theatre is permanently housed at 403 N. Main Street in the heart of Downtown South Bend. They produce more than 125 performances annually and are one of the top ten community theatre facilities in the country.





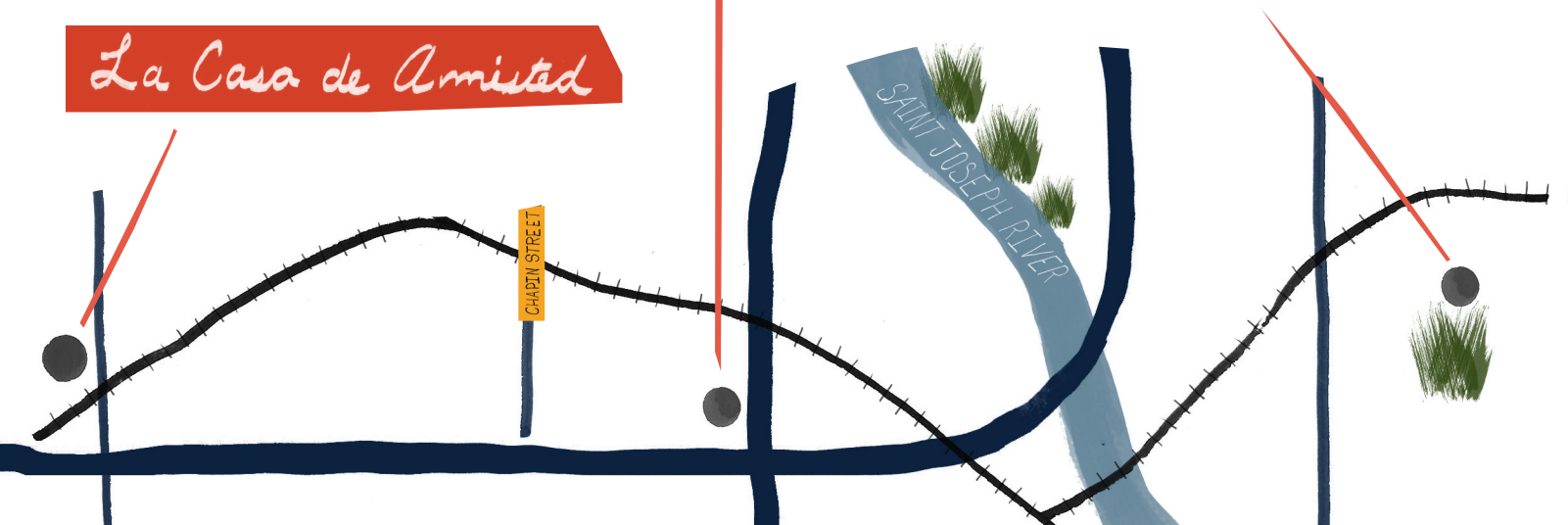
*Center for the Homeless*



*La Casa de Amistad*



*Potawatomi Zoo*



## *La Casa de Amistad*

La Casa is a community center founded in 1973 as a youth outreach program in response to the many needs of area Hispanic teenagers. La Casa now offers varied programs in an effort to edify Hispanic youth and adults in the development of leadership skills, increase knowledge and appreciation of their own culture, and develop stronger self-esteem, encouraging fuller participation as community members.

## *Center for the Homeless*

The Center's mission is to break the cycle of homelessness by bringing people together to discover the worth, dignity, and potential of one another. The Center has served more than 55,000 people by connecting them with programs, agencies, and people who can help them break the cycle of homelessness.

## *Potawatomi Zoo*

Originally called the South Bend Zoo, Potawatomi Zoo began as a duck pond in Leeper Park in 1902. Today the zoo features more than 500 animals on 23 acres and enriches the lives of the 200,000+ annual visitors.





# BOARD OF DIRECTORS



A credit union Board of Directors consists of volunteers elected at the annual meeting by the controlling management of the credit union—its members. Notre Dame FCU's Board of Directors is dedicated to setting the credit union's policies, all the while maintaining the best interests of the membership.

Pat Ruszkowski  
Board Chairman

Sam Centellas  
Director

Jerry Langley  
Vice-Chairman

Rodney C. Donigan  
Director

Fr. Mark B. Thesing, CSC  
Treasurer

Lou Pierce  
Director

James M. Summers  
Secretary

Frederick "Freddie" W. Thon  
Director

Victor J. DeCola  
Chairman Emeritus

Katharine Williams  
Director

David Brenner  
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, they also meet periodically with the regulatory examiners and external auditors to ensure the efficiency and ethical practices of the credit union.

Our Supervisory Committee members are David Brenner (Committee Chairman), Kareemah Fowler, Maureen Miller, Mark Neal and Michael Palmer.

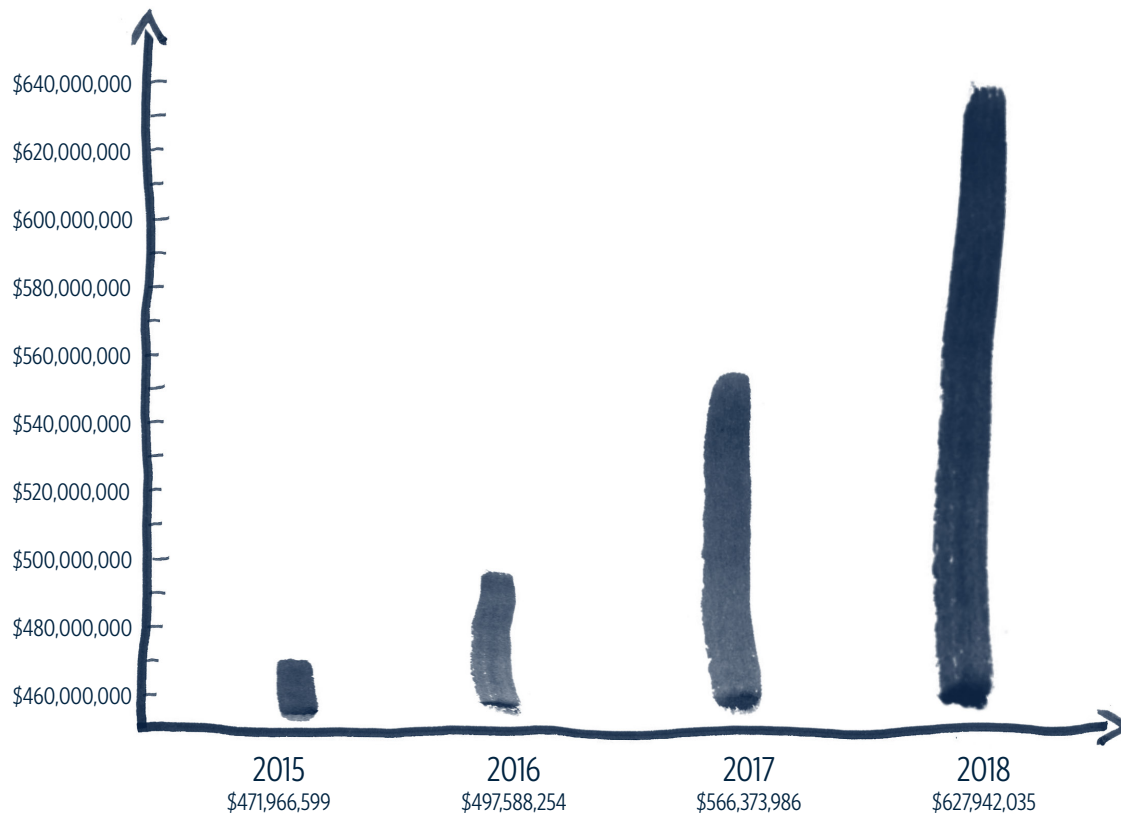
### **The Supervisory Committee's Report**

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. The credit union also maintains excess deposit insurance from Excess Share Insurance Corporation (ESI), covering an additional \$250,000 for all qualified member share balances exceeding \$250,000.

Plante & Moran, PLLC, Certified Public Accountants, were hired at the recommendation of the Supervisory Committee to conduct an audit of the 2018 financial statements and to 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.



# STATEMENT OF FINANCIAL CONDITION



TOTAL ASSETS

## Assets

	December 31, 2018	December 31, 2017
Cash and Due from Financial Institutions	\$ 41,968,213	\$ 28,332,457
Interest-Earning Balances in Other Financial Institutions	6,064,999	6,979,854
<b>Total Cash and Cash Equivalents</b>	<b>48,033,212</b>	<b>35,312,311</b>
Certificate of Deposit in Other Financial Institutions	200,000	950,000
Securities Available for Sale	26,252,097	30,157,037
Loans - Net	523,351,487	471,393,943
Loans Held for Sale	2,637,710	-
Mortgage Servicing Rights - Net	1,985,457	1,811,524
Premises and Equipment - Net	6,754,266	6,860,501
Credit Union-Owned Life Insurance	6,005,040	5,858,307
Federal Home Loan Bank Stock	3,025,000	1,810,000
Membership Capital at Corporate Credit Union	1,500,000	1,500,000
Share Insurance Deposits	5,112,672	4,377,073
Prepaid Pension Asset	-	2,636,826
Accrued Interest Receivable	2,176,439	2,251,429
Other Assets	908,655	1,455,035
<b>Total Assets</b>	<b>\$ 627,942,035</b>	<b>\$ 566,373,986</b>

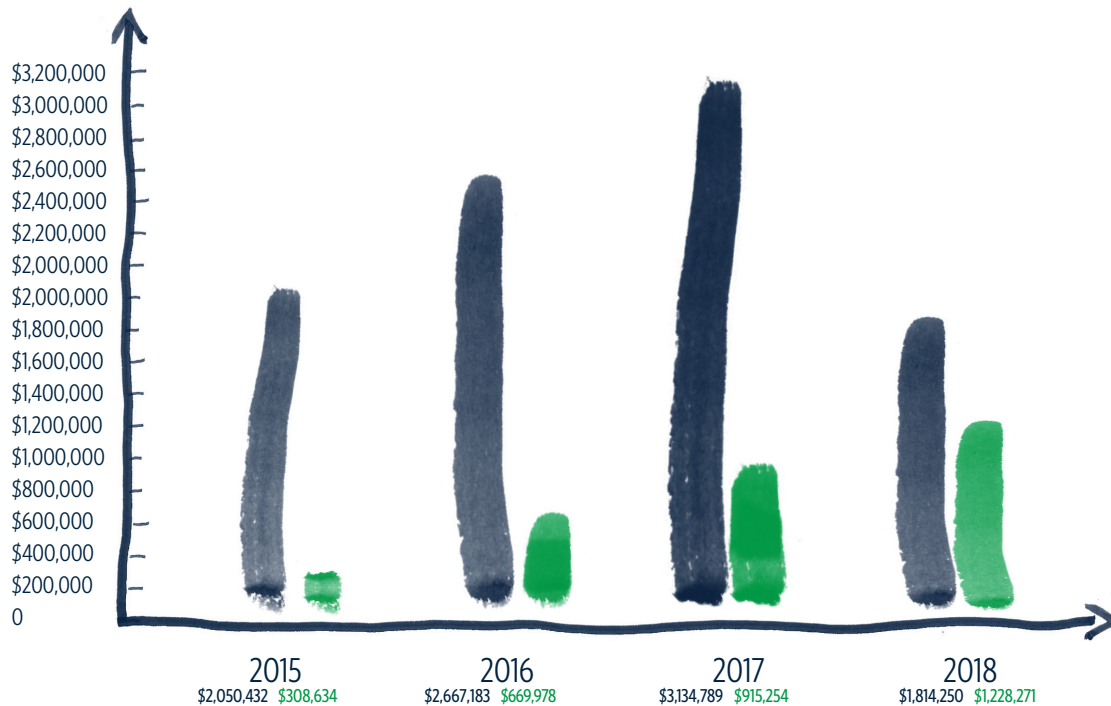
## Liabilities and Members' Equity

<b>Liabilities</b>		
Members' Share Accounts	\$ 490,888,851	\$ 452,718,558
Non-Member Certificates of Deposit	36,460,579	29,330,519
Federal Home Loan Bank Advances	40,000,000	25,000,000
Subordinated Debt - Net	11,741,966	11,703,228
Accrued and Other Liabilities	4,473,723	5,566,379
<b>Total Liabilities</b>	<b>\$ 583,565,119</b>	<b>\$ 524,318,684</b>
Members' Equity	44,376,916	42,055,302
<b>Total Liabilities and Members' Equity</b>	<b>\$ 627,942,035</b>	<b>\$ 566,373,986</b>





# STATEMENT OF OPERATIONS



NET INCOME

GIVE BACK

## Interest Income

	December 31, 2018	December 31, 2017
Loans	\$ 23,337,044	\$ 18,281,850
Securities Available for Sale	615,546	399,650
Other	539,415	306,485
<b>Total Interest Income</b>	<b>\$ 24,492,005</b>	<b>\$ 18,987,985</b>
<b>Interest Expense</b>		
Members' Shares	2,089,747	1,427,643
Federal Home Loan Bank Advances	896,468	388,640
Nonmember Certificates of Deposit	909,621	265,903
Subordinated Debt	804,351	57,914
<b>Total Interest Expense</b>	<b>4,700,187</b>	<b>2,140,100</b>
Net Interest Income	19,791,818	16,847,885
Provision for Loan Losses	4,980,000	2,460,000
<b>Net Interest Income After Provision for Loan Losses</b>	<b>14,811,818</b>	<b>14,387,885</b>
<b>Non-Interest Income</b>		
Service Fees and Charges	3,770,466	3,351,841
Mortgage Banking Income	1,586,855	1,405,182
Commissions	1,802,718	2,089,301
Interchange Fees	3,929,844	3,588,897
NCUSIF rebate	330,012	-
Other	1,477,565	969,469
<b>Total Non-Interest Income</b>	<b>12,897,460</b>	<b>11,404,690</b>
<b>Non-Interest Expense</b>		
Salaries and Employee Benefits	14,870,635	12,344,498
Occupancy	1,927,095	1,749,279
Credit Card Servicing	783,199	734,421
Marketing	887,937	871,721
Equipment and Data Processing	2,641,656	2,605,639
Share Insurance Deposit Expense	23,593	18,992
Other	4,760,913	4,333,236
<b>Total Non-Interest Expense</b>	<b>25,895,028</b>	<b>22,657,786</b>
<b>Net Income (Loss)</b>	<b>\$ 1,814,250</b>	<b>\$ 3,134,789</b>





NOTRE DAME  
FEDERAL CREDIT UNION