

## Statement of Financial Condition

### ASSETS

(AS OF 12 / 31/ 2016)

Loans	\$ 4,178,924.61
Visa	\$ 2,189,199.28
Total Loans	\$ 6,368,123.89
(less allowance for loan losses)	\$ (100,898.23)
Cash	\$ 791,116.42
Investments	\$ 40,007,710.16
Other Assets	\$ 751,270.55
<b>TOTAL ASSETS</b>	<b>\$ 47,817,322.79</b>

### LIABILITIES & EQUITY

Liabilities	\$ 128,624.39
Member Deposits	\$ 42,494,560.33
Regular Reserves	\$ 491,856.95
Other Reserves	\$ (191,487.95)
Undivided Earnings	\$ 4,893,769.07
Total Reserves	\$ 5,194,138.07
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 47,817,322.79</b>

### INCOME STATEMENT

OPERATING INCOME	
Income from Loans	\$ 495,777.76
Income from Investments	\$ 603,082.25
Income from Fees	\$ 151,841.51
Income from Miscellaneous	\$ 139,410.49
<b>TOTAL OPERATING INCOME</b>	<b>\$ 1,399,012.00</b>

### OPERATING EXPENSES

Operating Expenses	\$ 1,154,623.87
Dividend Expenses	\$ 201,459.66
Non-Operating Expenses	\$ 336.92
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 1,356,420.45</b>
<b>TOTAL NET INCOME</b>	<b>\$ 42,591.55</b>



2016 Leadership Team

### BOARD OF DIRECTORS

Howard Hayes, Jr.	President
Greg Moore	Vice President
Steven Ross	Treasurer
Jerry Nocek	Secretary
Harold Tram, Jr.	CU Manager
Will Beiersdorf	Board Member
Karen Kozubal	Board Member
Jan Lukas	Board Member
Carwyn Steele	Board Member

### SUPERVISORY COMMITTEE

Karen Kozubal	Chairman
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### ASSET LIABILITY COMMITTEE

Howard Hayes, Jr.	• Karen Kozubal
Steven Ross	• Harold Tram, Jr.

### MANAGEMENT & STAFF

Harold J. Tram, Jr.	Manager
Chrishonne Blount	Member Service Specialist II
Judith Domaracki	Member Service Specialist
Jackie Kirchens	Team Leader
Jackie Trejo	Member Service Specialist III
Roseann Uzzardo	Marketing Specialist II
Juliann Vitale	Solution SPC Collector SR
Ingrid Wolak	Member Service Specialist



People Helping People

[www.luefcu.org](http://www.luefcu.org)

### Loyola University Employees Federal Credit Union

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# 2016 Annual Report

People Helping People



Federally Insured by NCUA



## 2016 Chairman/President's Report



This last year represented the 37th year of incorporation of Loyola University Employees Federal Credit Union, which serves both the Medical Center and Lakeside campuses. Great organizations are defined by certain core values and characteristics: expertise, innovation, and a passion for providing stellar customer service experiences, to name just a few. These same

words fittingly define our credit union. On behalf of our dedicated staff and volunteer Board of Directors, it is both an honor and a privilege to present the 2016 Annual Report.

As members, you extend your trust to us believing that your financial resources are being handled safely and soundly. Our Board Directors are elected from the membership of the credit union itself, and have a fiduciary obligation to ensure that:

- Proper controls are in place to maintain safety and security
- The credit union meets / exceeds all state and federal guidelines / regulations
- And that the credit union is being governed according to regulatory requirements as mandated by our governing body, the National Credit Union Administration (NCUA).

Loyola Credit Union's financial performance remains favorable, and is consistent with the Board's expectations in the areas of capital adequacy and asset growth. The growth trend mirrors those within the credit union industry as a whole. Ending December 31, 2016, our capital and Return on Assets (ROA) remain strong, and are competitive with our peer credit unions (those with assets from \$40 - \$50 million).

As part of implementing our strategic planning goals – and to better align the credit union with its current and future organizational initiatives – in 2016 we restructured the organization by creating new job descriptions and redefined roles that are typical for a financial institution. Positions were created for Member Service Reps, a Marketing Assistant, Solutions Specialist & Collections, Team Leader, and Loan Officer. Aside from upgrading staff roles, we felt that it was imperative to have a loan officer as part of the restructuring plan, since loan growth was deemed the top priority during our Strategic Planning session.

Historically, the majority of our loans have processed through a volunteer loan committee. We felt that in order to remain competitive with the competition, we needed a person with experience in lending whose main responsibility would be to establish loan leads and close loans quicker. Already, the restructuring has been a huge success. It not only provided job enrichment opportunities for the staff, but has led to operational workflow enhancements.

As we look ahead, we pledge our discipline and resolve to continue to provide the highest levels of service and value in financial services. The cornerstones of this commitment are our Four Corners of Excellence: member excellence; operational excellence, personal excellence, and financial excellence.

Howard Hayes, Jr.  
President

## Treasurer's Report



As Treasurer of the Board of Directors, I am pleased to report that 2016 was another solid year financially for Loyola University Employees' Federal Credit Union (LUEFCU). During 2016, LUEFCU continued its commitment of providing superior financial products to our members, while maintaining a strong financial position. Our goal is to help

our members become financially fit. This can be attributed to our commitment to providing competitive interest rates to our member investors while helping our members save by paying off high-rate debt at other lenders, and providing low-rate loans for new purchases. LUEFCU's priority has always been to provide competitive, quality financial products and services to our members – that priority remains the same.

As of 12/31/16, our member deposits are \$42.5 million and our assets are \$47.8 million. LUEFCU's capital adequacy and liquidity ratios are well above the amount needed for us to be financially sound, and our CAMEL rating demonstrates the overall healthy condition of our institution.

LUEFCU's members can be assured of the security of their deposits, knowing that their money is insured for \$250,000 through the NCUA (National Credit Union Administration). Integrity and responsibility continue to be the standard of LUEFCU, whether in lending practices, the investment of monies, business decisions, or daily member service.

The total dollar amount of loans increased from \$5.3 million in 2015 to \$6.4 million in 2016, an increase of over \$1 million (20%). The quality of loans has remained strong, resulting in a lower average of delinquencies compared to other credit unions. Our interest rates on loans and certificate of deposits have remained competitive.

The Board of Directors remains confident that, with the support of management and staff, LUEFCU will continue to deliver the quality service which our membership has come to expect. Our members can feel confident knowing that LUEFCU is financially safe, sound, operating normally, and will continue to be focused on serving our members' financial needs.

The LUEFCU Board would like to extend appreciation to our members for your support and participation in our services.

Steven Ross,  
Treasurer

## Supervisory Committee Report



The Supervisory Committee's purpose is twofold:

- to report on the integrity of the credit union's financial records, and
- to ensure that internal controls are in place to protect the assets of the credit union and its members.

To fulfill its purpose, the Supervisory Committee is responsible for:

- ensuring that the credit union adheres to proper accounting and filing requirements
- performing or obtaining an annual audit
- verifying the members' accounts on an annual basis, and
- responding to members' comments, questions or concerns presented to the Board of Directors.

I am pleased to report that – again – the Supervisory Committee accomplished all of these duties in 2016, in compliance with federal and state laws that mandate annual audits. In addition, the credit union underwent an examination by the National Credit Union Administration (NCUA).

We also contracted with Horner Wilson and Co., Ltd., a CPA firm, to conduct an external audit.

The Supervisory Committee has reviewed samplings of loan applications submitted and approved, posting of charge-offs to the general ledger, posting of dividends paid, the reconciliation of the bank account, audit of current loan and interest rates, and the recommendations presented by the NCUA. In all of the reviews, the Committee found that the staff and Board are strongly committed to creating, implementing and following policies needed to prevent or resolve any issues presented.

Committee members will continue to work closely with the credit union manager and other Board Directors in the ongoing review of items identified by both the NCUA and external auditor regarding internal controls and recordkeeping procedures.

Karen Kozubal,  
Chairman, Supervisory Committee

## Manager's Report



It is my privilege, as Manager of Loyola University Employees Federal Credit Union, to share the credit union's 2016 accomplishments in this annual report.

While the financial industry as a whole continued to ride 'ups and downs' through the year, 2016 saw Loyola Credit Union continue to be both stable and successful. Our year-end compares quite favorably with our peer credit unions (\$40 – 50 million in assets) across the country. We ended the year with just over \$47.8 million in assets, which is a slight growth from 2015. Additionally, our capital position remains quite strong – over 50% higher than that required by regulation. This gives us an ability to expand our services to our members.

Throughout our history, we have operated in a safe manner, and in the best interests of our members / owners. We continued that tradition through 2016, resulting in well-documented evaluation by OST, a leader in privacy and security issues.

The coming year is one of opportunity, challenge, and positivity as we build on our successful past to develop programs and services to ensure future success. As technology changes, Loyola Credit Union adapts and adopts. As members' financial needs change -- as do the methods by which you access your accounts – we, too, change our ways of doing business. Through 2017, you will see a continued adoption of technologies to ensure you the highest level of service, access and benefit.

Of course, we will attend to the findings of the NCUA Examiner and Outside Auditor to ensure our operations and policies are in compliance with regulations. And we will continue with our Vendor Due Diligence policy, first used in 2010, to ensure the benefits of current business relationships.

Our past successes – and those for which we are planning – are made possible with the help and guidance of our Board of Directors and Committees. Their continued support and commitment is vital to our ability to best serve our membership. Thanks also are due to the management and staff for their hard work in making 2016 another successful year for us.

But most important, I want to thank you – our members / owners – for continued membership and loyalty. Loyola Credit Union is here because of you – for you – with you.

Harold Tram Jr.,  
Manager

*Loyola University Employees Federal Credit Union, like other federal credit unions, is overseen by the National Credit Union Administration (NCUA). The NCUA was created by Congress in 1970, as an independent agency that insures deposits, protects members who own credit unions, and charters and regulates federal credit unions. NCUA protects the safety and soundness of the credit union system by identifying, monitoring, and reducing risks to the National Credit Union Share Insurance Fund. Backed by the full faith and credit of the United States, the Share Insurance Fund provides up to \$250,000 of insurance, per account, at a federally insured credit union.*

