

Universal 1 Credit Union

BEYOND
WHAT YOU
Expected

Friendly | Trustworthy | Reliable

U₁ 2015
Annual
Report

Federally Insured by the NCUA



Dear Valued Member-Owners,

Another year has passed as we all continue to work together as a member-owned financial cooperative. It means so much to the volunteer board and credit union employees that you entrust U1 with your savings, lending, and other financial product needs. It is our pleasure to serve and deliver to you the best possible experience. We now look back on the past year and share our 2015 performance with you. U1 continues to be a viable and healthy financial cooperative. Some highlights from 2015 include:

- U1's Online and Mobile Banking applications continue to evolve offering more services and convenience.
- U1 was a leader in reissuing Visa® Debit Cards with new EMV-chip technology.
- Community is always important at U1. Our employee team, *Universal Experience*, volunteers for fundraisers, community events, and sponsor donations for worthy causes. Financial education, sponsorships and the U1 scholarship program continue to support high school members and local high school initiatives, such as *Unity in the Community*.

We are looking forward to what 2016 will bring! Austin Park, our newest division office at State Route 741 and Miami Village Drive in Miami Township, will be open to serve you. The free U1 CardValet® app will be available in Google Play or the Apple Store to manage and monitor your U1 Visa® EMV-chip Debit Card right at your fingertips! EMV-chip technology also comes to your U1 Visa® Credit Cards in January. Updates and new products and services can happen quickly so we encourage you to regularly visit u1cu.org and be sure you receive U1 emails to stay informed.

On behalf of our members, the U1 team and volunteer Board of Directors, we would like to extend our thanks to our retiring Chairman, Mr. Gary Moyer. Mr. Moyer has served as a volunteer director for 37 years; the past 10 years as Chairman. Thank you, Mr. Moyer for your dedication and unwavering commitment to credit union ideals!

Our thanks also go to you, our members. We are grateful for your trust and look forward to serving your financial needs in 2016!

Sincerely,

Board of Directors

FINANCIAL REPORT

The Board of Directors ensures the Credit Union conducts its operations and activities in a safe and sound manner.

The Board of Directors retains the services of RSM US LLP, Certified Public Accountants, to audit the annual financial statements. The financial statements for the year ended September 30, 2015, and audit opinion thereon are available for review at Universal 1 Credit Union, Inc. Corporate Headquarters.

"The relationship our staff builds
with you helps them think of you first."

Universal 1 Credit Union, Inc.

Balance Sheets
September 30, 2015 and 2014

	2015	2014
Assets		
Cash and cash equivalents	\$ 36,497,753	\$ 21,204,553
Deposits in corporate credit union	2,910,211	2,910,211
Investment securities	25,401,241	24,709,236
Loans, net	306,486,360	308,703,496
Accrued interest receivable	992,823	1,012,813
Property and equipment, net	8,718,637	8,230,341
Federal Home Loan Bank stock, at cost	570,400	570,400
Other assets	6,363,441	4,591,041
NCUSIF deposit	3,404,519	3,374,732
	<hr/>	<hr/>
Total assets	\$ 391,345,385	\$ 375,306,823
Liabilities and Members' Equity		
Liabilities:		
Members' shares	\$ 354,672,620	\$ 338,985,349
Accrued expenses and other liabilities	3,271,671	3,222,726
Total liabilities	<hr/> 357,944,291	<hr/> 342,208,075
Members' equity:		
Retained earnings - partially restricted	33,268,986	32,832,504
Accumulated other comprehensive income	132,108	266,244
Total members' equity	<hr/> 33,401,094	<hr/> 33,098,748
	<hr/>	<hr/>
Total liabilities and members' equity	\$ 391,345,385	\$ 375,306,823

See notes to financial statements.

Universal 1 Credit Union, Inc.

Statements of Income
Years Ended September 30, 2015 and 2014

	2015	2014
Interest income:		
Loans	\$ 15,334,176	\$ 16,113,897
Investments and cash equivalents	496,620	414,290
Total interest income	15,830,796	16,528,187
Dividends on members' shares	2,685,633	2,810,862
Net interest income	13,145,163	13,717,325
Provision for loan losses	4,000,000	3,075,000
Net interest income after provision for loan losses	9,145,163	10,642,325
Noninterest income (loss):		
Share draft service charges and fee income	2,616,989	2,478,405
Gain on sale of investment securities	154,528	527,081
Credit, check card and other interchange income	2,156,146	2,010,707
Other	(48,336)	132,191
Total noninterest income, net	4,879,327	5,148,384
Operating expense:		
Compensation and employee benefits	6,727,360	6,408,427
Office operations	2,084,549	2,126,808
Occupancy and maintenance	1,390,223	1,401,420
Education and promotion	299,371	342,153
Loan servicing	867,288	858,660
Outside services	1,977,202	1,954,381
Other	242,015	462,858
Total operating expense	13,588,008	13,554,707
Net income	\$ 436,482	\$ 2,236,002

See notes to financial statements.

"It is our commitment to you to provide an experience that is beyond what you expected."

Universal 1 Credit Union, Inc.

**Statements of Comprehensive Income
Years Ended September 30, 2015 and 2014**

	2015	2014
Net income	<u>\$ 436,482</u>	<u>\$ 2,236,002</u>
Other comprehensive income (loss):		
Unrealized gain on investment securities classified as available-for-sale	17,306	126,113
Reclassification adjustment for net realized gains on investments included in net income	(154,528)	(527,081)
Net actuarial gain on postretirement liability	3,086	2,227
Total other comprehensive loss	<u>(134,136)</u>	<u>(398,741)</u>
 Comprehensive income	 <u><u>\$ 302,346</u></u>	 <u><u>\$ 1,837,261</u></u>

See notes to financial statements.

Universal 1 Credit Union, Inc.

Statements of Members' Equity
Years Ended September 30, 2015 and 2014

	Retained Earnings - Partially Restricted	Accumulated Other Comprehensive Income	Total Members' Equity
Balance, September 30, 2013	\$ 30,596,502	\$ 664,985	\$ 31,261,487
Net income	2,236,002	-	2,236,002
Other comprehensive loss	-	(398,741)	(398,741)
Balance, September 30, 2014	32,832,504	266,244	33,098,748
Net income	436,482	-	436,482
Other comprehensive loss	-	(134,136)	(134,136)
Balance, September 30, 2015	\$ 33,268,986	\$ 132,108	\$ 33,401,094

See notes to financial statements.

"We will always serve and assist
you in your pursuit of financial success."



BOARD OF DIRECTORS AND EXECUTIVE TEAM

Gary R. Moyer
Chairman of the Board

Thomas J. Hickey
Secretary of the Board

Robert E. Angel
Director

Rosemary D. Domansky
Director

Philip S. Mals
Director

Joseph B. Woeste
Director

Loren A. Rush
President/CEO

Shannon R. Maloney
EVP MIS/Corporate Services

Ann M. Parrish
Treasurer/EVP Finance

Alice M. Hensley
SVP Member Services

Lisa A. Carbaugh
SVP Administrative Services

LOCATIONS

Austin Park
9900 Springboro Pk.
Miamisburg, OH 45342
937.435.7268 ***Coming
Soon!***

Dayton - Corporate
One River Park Dr.
Dayton, OH 45409
937.225.6800

Miami Valley Hospital
One Wyoming St.
Dayton, OH 45402
937.208.2745

Beavercreek
2450 Esquire Dr.
Beavercreek, OH 45434
937.431.3100

Dayton Mall
2700 Msbg-Cent Rd.
Dayton, OH 45459
937.435.7268

Sidney
2835 Michigan St.
Sidney, OH 45365
937.498.2320

Centerville
6147 Far Hills Ave.
Dayton, OH 45459
937.610.0320

Huber Heights
2933 Harshman Rd.
Dayton, OH 45424
937.235.0303

Sugarcreek
6270 Wilmington Pk.
Dayton, OH 45459
937.848.6050

Chillicothe
1080 N. Bridge St.
Chillicothe, OH 45601
740.775.4321

Kettering
3343 E. Stroop Rd.
Kettering, OH 45440
937.567.8980

Vandalia
718 S. Dixie Dr.
Vandalia, OH 45377
937.898.3915