

Credit Union of Ohio

2013 Annual Report



A Message from the Chairperson

Aristotle Hutras



Dear Credit Union Member/Owner:

At Credit Union of Ohio we stay true to the original mission of the credit union movement that started over 100 years ago. Credit unions were established as a not for profit entity, as a cooperative to serve its members financial needs in an accessible and responsible manner. I am proud to serve with the other volunteer members of your Board of Directors. The Credit Union of Ohio is the truest form of democratic governance where each member has one vote regardless of the value of his or her account.

In 2013 like every year, your Board of Directors, your Credit Union Management Team and Staff maintained our first priority of keeping your deposits safe by exercising our fiduciary duty and due diligence. Serving 18,000 members and protecting \$130 million dollars worth of assets is a team effort.

We continue to work hard in providing members with financial education workshops that helps guide members to become “savers,” giving them the foundation of financial independence. We also continue to remain active within our local communities.

It’s also important that we stay on the forefront of the credit union industry by providing members with new technological advances that provide convenience such as our mobile app and online membership application.

Each member of your Board of Directors is Proud to Serve You.

Sincerely,

A handwritten signature in black ink that reads "Aristotle Hutras".

Aristotle Hutras
Chairperson



A Message from the CEO

Richard A. Capuano, Jr.

Dear Credit Union Member/Owner:

Safety and Soundness

In 2013, Credit Union of Ohio showed modest growth in most areas of the balance sheet and serving our membership; all while maintaining a safe and strong financial cooperative. This is represented by the most recent rating by Bauer Financial, a company that analyzes banks and credit unions, gives Credit Union of Ohio another 5-Star rating, or “Superior” — this is the highest rating available by Bauer Financial.

A Cooperative Working for You

A cooperative can be defined by working together willingly for a common purpose or benefit. The Vision Statement of Credit Union of Ohio is “Building Financial Success Collectively”. Last year, your credit union cooperative demonstrated this vision in granting over \$27 million in mortgage, auto, and other loans saving members thousands of dollars from using other alternative financial institutions.

New Products and Services

As we turn to the New Year, we are excited to introduce and expand new products and services for our members. Such services include a new mobile banking application — that makes managing your finances on the go easy and convenient. You can check your account balances, make transfers, and pay bills. We’ve even made buying an auto loan more convenient. Now you can close your loan literally in minutes using a mobile phone and/or tablet with no need to visit a branch location. Simply provide your “e-signature” and you are on your way, saving you valuable time and money!

In Our Community

The Hilliard Area Chamber of Commerce recognized Credit Union of Ohio as recipient of the “2013 Established Business of the Year”. This was a great honor recognizing our commitment and dedication to our members and the community. Credit Union of Ohio is a regular volunteer at the Mid-Ohio Food Bank, a supporter of Nationwide Children’s Hospital, The Ohio State University School of Nursing, A-Kid Again, and much more.

Thank you for being a member at Credit Union of Ohio. The Board of Directors, Management Team, and Staff look forward to another successful year serving our members in 2014 and well into the future.

Sincerely,

A handwritten signature in black ink, appearing to read 'Rich Capuano'. The signature is fluid and cursive, with a long horizontal stroke extending to the right.

Rich Capuano, MBA, CCE
President/CEO

Statement of Financial Condition

for the years ending December 31, 2013 and 2012*

ASSETS	2013	2012
Loans to Members	\$ 52,079,455	\$ 51,003,197
(Less) Allowance for Loan Loss	(435,654)	(547,410)
Cash	803,857	297,847
Certificates of Deposit	54,134,999	52,125,999
Investment Securities / Other	5,450,000	3,950,000
Corporate Credit Union	9,661,335	13,691,542
Accrued Interest Receivable	305,986	312,842
Property & Equipment, Net	5,254,286	5,205,512
Prepaid Expenses	98,363	66,431
Share Insurance Deposit	1,167,936	1,165,254
Other Assets	2,919,311	2,245,990
TOTAL ASSETS	131,439,874	130,004,826
LIABILITIES & EQUITIES		
Share and Savings Accounts	116,915,517	115,663,251
Accrued and Other Liabilities	368,088	470,519
TOTAL LIABILITIES	117,283,605	116,133,770
Members' Equity	14,156,269	13,871,056
TOTAL LIABILITIES & EQUITY	\$ 131,439,874	\$ 130,004,826

Income Statement

for the years ending December 31, 2013 and 2012*

	2013	2012
INTEREST INCOME		
Interest on Loans	\$ 3,376,857	\$ 3,674,882
Interest on Investments	564,190	588,660
TOTAL INTEREST INCOME	3,941,047	4,263,542
INTEREST EXPENSE		
Borrowed Funds	-	-
Interest Expense	577,838	665,006
TOTAL INTEREST EXPENSE	577,838	665,006
NET INTEREST INCOME	3,363,209	3,598,535
Provision for Loan Losses	158,466	375,032
Net Interest Income After Provision for Loan Losses	3,204,743	3,223,504
Non-Interest Income	3,070,254	2,953,554
NET INCOME BEFORE EXPENSES	6,275,000	6,249,534
OPERATING EXPENSES	5,911,657	5,786,781
EXTRAORDINARY (GAINS) / LOSSES	0	0
Other Gains / (Losses)	15,308	(55,959)
NET INCOME BEFORE NCUA ACTIVITIES	378,648	406,794
INCOME (CHARGE) FROM NCUA ACTIVITIES**	(93,435)	(110,699)
ADJUSTED NET INCOME	\$ 285,213	\$ 296,095

*These financial statements have been prepared internally. **NCUA activities represent charges incurred throughout the country by corporate and individual credit unions insured by the agency. These losses are passed through and shared by all federally insured credit unions. Credit Union of Ohio's share of these items are reported in a separate line item.



To the Board of Directors
Credit Union of Ohio, Inc.
Hilliard, Ohio

We have performed an audit of the financial statements of Credit Union of Ohio, Inc. as of December 31, 2013 and 2012 and have issued our report thereon. Our report on these financial statements reads as follows:

Independent Auditor's Report

We have audited the accompanying financial statements of Credit Union of Ohio, Inc., which comprise the statements of financial condition as of December 31, 2013 and 2012, and the related statements of income, changes in members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation and maintenance of internal controls relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Credit Union of Ohio, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

The audited financial statements and report of Independent Certified Public Accountants may be viewed at the main office - located at 5500 Britton Parkway, Hilliard, Ohio.

Credit Union Leadership

Board of Directors & Management Team

Board of Directors



Aristotle Hutras
Chairperson



Debra Lawver
Vice Chairperson



Alex McCarty
Secretary



Sylvester Patton
Treasurer



Kym Bartram-Adkins
Board Member



Elizabeth Chase
Board Member



Jonna Saul-Anderson
Board Member

Executive Management Team

Richard A. Capuano, Jr., President & CEO
Jill Gerschutz, VP of Marketing & Strategic Planning
Tonya Keaton, VP of Lending & Operations
Greg Moss, VP of Information Systems
Tami Peyton, VP of Human Resources
Karen Rose, VP of Finance

Branch & Department Managers

Maria Aceveda, Electronic Services Manager
Amber Bell, Lending & Collections Manager
Leah Dunham, Hilliard Branch Manager
Jenn Hatfield, OSU Branch Manager
Shannon Massey, Grove City Branch Supervisor
Tracy Miller, Director of Corporate Compliance
Debbie Rider, Downtown Branch Manager
Lisa Reynolds, Accounting Manager

Mission, Vision, & Values

Our mission is to improve your standard of living and better your lifestyle. We strive to build success collectively. At Credit Union of Ohio, we pledge the following promises based on core values:

- **Partnership:** We promise to seek opportunities that make it easier to do business with us.
- **Reliability:** We promise to respond to your requests accurately and in a timely manner.
- **Integrity:** We promise to ensure the security of your financial information.
- **Dedication:** We promise to treat you with respect and professionalism.
- **Excellence:** We promise to be knowledgeable regarding your requests.

2013 Highlights

Local Recognition:

We were selected as the 2013 Established Business of the Year by the Hilliard Area Chamber of Commerce. This award recognizes a business that has been in the Hilliard Community for at least five years and is innovative and civic minded.

Updated Product:

We launched new plastic designs for our Visa debit and credit cards in 2013. Members now have a few options to choose from with the debit card designs.

We also added an e-signature for loan documents which is convenient for closing loans while on the go.

Member Communication:

We brought back a quarterly newsletter in an email version that is much more cost effective and has allowed us to keep members up to date on products, services and events.

Outreach:

In 2013 we hosted a Bike Safety Day at our Hilliard Branch in conjunction with the City of Hilliard Police Dept. This event allowed local children to bring their bikes to learn the everyday basics by going through an obstacle course. This fun filled event allowed us to gain recognition throughout the local community while giving back as well.

We also provided a series of workshops to the community and membership. We had great attendance in many of these. The topics ranged from "Protecting Your Identity" to "Buying Your First Home."

Financial Literacy:

We continue to increase financial awareness among the students in the community. It's important to prepare students with their future finances. Last year we volunteered and hosted at many local middle schools and high schools the Real Money Real World interactive game of life.

Votes of Confidence:

Once again, Credit Union of Ohio proudly received a quarterly 5-Star Superior rating from Bauer Financial, an independent ratings firm of banks and credit unions in 2013. We also remain on the Dean's List of CreditCardConnection.org for our fair and ethical credit card program. In general, the credit union industry continues to be lauded by national media for demonstrating pro-consumer banking policies and practices.

Office Hours & Locations

Hilliard Office

5500 Britton Pkwy.
Lobby—Mon - Thurs: 9 am to 5 pm
Fri: 8:30 am to 5 pm • Sat: 9 am to 1 pm
Drive-Thru—Mon - Thurs: 8 am to 5 pm
Fri: 8 am to 5:30 pm • Sat: 9 am to 1 pm
24-hr. drive-up ATM • Night depository

Downtown Office

152 E. Broad St.
Mon - Thurs: 9 am to 4:30 pm
Fri: 8:30 am to 5 pm
24-hr. walk-up ATM • Night depository

Grove City Office

2397 Old Stringtown Rd.
Mon, Tues, Thurs: 9 am to 4:30 pm
Wed: 9 am to 1 pm • Fri: 8:30 am to 5 pm
Sat: 9 am to Noon • 24-hr. walk-up ATM

OSU Campus Office

11th & Neil Ave.
Mon - Thurs: 9 am to 4:30 pm
Fri: 8:30 am to 5 pm
24-hr. walk-up ATM

Additional ATM Locations

Statehouse Garage (Green Level)
25 S. Front St. (Ohio Dept. of Education)
30 W. Spring St. (BWC Building)



www.cuofohio.org
614.487.6650 • 800.443.5698