



# 2014 Annual Report



## **MISSION STATEMENT:**

**to increase our members' standard of living and better their lifestyle.**

# 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. Board members are not compensated, every decision is made with a fiduciary obligation for the sole benefit of our membership. 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. We are here to serve extraordinary people with ordinary means. As a proud member of Credit Union of Ohio for thirty years, it is an honor to serve you.

In 2014, 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 \$1.32 billion dollars worth of assets is a team effort.

Providing financial education workshops for our members to assist them to become "savers," giving them the foundation of financial independence, our active community involvement along with introducing secure technological financial mobile apps keeps Credit Union of Ohio on the forefront of the credit union industry. Each member of your Board of Directors is Proud to Serve You.

Sincerely,

A handwritten signature in black ink that reads "Aristotle Hutras". The signature is written in a cursive style.

Aristotle Hutras  
Board Chair



# A Message from the CEO

*Richard A. Capuano, Jr.*

Dear Credit Union Member:

Management and staff had an active year engaging and volunteering within our communities, demonstrating financial advocacy, and making a commitment to improve our members' well being.

Grove City Arts in the Alley Parade — Our participation is to increase our brand name recognition within the Grove City community. This year, we believe that we championed 2013 and made an even bigger impression in the Grove City community: Credit Union of Ohio was named the Parade Marshal Award for the second consecutive year!



Student Financial Literacy Workshops — Provided opportunities for students to learn and ask questions regarding financial literacy. Examples include the “Fiscal Fanatic” workshop, educating teens on the importance of finances, and the “Financial Advice and a Slice” workshop.

Mid-Ohio Food Bank — As a way to give back to our community, all staff engaged volunteerism on Columbus Day for a half-day serving at the Mid-Ohio Food Bank. OUR credit union staff donated over a ¼ of a ton of canned food! We estimated our efforts produced approximately over 2,000 meals!



Member Workshops — Staff provided many educational opportunities for members and non-members. Session topics included Home Buying and ID Theft Prevention. Surveys conducted by attendees often gave good-to-excellent reviews, and they would recommend family or friends to attend a future workshop.

At Credit Union of Ohio, we are committed to each of our 18,000 members and the communities that we serve with a fair approach to financial services. We thank you for your membership and look forward to serving you for many years — with the best products and services that you come to expect from your credit union.

Sincerely,

Rich Capuano, MBA, CCE  
President/CEO

# Statement of Financial Condition

for the years ending December 31, 2014 and 2013\*

<u>ASSETS</u>	<u>2014</u>	<u>2013</u>
Loans to Members	\$ 53,501,367	\$ 52,079,455
(Less) Allowance for Loan Loss	(289,503)	(435,654)
Cash	505,968	803,857
Certificates of Deposit	51,999,999	54,134,999
Investment Securities / Other	5,450,000	5,450,000
Corporate Credit Union	10,751,614	9,661,335
Accrued Interest Receivable	300,653	305,986
Property & Equipment, Net	5,203,698	5,254,286
Prepaid Expenses	176,641	98,363
Share Insurance Deposit	1,181,822	1,167,936
Other Assets	2,712,957	2,919,311
<b>TOTAL ASSETS</b>	<b>131,495,216</b>	<b>131,439,874</b>
 <u>LIABILITIES &amp; EQUITIES</u>		
Share and Savings Accounts	116,806,748	116,915,517
Accrued and Other Liabilities	346,578	368,088
<b>TOTAL LIABILITIES</b>	<b>117,153,326</b>	<b>117,283,605</b>
Members' Equity	14,341,890	14,156,269
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 131,495,216</b>	<b>\$ 131,439,874</b>

# Income Statement

for the years ending December 31, 2014 and 2013\*

<u>INTEREST INCOME</u>	<u>2014</u>	<u>2013</u>
Interest on Loans	\$ 3,369,956	\$ 3,376,857
Interest on Investments	571,386	564,190
<b>TOTAL INTEREST INCOME</b>	<b>3,941,342</b>	<b>3,941,047</b>
 <u>INTEREST EXPENSE</u>		
Borrowed Funds	-	-
Interest Expense	529,858	577,838
<b>TOTAL INTEREST EXPENSE</b>	<b>529,858</b>	<b>577,838</b>
NET INTEREST INCOME	3,411,484	3,363,209
Provision for Loan Losses	6,021	158,466
Net Interest Income After Provision for Loan Losses	3,405,463	3,204,743
Non-Interest Income	2,860,940	3,070,254
<b>NET INCOME BEFORE EXPENSES</b>	<b>6,266,403</b>	<b>6,275,000</b>
OPERATING EXPENSES	6,057,813	5,911,657
EXTRAORDINARY (GAINS) / LOSSES	0	0
Other Gains / (Losses)	(22,969)	15,308
<b>NET INCOME BEFORE NCUA ACTIVITIES</b>	<b>185,621</b>	<b>378,648</b>
INCOME (CHARGE) FROM NCUA ACTIVITIES**	0	(93,435)
<b>ADJUSTED NET INCOME</b>	<b>\$ 185,621</b>	<b>\$ 285,213</b>

\*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, 2014 and 2013 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, 2014 and 2013, 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, 2014 and 2013, and the results of its income 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.

*GBQ Partners LLC*

# Credit Union Leadership

## Board of Directors & Management Team

### Board of Directors



Aristotle Hutras  
Chairperson



Debra Lawver  
Vice Chairperson



Elizabeth Chase  
Secretary



Sylvester Patton  
Treasurer



Danny Bailey  
Board Member



Kym Bartram-Adkins  
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.

# 2014 Highlights

## **Community Relationships:**

Served as the Presenting Sponsor of The Ohio State University Nurses Centennial Gala.

Hosted a Nurses Appreciation Lunch at our Campus Branch.

Sponsored a back to school twitter event with Hilliard City Schools to help them raise money for Financial Education.

Formed a relationship with Columbus Young Professionals (CYP) to offer financial education sessions and networking opportunities to the largest young professionals group in the country.

## **Updated Products:**

We launched a new mobile application that allows members to access their online banking more conveniently.

## **Member Communication:**

We consolidated our brochures to a single brochure with all product information.

## **Outreach:**

We hosted a member appreciation Carnival event at our Hilliard Office where over 300 people were in attendance.

We also provided a series of workshops to the community and membership. We had great attendance in many of these. The topics ranged from "ProtectingYour 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 for their future finances. Hosted a workshop for teens and their parents, Fiscal Fanatic. This workshop helps prepare teenagers for their first checking account, ID protection and building a budget.

## **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 2014. 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.

**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**

1652 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](http://www.cuofohio.org)

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