



# 2015 Annual Report

**2015** was a significant year for Credit Union ONE (CUONE) in that it represented a demarcation point. It was a year in which we maintained our relevance and financial strength while we simultaneously prepared ourselves as an organization for the next ambitious phase of our growth journey.

The credit union earned strong satisfaction ratings from members, completed a significant merger, launched new products, witnessed solid savings and loan growth and earnings, and finished with assets that exceeded \$1 billion. By any measure, such results would be a success. When put in the context of completing a major technology upgrade that positions CUONE for future growth, this past year was extraordinary.

## Technology Upgrade

Our strategic plan envisions providing members with relevant solutions through remarkable experiences. To realize this vision and to remain competitive in the 21st century, we understand the increasing role of technology in all aspects of members' lives.

In keeping with two of our Core Values - Financial Stewardship and Member Commitment - we recognize our role in maintaining the security of your information, as well as the need to deliver top quality, competitive products and services. It became clear several years ago that our systems were becoming outdated and they restricted our capacity to adapt and remain relevant. As a result, our Board of Directors committed to a significant investment in a technology upgrade that was implemented this past year.

We acknowledge major upgrades can be disruptive. However, this new technology platform enables solutions not previously possible and will continue to do so for years into the future. We intend to leverage the full range and capacity of new systems to deliver a truly remarkable member experience.

## Member Satisfaction

Providing value through remarkable experiences is at the forefront of all we do at CUONE. As a member-owned organization, your feedback and opinions matter to us. Last year, we sent over 110,000 surveys based upon transactions to members through our Voice of the Member Program. In addition, more than 11,000 members were contacted by an independent third-party to gauge their CUONE experience. We are pleased to report that satisfaction remains high, above our trend line, and member willingness to recommend the credit union to friends and family is above industry standards.

## Good Shepherd Credit Union Merger

In July, we welcomed the members of Good Shepherd Credit Union who voted to merge into CUONE. This significant merger added over 8,000 members, close to \$100 million in assets, and expanded our geographic footprint with the addition of two branch locations in Lincoln Park and Woodhaven.

## Financial Results

Our continued focus on financial stewardship resulted in assets increasing to \$1.02 billion, up \$173.1 million over 2014. We recorded net earnings of \$5.1 million, and a year-end Net Worth Ratio of 9.01%. In 2015, the credit union witnessed deposit growth of \$158.1 million, and originated over \$450.0 million in loans. Helped by the Good Shepherd merger, 2015 was a year of record growth. These results allowed us to again retain our Bauer Financial Services Five Star rating.

Record deposit growth was the result of market-best CD rates, the introduction of new products, and more than \$1 million in cash back rewards that was earned by our checking account holders. Highly competitive rates, unique programs and talented staff led to one of our strongest years ever for lending. Our partnership with Hantz Financial Services was successfully expanded and we continued to add financial planning clients at a rate that exceeded our goals.

## Community Involvement

During the year, CUONE and our staff and Board participated in multiple events and activities that enhanced the communities we serve. Member scholarships, financial literacy programs for all ages, shred days, public service programming, and support for organizations combatting poverty, hunger, cancer, and diabetes are all just part of what we do, and also what we believe makes CUONE different from other institutions.

## Moving Forward

During 2016, we will focus on access and improvement of services with the goal of maintaining relevance and providing you with value for your membership. Although there are multiple initiatives planned, the highlights include enhancements to digital services, a new branch location at St. Joseph Mercy Oakland Hospital, improved payments systems, and the introduction of EMV "chip" debit cards.

Looking out over the long-term, we view our new technology platform as a demarcation point in our more than 75-year history. We are at the very beginning of an improvement process that will make your member experience the best possible. This is our promise to all 140,000 CUONE members.

On behalf of our talented and dedicated Board of Directors and staff, we thank you for your continued membership.

Paul Stuart  
Chairman of the Board

Gary A. Moody  
President and CEO



Federally insured by NCUA



## MISSION STATEMENT

Credit Union ONE is committed to providing exceptional value to its members by delivering outstanding products and services anytime, anywhere.

## CORE PURPOSE

To meet our members' financial service needs throughout their lifetime.

## BOARD OF DIRECTORS

Paul W. Stuart, Chairman  
 Guadalupe G. Lara, Vice Chairwoman  
 Joan Stefanski, Secretary/Treasurer  
 Jan Gillespie, Director  
 Rudolph R. Montano, Jr., Director  
 Nick Nickolopoulos, Director  
 David C. Prybys, Director  
 Ray Redmond, Director  
 Juanita M. Reid, Director  
 Gail Westover, Director  
 Christine Dowhan-Bailey, Associate Director  
 Mary Sissen, Associate Director

The certified public accounting firm of Doeren Mayhew audited, in accordance with auditing standards generally accepted in the United States of America, the statements of the financial condition of Credit Union ONE and Subsidiaries as of December 31, 2015, and the related statements of earnings, members' equity and cash flows for the years then ended (not presented herein). Complete audited financial statements and footnotes are available for review upon request at our corporate office.

## CONDENSED CONSOLIDATED STATEMENT OF FINANCIAL CONDITION

	2015	2014
<b>Assets</b>		
Cash and cash equivalents	\$ 103,952,799	\$ 60,640,364
Investment securities		
Available-for-sale	\$ 1,291,875	\$ 3,640,530
Hold-to-maturity	\$ -	\$ 7,647,666
FHLB Stock	\$ 2,700,000	\$ 2,302,700
Loans to members, net of allowance for loan losses	\$ 829,017,249	\$ 715,085,855
Accrued interest receivable	\$ 2,182,938	\$ 1,634,560
Property and equipment	\$ 32,370,109	\$ 30,564,786
NCUSIF deposit	\$ 8,471,455	\$ 7,480,023
Alloya perpetual contributed capital deposit	\$ 1,089,800	\$ 677,200
Other real estate owned	\$ 273,403	\$ 1,324,857
Investment in CUSO	\$ 2,500,000	\$ 2,500,000
Investment in annuities	\$ 1,852,796	\$ 1,901,799
Servicing Rights	\$ 866,555	\$ 1,307,012
Credit Union owned life insurance	\$ 7,648,800	\$ 7,706,280
Other Assets	\$ <u>10,965,108</u>	\$ <u>5,888,925</u>
<b>Total Assets</b>	<b>\$ 1,023,387,544</b>	<b>\$ 850,302,557</b>
<b>Liabilities and Equity</b>		
Members' shares and savings accounts	\$ 916,078,353	\$ 758,015,389
Notes payable	\$ -	\$ -
Accounts payable	\$ 13,542,147	\$ 8,368,084
Accrued interest and dividends payable	\$ 209,181	\$ 37,474
Other accrued liabilities	\$ <u>1,358,964</u>	\$ <u>1,900,382</u>
<b>Total Liabilities</b>	<b>\$ 931,188,645</b>	<b>\$ 768,321,329</b>
Commitments and Contingent Liabilities	-	-
Members' Equity-Substantially Restricted	\$ <u>92,198,899</u>	\$ <u>81,981,228</u>
<b>Total Liabilities and Members' Equity</b>	<b>\$ 1,023,387,544</b>	<b>\$ 850,302,557</b>

## CONSOLIDATED STATEMENT OF EARNINGS

	2015	2014
<b>Interest Income</b>		
Loans Receivable	\$ 30,184,988	\$ 24,876,277
Investment Securities	\$ <u>590,773</u>	\$ <u>1,164,698</u>
<b>Total Interest Income</b>	<b>\$ 30,775,761</b>	<b>\$ 26,040,975</b>
<b>Interest Expense</b>		
Interest and dividends on members' shares and savings accounts	\$ 1,742,248	\$ 1,166,496
Interest on Borrowed Funds	\$ <u>36,689</u>	\$ <u>222,272</u>
<b>Total Interest Expense</b>	<b>\$ 1,778,937</b>	<b>\$ 1,388,768</b>
<b>Net Interest Income</b>	<b>\$ 28,996,824</b>	<b>\$ 24,652,207</b>
Provision for Loan Losses	\$ 4,073,977	\$ 2,266,186
<b>Net Interest Income after Provision for Loan Losses</b>	<b>\$ 24,922,847</b>	<b>\$ 22,386,021</b>
<b>Total Non-Interest Income</b>	<b>\$ 18,937,007</b>	<b>\$ 19,444,764</b>
<b>Total Non-Interest Expense</b>	<b>\$ 38,800,538</b>	<b>\$ 32,964,845</b>
<b>Net Earnings</b>	<b>\$ 5,059,316</b>	<b>\$ 8,865,940</b>