

BEYOND WHAT YOU Expected

Friendly | Trustworthy | Reliable

U₁ 2017
Annual
Report

Federally Insured by the NCUA



Dear Valued Member-Owners,

Universal 1 Credit Union's 80th anniversary was filled with numerous successes! We look back on a year that brought success and strong financial performance, continued community engagement, and various member appreciation events. Our members remain our main focus as we strive to provide *Beyond What You Expected* service. Our 80th anniversary year was filled with member appreciation events including:

- Member appreciation days
- Road shows at our 11 locations provided chances for members to spin the 80th anniversary "Wheel of Fortune"
- Special Dayton Dragons events
- Member/Community shred day

"Commitment to Community" is an industry slogan and Universal 1 lives these words daily through our support of the community. In 2017, Universal 1 supported over 20 organizations which provided opportunities for our team to volunteer in the community. U1's Glen Kershner Memorial Scholarship awarded four \$1000 scholarships to assist our student members. A new partnership in 2017 was U1's sponsorship of 'Thursday Night Lights'. You may have noticed our team at the Thursday Night Light games, on television awarding the weekly scholar athletes, or on commercials aired during the games. This sponsorship allows U1 to interact with local communities and to award one \$5,000 college scholarship.

Universal 1 continues to serve your financial needs HERE – in our offices, THERE – shared branching, or EVERYWHERE – through technology. U1 delivers *Beyond What You Expected* service through our core values of *Trustworthy, Reliable, and Friendly*.

We have enjoyed celebrating Universal 1's 80th anniversary with you. We look forward to serving our members and community for many more years to come. Thank you for your loyal support and dedication!

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, to audit the annual financial statements. The financial statements for the year ended September 30, 2017, and audit opinion thereon are available for review at Universal 1 Credit Union, Inc. Corporate Headquarters.

FRIENDLY

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

Universal 1 Credit Union, Inc.

Balance Sheets
September 30, 2017 and 2016

	2017	2016
Assets		
Cash and cash equivalents	\$ 31,423,542	\$ 49,732,481
Deposits in corporate credit union	6,910,211	7,910,211
Investments - available-for-sale	29,575,227	28,662,715
Loans, net	332,928,672	306,967,849
Accrued interest receivable	821,778	759,803
Property and equipment, net	9,095,875	9,467,653
Federal Home Loan Bank stock, at cost	570,400	570,400
Other assets	6,355,884	6,314,325
NCUSIF deposit	3,675,571	3,495,328
Total assets	\$ 421,357,160	\$ 413,880,765
Liabilities and Members' Equity		
Members' shares	\$ 383,103,370	\$ 376,323,155
Accrued expenses and other liabilities	4,017,210	3,956,874
Total liabilities	387,120,580	380,280,029
Members' equity:		
Retained earnings - partially restricted	34,273,275	33,487,520
Accumulated other comprehensive (loss) income	(36,695)	113,216
Total members' equity	34,236,580	33,600,736
Total liabilities and members' equity	\$ 421,357,160	\$ 413,880,765

See notes to financial statements.

Universal 1 Credit Union, Inc.

Statements of Income
Years Ended September 30, 2017 and 2016

	2017	2016
Interest income:		
Loans	\$ 14,410,707	\$ 14,483,714
Investments and cash equivalents	749,802	566,501
Total interest income	15,160,509	15,050,215
Dividends on members' shares	3,015,119	2,889,813
Net interest income	12,145,390	12,160,402
Provision for loan losses	2,110,000	3,115,000
Net interest income after provision for loan losses	10,035,390	9,045,402
Noninterest income (loss):		
Share draft service charges and fee income	2,680,276	2,770,309
Credit, check card and other interchange income	2,330,908	2,459,025
Gain on sale of investment securities	12,964	14,921
Other	(46,604)	(141,488)
Total noninterest income, net	4,977,544	5,102,767
Operating expense:		
Compensation and employee benefits	7,483,406	7,170,334
Office operations	2,165,320	2,161,517
Occupancy and maintenance	1,393,869	1,353,229
Education and promotion	389,514	358,852
Loan servicing	801,705	815,270
Outside services	1,749,966	1,759,740
Other	243,399	310,693
Total operating expense	14,227,179	13,929,635
Net income	\$ 785,755	\$ 218,534

See notes to financial statements.

TRUSTWORTHY

"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, 2017 and 2016

	2017	2016
Net income	\$ 785,755	\$ 218,534
Other comprehensive income (loss):		
Unrealized (loss) gain on investments classified as available-for-sale	(156,807)	116,093
Reclassification adjustment for net realized gains on investments included in net income	(12,964)	(14,921)
Net actuarial gain (loss) on postretirement liability	19,860	(120,064)
Total other comprehensive loss	(149,911)	(18,892)
Comprehensive income	\$ 635,844	\$ 199,642

See notes to financial statements.

Universal 1 Credit Union, Inc.

Statements of Members' Equity
Years Ended September 30, 2017 and 2016

	Retained Earnings - Partially Restricted	Accumulated Other Comprehensive (Loss) Income	Total Members' Equity
Balance, September 30, 2015	\$ 33,268,986	\$ 132,108	\$ 33,401,094
Net income	218,534	-	218,534
Other comprehensive loss	-	(18,892)	(18,892)
Balance, September 30, 2016	33,487,520	113,216	33,600,736
Net income	785,755	-	785,755
Other comprehensive loss	-	(149,911)	(149,911)
Balance, September 30, 2017	\$ 34,273,275	\$ (36,695)	\$ 34,236,580

See notes to financial statements.

RELIABLE

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



BOARD OF DIRECTORS AND EXECUTIVE TEAM

Thomas J. Hickey
Chairman of the Board

Joseph B. Woeste
Secretary of the Board

Robert E. Angel
Director

Rosemary D. Domansky
Director

Jeffrey W. Gammell
Director

Michael P. Thonnerieux
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

Jessica O. Jones
SVP Administrative Services

LOCATIONS

Austin Park
9900 Springboro Pk.
Miamisburg, OH 45342
937.435.7268

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

Sidney
2835 Michigan St.
Sidney, OH 45365
937.498.2320

Beavercreek
2450 Esquire Dr.
Beavercreek, OH 45434
937.431.3100

Huber Heights
2933 Harshman Rd.
Dayton, OH 45424
937.235.0303

Sugarcreek
6270 Wilmington Pk.
Dayton, OH 45459
937.848.6050

Centerville
6147 Far Hills Ave.
Dayton, OH 45459
937.610.0320

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

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

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

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