



2013 ANNUAL REPORT



Board of Directors



Jamie Payne
Chairperson



Jim Rutledge
Vice-Chairperson



Linda Myers
Treasurer



Anne McMurtry
Secretary



Becky Dilbeck
Member



Earl Mitchell
Member



Don Boswell
Member

REPORT OF THE SUPERVISORY COMMITTEE

The Supervisory Committee had a great year in 2013. You, the members, are very important to us and we work hard to represent each one of you. If we can do anything to assist you, please let us know. Each one of us is more than willing to help you with anything we can. We are appointed by the Board of Directors in accordance with the Federal Credit Union Act. It is our responsibility to ensure that your Credit Union conducts its operations and activities in a safe and sound manner. We have retained external auditors again this year from Bledsoe & Assoc., PLLC, from Oklahoma City, to perform an audit and to review and evaluate the overall financial operations and performance of your Credit Union and its management staff.

The Credit Union is a federally-insured financial institution and is subject to annual examinations by the National Credit Union Administration (NCUA). The auditors concurred that, as in previous years, your money is safe and sound and that University & Community FCU remains a vibrant, strong and solid institution. Each year, the Committee conducts surprise teller cash drawer audits at each of the locations and our employees are great – conscientious and accurate – the surprise cash accounts which we conducted were most impressive. We also verify new and closed accounts, review credit card charges by the staff, and one of our members attends the monthly Board of Director meetings.

The management and staff of your Credit Union are always most helpful in assisting the Committee with its appointed tasks and we appreciate each one of them. As it has done since its founding in 1968, UCFCU continues to operate in a safe and sound manner. We are committed to maintaining your trust in us and in helping with the continued growth of your Credit Union.

Wilma Wehr, Chair

Supervisory Committee Members:

Renee Smith
Dee Ricker
Lyle Eastman
Daryl Nord

BALANCE SHEET

ASSETS	2013
CASH & EQUIVALENTS	\$5,353,038
TOTAL INVESTMENTS	\$45,911,288
Real Estate Loans	\$24,134,550
Unsecured Loans	\$1,915,543
Other Loans	\$16,277,854
TOTAL LOANS	\$42,327,947
Allowance for Loan Loss	-\$310,150
Land and Building	\$2,070,443
Other Fixed Assets	\$163,423
NCUSIF Deposit	\$854,763
All Other Assets	\$434,592
TOTAL ASSETS	\$96,805,344
ACCOUNTS PAYABLE AND OTHER LIABILITIES	\$978,366
Share Drafts	\$17,956,714
Regular Shares	\$44,827,511
All Other Shares and Deposits	\$24,631,176
TOTAL SHARES AND DEPOSITS	\$87,415,401
Regular Reserve	\$985,000
Unrealized Gains(Losses) AFS	-\$624,411
Undivided Earnings	\$8,050,988
TOTAL EQUITY	\$8,411,577
TOTAL LIABILITIES, SHARES & EQUITY	\$96,805,344

INCOME STATEMENT

INCOME AND EXPENSE	2013
Interest on Loans	\$2,233,929
Income from Investments	\$502,488
TOTAL INTEREST INCOME	\$2,736,417
Dividends	\$335,166
Interest on Borrowed Money	\$1,917
TOTAL INTEREST EXPENSE	\$337,083
PROVISION FOR LOAN AND LEASE LOSS	\$171,080
NET INTEREST INCOME AFTER PLL	\$2,228,254
Fee Income	\$480,178
Other Operating Income	\$573,460
Gain (Loss) on Investments	\$5,895
TOTAL NON-INTEREST INCOME	\$1,059,533
Total Employee Compensation and Benefits	\$1,431,883
Travel, Conference Expense	\$30,564
Office Occupancy	\$222,245
Office Operation Expense	\$624,436
Education and Promotion	\$120,633
Loan Servicing Expense	\$130,552
Professional, Outside Service	\$127,754
Corporate CU Stabilization Fund (NCUA Fund)	\$68,381
Operating Fees	\$20,837
Misc Operating Expense	\$62,863
TOTAL NON-INTEREST EXPENSE	\$2,840,148
NET INCOME(LOSS)	\$447,639

2014 Annual Meeting President's Report

It has been a privilege to work with the staff and membership of University & Community Federal Credit Union over the past year. I want to extend a big thank you to the staff for the hard work you put in on behalf of our membership. To our more than 12,000 members, we say thank you for using your credit union.

This report will cover new products and services offered during 2013, highlight our continued financial strength over the past year, and look back on our beginnings and how far your credit union has progressed since 1968.

Our Chief Information Officer contracted a third party company to create a mobile banking application in 2013. Accessing your account is now easy and convenient with our free iPhone or Android application. We upgraded our website in June 2013, and now have an online loan application that makes applying for a loan easier than ever. Our accounting department added real time fraud watch to our debit/check card program.

The financial strength and stability of your credit union is assessed through several factors. We have more than eight million dollars in capital, representing 9.34% of our assets, and are considered "well capitalized" by our federal regulators, the National Credit Union Administration. Bower Financial has given us their highest rating of five stars. Our deposits grew to 87.7 million in 2013, which is an increase of 4.8 million from 2012. Our delinquency is under 2% of our more than 42 million dollars in loans outstanding. Loans outstanding increased more than \$400,000 from 2012. We paid out more than \$335,000 in dividends (interest) to our members in 2013. The low-rate interest environment has kept our interest rates on savings, certificates and IRA's lower than we'd like, but still very competitive in this market. As you can see, we have enjoyed another good year of growth in deposits and loans.

In 1968, your credit union opened with a handful of members using a small office on Oklahoma State University's campus. Since then, our membership has grown to more than 12,000 members and we have our main office location on McElroy Rd., a newly renovated branch in the OSU Student Union, and our Highway 51 branch on the west side of Stillwater. This growth could not be accomplished without you.

From the Board of Directors, the Supervisory Committee, and staff we say thank you.

Phil Dysinger, President/CEO