



FEDERAL CREDIT UNION
We make banking personal.

2014 ANNUAL REPORT



This credit union is federally insured by the National Credit Union Administration. Additional coverage up to \$250,000 provided by Excess Share Insurance Corporation, a licensed insurance company.



William P. Allender
President / CEO



Brad Ashbrook
Chairman

REPORT FROM PRESIDENT/CEO & THE CHAIRMAN

We are pleased to share that 2014 was a successful year for your Credit Union, supported by membership growth and continued loyalty from our members.

We continued to maintain positive capital growth, notable share growth, record membership figures and impressive total assets of \$408 million. We believe these significant achievements tangibly demonstrate the positive impact BMI FCU® has on its members and our commitment to improving the financial lives of those in our community.

It is because of you, our member-owners, that we continue to grow and thrive. Through your continued support, we increased our total membership by 890 – record growth figures! We attribute this growth to the loyalty of our members who continuously promote and share the benefits of BMI FCU with their family as well as their network of friends, neighbors and co-workers. While growth is important, it is not simply growth for the sake of growth. Growth enables BMI FCU to provide increased benefits to all our members. By improving our financial strength, we are able to build our reserves, increase our capacity for lending, and enable a continuous

focus on serving our members and their specific financial needs by providing enhancements to our existing product offerings and implementing new products and services.

These accomplishments are not the singular measure by which BMI FCU defines its success. As a member-owned, not-for-profit financial institution, we define our success as the impact we have on improving the financial lives of our members as well as the communities in which we serve. In 2014, our commitment to your financial wellness was the hallmark of our performance.

To that end, we love seeing our mission of improving the financial lives of our members and the communities we serve come to fruition. We were honored to be recognized as a *ThisWeek Community News* Readers' Choice award winner for "Favorite Credit Union" for the third year in a row and "Favorite Mortgage Lender" for the second consecutive year. For the first time, BMI FCU was recognized as the second-place "Favorite Financial Planner". With respect to financial planning, BMI FCU does not offer financial planning in a traditional sense. At BMI FCU, we believe that financial planning is not strictly limited to investments, retirement accounts or estate planning. According to the Institute of Financial Planning, "Financial Planning is an ongoing process to help you make sensible decisions about money that can help you achieve your goals in life." Based on this definition, we believe that the readers of

ThisWeek Community News voted for BMI FCU because of our outstanding, award-winning Money Management program, which through the work of our Certified Financial Counselors, aims to improve the financial lives of our members and the community.

At BMI FCU we must always balance offering the highest level of personal service to our members with implementing new and innovative products and technology advancements. In 2014, we introduced a number of new products and improved several existing ones, including the launch of our new online and mobile banking system. The rollout of the new online banking system was a key achievement as it provides our members with improved functionality using the latest technology while adding enhanced security features which are critical to protecting our member's information. Examples include Secure Access Codes, which are a new type of multi-factor authentication, and My Finance Tool, an interactive financial aggregator that provides members with the ability to monitor and manage every aspect of their finances - checking, savings, investments and retirement accounts—all in one place.

While we are pleased with our accomplishments in 2014, we are always looking for ways to improve and we look forward to a more successful 2015 when we will continue to make a positive impact on the financial lives of our members and the central Ohio community.



2014 COMMUNITY INVOLVEMENT

Making a positive difference in the lives of our members and the community we serve is a core value of BMI Federal Credit Union®. We show our support by sponsoring local events, encouraging our employees to volunteer their time, and raising money to benefit a variety of community-based organizations. The credit union has implemented a variety of programs designed to increase its visibility and ongoing support of the community

we serve. For example, each year BMI FCU employees select 12 local or national charitable organizations to support during the calendar year. Each month the designated organization receives a donation based on voluntary employee contributions, and as a bonus, BMI FCU matches the funds raised. In 2014, BMI FCU contributed more than \$42,000 to over 32 different charitable organizations.





2014 SCHOLARSHIP GOLF OPEN

BMI Federal Credit Union's mission to improve the financial lives of our members and the community was the foundation from which the BMI Federal Credit Union Scholarship Golf Open was established. Before our charter change in October 2012, BMI FCU annually hosted a golf outing for our Select Employer Groups and their employees. However, once our charter changed, it seemed fitting to open outing registration to the public and refresh the event to align with our commitment and long-standing history of improving the community through ongoing charitable giving efforts.

With the goal of playing for a purpose, we sought out a charity that would use the funds to enrich the lives of those in our community and support the social needs of our community. Around this time, we learned of a new local charity, Fallen 15. Fallen 15 is a local nonprofit organization that was created to honor, celebrate and be inspired by the lives of the nation's fallen service members who made the ultimate sacrifice in the wars in Iraq and Afghanistan. Through their numerous outreach programs, Fallen 15 activates and enriches the lives of the veteran community, an effort

which they believe is the most fitting and greatest tribute to those who have made the ultimate sacrifice.

Dedicated to enriching the lives of the veteran community by creating outreach programs, we felt Fallen 15 was a perfect match for our charity golf outing. Our 2014 event quickly became the BMI Federal Credit Union Scholarship Golf Open, a golf outing open to the community whose proceeds would 100 percent benefit the newly created Fallen 15 Scholarship Fund. A partnership between BMI FCU and Fallen 15, the Fallen 15 Scholarship

Fund provides scholarships to veterans, their families and the families of fallen service members pursuing higher education.

As the inaugural year for our Scholarship Golf Open, we were overwhelmed with the success of the event. The total attendance for the golf open was 144 golfers, a sold-out event. More importantly, through the generous donations and support of the community, we were able to raise \$29,699 to benefit the Fallen 15 Scholarship Fund.

AWARDS & RECOGNITION



6th Annual
READERS' CHOICE 2014
AWARD WINNER
ThisWeek COMMUNITY NEWS

BEST EMPLOYERS IN OHIO

For the fifth consecutive year, BMI FCU was named one of the top ten Best Employers in Ohio by the Ohio SHRM State Council and Best Companies Group. The award honors the best places of employment based on employee surveys and evaluations of company policies, practices, philosophy and demographics.

LOUISE HERRING PHILOSOPHY-IN-ACTION SERVICE AWARD

The Ohio Credit Union League's Leadership Recognition Program recognizes persons, credit unions and chapters that make exceptional contributions to the lives of others. BMI FCU was recognized as the first-place recipient of the Louise Herring Philosophy-In-Action Service Award. This award is given to credit unions that demonstrate their commitment to the practical application of the People Helping People credit union philosophy. It is awarded for extraordinary, internal programs that are focused on a credit union's membership and create services that benefit the members. BMI FCU received this award for adhering to our mission of improving the financial lives of our members, and putting our mission into action through our Money Management program.

THISWEEK COMMUNITY NEWS READERS' CHOICE AWARDS

In *ThisWeek Community News* Readers' Choice Awards, BMI FCU was named Favorite Credit Union for the third year in a row, and for the second consecutive year, Favorite Mortgage Lender. For the first time, BMI FCU was recognized as the second-place Favorite Financial Planner. While BMI FCU does not offer financial planning in a traditional sense, financial planning is not strictly limited to investments, retirement or estate planning. According to the Institute of Financial Planning, "Financial Planning is an ongoing process to help you make sensible decisions about money that can help you achieve your goals in life." Based on this definition, one can assume the readers of *ThisWeek Community News* voted for BMI FCU because of our outstanding Money Management program, which through the work of our Certified Financial Counselors, aims to improve the financial lives of our members and the community. The Readers' Choice Awards highlight readers' favorites in more than 100 categories, ranging from favorite physician to best sushi. Through their 24 weekly publications and website, readers are asked to vote for their favorites.

2014 HALL OF FAME

The BMI Federal Credit Union Hall of Fame recognizes individuals or corporations who have made significant contributions to our Credit Union, community, or the members the Credit Union serves.



Jack Fuess

Jack began his service to BMI FCU in 1988, serving as Secretary on the Board of Directors. He would continue serving as Secretary until 1991. In 1992, Jack was elected Vice Chair. Jack served on the Board of Directors in the midst of the construction of the BMI FCU Kinnear Road branch. As an employee of Battelle's Facilities Department, Jack's experience with construction projects made him an integral part of the Kinnear branch construction process. His expert guidance, support and dedication enabled the credit union to complete construction in an efficient and economically sound manner.



Don Simon

Don began his 14 years of service to BMI FCU in 1980, serving on the Board of Directors. Don served on the Board of Directors from 1980 through 1994, holding several leadership positions including, Treasurer, President and Chairman. As a professional economist, he was very astute at analyzing the financial marketplace. His keen insight into the issues facing the credit union industry proved vital during the financial institution crisis of the early 80s. His knowledge helped to shape many of the decisions made by the Board and allowed BMI FCU to prosper during this difficult time.



(L to R) Sarah Borland (Director of Business Development & Community Relations) Dallas DeBruin, Kyle Minyo, Keegan Graham, Erin Beaber, Christine Adolph (Associate Director)

BMI FEDERAL CREDIT UNION'S 2014 SCHOLARSHIP RECIPIENTS

BMI Federal Credit Union is proud to offer two annual memorial scholarship programs to help our members realize their academic potential. Each memorial awards two \$2,000 scholarships.

THE DICK PIERCE MEMORIAL SCHOLARSHIP
Keegan Graham & Kyle Minyo

THE JACK DEIBERT MEMORIAL SCHOLARSHIP
Erin Beaber & Dallas DeBruin

BALANCE SHEET

	12/31/14	12/31/13
ASSETS		
Cash & Due From Others	\$3,482,956	\$3,470,206
Interest Bearing Deposits	28,568,331	20,236,825
Cash & Cash Equivalents	32,051,287	23,707,031
Time Deposits	55,408,000	45,235,000
Securities Available for Sale	38,335,038	49,233,750
Securities Held to Maturity	-	-
Loans to Members	259,405,500	246,579,928
Allowance for Loan Losses	(873,120)	(1,141,543)
Net Loans	258,532,380	245,438,385
Net Premises & Equipment	12,271,735	12,204,320
Accrued Interest Receivable	1,087,292	1,112,420
Capital Participation Certificates	900,000	900,000
NCUSIF Deposit	3,075,635	3,026,984
Other Assets	6,602,777	5,658,575
TOTAL ASSETS	\$408,264,144	\$386,516,465
LIABILITIES		
Members' Shares	328,750,750	314,479,294
Other Liabilities	42,001,974	37,054,818
TOTAL LIABILITIES	\$370,752,724	\$351,534,112
MEMBERS' EQUITY		
Statutory Reserve	6,768,645	6,768,645
Retained Earnings	30,406,656	28,418,362
Other Comprehensive Income	336,119	(204,654)
Total Members' Equity	\$37,511,420	\$34,982,353
TOTAL LIABILITIES & MEMBERS' EQUITY	\$408,264,144	\$386,516,465

These financial statements are as presented by Management for 2013 and 2014 fiscal years, not audited financial statements. Complete audited financial statements are available upon request.

INCOME STATEMENT

	12/31/14	12/31/13
INTEREST INCOME		
Loans	\$11,400,553	\$11,381,063
Time Deposits, Securities & Negotiable Certificate of Deposit	1,287,237	1,362,728
Interest Bearing Deposits & Federal Funds Sold	38,153	25,275
TOTAL INTEREST INCOME	\$12,725,943	\$12,769,066
INTEREST EXPENSE		
Members' Share Accounts	\$1,146,837	\$1,471,760
NET INTEREST INCOME	\$11,579,106	\$11,297,306
Provision For Loan Losses	(707,539)	(1,247,319)
NET INTEREST INCOME AFTER PROVISION	\$10,871,567	\$10,049,987
OTHER INCOME		
Fees	\$1,642,030	\$1,715,026
Gain (Loss) On Investments	0	0
Gain (Loss) On Disposition of Assets	(119,512)	(1,963,190)
Gain (Loss) On Loans Sold to FHLB	139,181	312,490
Other Income	2,534,989	3,315,643
TOTAL OTHER INCOME	\$4,196,688	\$3,379,969
OTHER EXPENSE		
Salaries & Employee Benefits	\$5,895,617	\$5,722,342
Occupancy & Equipment	1,199,771	1,540,512
Advertising & Marketing	805,113	448,901
Card Processing	491,835	578,653
Other Expenses	4,687,625	4,383,382
TOTAL OTHER EXPENSE	\$13,079,961	\$12,673,790
NET INCOME	\$1,988,294	\$756,166

These financial statements are as presented by Management for 2013 and 2014 fiscal years, not audited financial statements. Complete audited financial statements are available upon request.

BRANCH LOCATIONS

Dublin Branch / Corporate Office

6165 Emerald Parkway
Dublin, Ohio 43016

Kinnear Branch

760 Kinnear Road
Columbus, Ohio 43212

Westerville Branch

12 S. Cleveland Avenue
Westerville, Ohio 43081

Bethel Branch

750 Bethel Road
Columbus, Ohio 43214

Battelle Branch

Available to Battelle Staff Only



MANAGEMENT

2014 Board of Directors

Brad Ashbrook, Chair
Jim Ramey, Vice Chair
Steve Krzykoski, Treasurer
Steve Phillips, Secretary
Kay Cooke
George Dailey
Bill Esch
Melita Garrett Abbey
Gwen Von Holten

Director Emeritus

L. Ben Freudenreich
Denny Hockman

Associate Directors

Christine Adolph
Shawn Richard

Supervisory Committee

Dave Arnold, Chair
John Black
Sarah Musser
Katherine Sites

MANAGEMENT TEAM

William P. Allender, President/CEO
Mike Clark, Vice President of Operations
Ray Porter, Vice President of Finance
Rob Bachman, Director of Lending
Sarah Borland, Director of Business Development
& Community Relations

Melissa Gleadle, Controller
Greg Hopp, Director of Technology
Carolyn Hucek, Director of Marketing
Sonia Johnson, Director of Member Services
Stacy Toki, Director of Human Resources