

2010 Annual Meeting Minutes

February 27, 2010

The Annual Meeting of the MidState Educators Credit Union, Inc. was held on February 27, 2010 at the Berwick Manor Party House.

Attending the meeting were Chairman Marvin Gutter, Don Eppert, Paul Smith, Geno Moro, Barbara Flu-Allen, Barbara Hartgrove-Holley, Bonnie Wasson and David Black. William Bailey was not present.

Also present were President/CEO Dick Maslyk and attorney David Whittaker who took the minutes of the meeting.

Chairman Gutter called the business meeting to order and asked Secretary Barbara Hartgrove-Holley to declare a quorum, and a quorum was declared.

Chairman Gutter introduced guests Rhonda Johnson, Gary Kaiser, Steve Lillie and David Whittaker.

Chairman Gutter requested that the members approve the agenda as printed in the 2010 Annual Meeting Agenda. Barbara Flu-Allen made a motion to this effect, which was seconded by David Black and was carried by a voice vote of the members present at the meeting.

Chairman Gutter requested that the reports of the Officers, CEO and the Committee reports be accepted as printed without reading. David Black made a motion to this effect, which was seconded by Barbara Hartgrove-Holley and was carried by a voice vote of the members present at the meeting.

Chairman Gutter requested that the minutes of the 2009 Annual Meeting be approved as printed without reading. Don Eppert made a motion to this effect, which was seconded by Barbara Hartgrove-Holley and was carried by a voice vote of the members present at the meeting.

David Black, Chair of the Nominating Committee, reported on the results of the election of board members and introduced Bonnie Wasson, Barbara Flu-Allen and Don Eppert as re-elected board members.

Dick Maslyk reported to the members regarding the Credit Union activities during the prior year. Mr. Maslyk thanked the Board and staff for their work and assistance.

No new business or old business was presented.

Barbara Flu-Allen and Barbara Hartgrove-Holley presented the scholarship recipients with their scholarships.

The Annual Meeting Committee of Barbara Hartgrove-Holley (Chair), Don Eppert, Barbara Flu-Allen and Geno Moro presented the door prizes.

Don Eppert presented the results of the 50/50 raffle and advised that the proceeds from the raffle would be donated to the scholarship fund. The winner of the raffle was drawn.

The meeting was adjourned by acclamation of the members present.

The 2010 Annual Meeting Minutes were recorded and transcribed by David M. Whittaker, Esq.

A Message From Our President & Chairman of the Board

Education First Credit Union is celebrating its diamond anniversary with a new name. Since 1936 we have provided our members 75 years of dedicated service. Our new name and logo were chosen to underscore our long-term mission of serving the educational community.

The word "first" emphasizes our commitment to our members by placing them first, the three lines making up the numeral one (1) represents our three core qualities: benefit, value and resource. The number one forms a stylized column to reinforce our assertion that education is an important pillar within the community.

Education First Credit Union is member-owned and we are always mindful of the funds you entrust to us. We are also pleased to report that in 2010 we experienced loan, asset and membership growth and that we remain well capitalized and profitable.

We extend congratulations to our scholarship winners. Since beginning our scholarship program the Education First Credit Union Scholarship Foundation has awarded over \$110,000 in scholarships to deserving high school seniors. Our annual scholarship program further emphasizes our commitment to education and the importance we place on financial literacy.

The Board of Directors along with the Executive Management Team continue to expand and define our strategic business plan. This plan includes membership growth and expanding our products and services. Recently our *CU Student Choice* private student loan program has been expanded to include graduate school thus giving students additional opportunities to continue their education. We have also upgraded our Visa credit card program to include a Visa Platinum Credit Card which offers many enhanced benefits including travel accident insurance, cell phone protection and roadside assistance. Additionally we understand the importance of convenience to our members as we continue to make available various branching options to our membership.

In 2011, expansion of our products and services will save members time and money while enriching their lives. We will diligently present ourselves as a Benefit, Value and Resource to our current and future members. We would like to thank the Board of Directors, Executive Management Team and Staff for their dedication, loyalty and support. Thank you for allowing us to lead your credit union – **our focus is your future.**

Dick Maslyk
President / CEO

Marvin Gutter
Chairman of the Board

Board Of Directors

Marvin Gutter, Chairman
Barbara Hartgrove-Holley, Vice Chairman
Don Eppert, Treasurer
Barbara Flu-Allen, Secretary
Bill Bailey, Director
David Black, Director
Geno Moro, Director
Paul Smith, Director
Bonnie Wasson, Director

Your Credit Union Staff

April Arledge	Sarah Mason
Lindsay Ault	Connie Michalec
Penny Beach	Daria Moore
Charmaine Blue	Debbi Morris
Amity Bosworth	Tara Neiswonger
Michelle Carr	Dottie Riffle
Patricia Carr	Amber Ross
Julia Cesa	Patrick Scanlin
Molly Crance	Cheryl Schmitt
Linda Eddy	Dane Smith
Angie Freeman	Mike Spellman
Barbara Hackett	Micrita Tyler
Miki Hartman	Ashlee Waderker
Jerry Hawkins	Dan Walraven
Cindy Hunt	Michelle Weadock
Andrea Kiifner	Nathan White
Dick Maslyk	Vicki Williams

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2010 annual report



educationfirst
credit union



Audit Report

We have audited the accompanying statements of financial condition of Education First Credit Union as of December 31, 2010 and 2009 and the related statements of operations, members' equity and cash flows for the years then ended. These financial statements are the responsibility of the Credit Union's management. 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Education First Credit Union as of December 31, 2010 and 2009 and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

Lillie & Company, Inc.
Certified Public Accountants

Loan Review Panel

Education First Credit Union's Loan Officers and Loan Review Panel made a total of 2,311 loans in 2010 including Visa credit card loans. These loans totaled approximately \$13,891,797, bringing the total loans made since the organization of the credit union in 1936 to \$487,545,674 million.

The Loan Review Panel recognizes the cooperation and attention of the entire credit union staff, and extends a special thanks to them for their help and assistance throughout the year.

Respectfully Submitted,
Patrick Scanlin
Member Sales Manager

Treasurer's Report

As Treasurer of the Board of Directors of Education First Credit Union, Inc., I am proud to report that 2010 was another successful year for the credit union. Assets ended the year at \$84.7 million. The credit union originated \$13.9 million in total loans in 2010. Education First Credit Union originated almost \$3.6 million in first mortgage loans as well. Net income was \$122,821 before the NCUSIF premium for the year ended 2010.

I, along with the Board of Directors, appreciate the ongoing support and financial responsibility that the senior management team and staff have exercised this past year. Through their dedication, your credit union continues to maintain financial safety and stability.

Respectfully Submitted,
Don Eppert
Treasurer

Financial Statement

31-Dec-10	Balance Sheet
Assets	
Loans.....	\$ 50,625,521
(Less) Allowance for Loan Loss	(515,437)
Accounts Receivable.....	177,551
Banks.....	1,015,261
Corporate One Credit Union	3,335,144
Other Investments.....	27,772,035
Prepaid & Deferred Expenses.....	611,993
Furniture & Equipment (Net).....	318,047
Land & Building (Net)	888,893
Other Assets	<u>510,249</u>
Total Assets.....	\$ <u>84,739,257</u>
Liabilities	
Accounts Payable.....	\$84,612
Accrued Expenses.....	243,386
Other Liabilities	<u>154,573</u>
Total Liabilities.....	<u>482,571</u>
Shares	
Regular Shares.....	22,917,572
Money Management.....	19,759,643
Share Certificates.....	19,687,023
IRAs	2,906,418
Health Savings Accounts.....	724,835
All Other Savings	444,051
Checking Accounts	<u>7,769,275</u>
Total Shares	<u>74,208,817</u>
Equity	
Regular Reserves.....	1,839,147
Undivided Earnings	<u>9,350,415</u>
Sub Total.....	<u>11,189,562</u>
Other Comprehensive Gain (Loss)*	<u>(1,141,693)</u>
Total Equity	<u>10,047,869</u>
Total Liabilities, Shares & Equity.....	\$ <u>84,739,257</u>

*Represents Defined Benefit Plan FAS 158 Transition

31-Dec-10	Income
Interest from Loans	\$ 3,536,449
Interest from Investments.....	630,411
Other Income.....	<u>1,791,694</u>
Total Operating Income	<u>5,958,554</u>
Expenses	
Compensation.....	1,460,546
Employee Benefits	598,668
Travel & Conference.....	37,818
Office Occupancy Expense	236,706
Office Operations Expense.....	1,393,415
Education	30,046
Advertising	136,672
Scholarships.....	10,169
Loan Servicing Expense.....	357,269
Professional Services.....	368,290
Provision for Loan Loss	385,000
State Supervisory Fee.....	24,527
Annual Meeting Expense.....	12,000
Misc. Operating Expense	<u>34,599</u>
Total Operating Expenses.....	<u>5,085,725</u>
Net Income from Operations	872,829
Gain (or Loss) on Disposition of Assets.....	<u>-</u>
Net Income Before Dividends.....	872,829
Dividends	<u>750,008</u>
Net Income After Dividends	122,821
NCUSIF Stabilization Plan Expense.....	<u>(186,198)</u>
Net Income after NCUSIF Stabilization Plan Expense	(63,377)
Changes in Undivided Earnings for the Year	<u>(63,377)</u>
Statistical Information	
Number of Accounts	18,624
Loans Made in Current Year.....	\$ 13,891,797
Number Made in Current Year.....	2,311
Loans Made Since Organization.....	\$ 487,545,674
Number Made Since Organization.....	236,448