

2008 Annual Meeting Minutes

The Annual Meeting of the MidState Educators Credit Union, Inc. was held on March 1, 2008, at the Longaberger Alumni House at The Ohio State University.

Attending the meeting were Chairman David Black, Don Eppert, Marvin Gutter, Norman Landry, Paul Smith, Geno Moro, Barbara Flu-Allen, Barbara Hartgrove-Holley and Bonnie Wasson.

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

Chairman Black called the business meeting to order and asked Secretary Bonnie Wasson to declare a quorum, and a quorum was declared.

Chairman Black requested that the members approve the agenda as printed in the 2008 Annual Meeting Agenda. Marvin Gutter made a motion to this effect, which was seconded by Geno Moro and was carried by a voice vote of the members present at the meeting.

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

Chairman Black requested that the minutes of the 2007 Annual Meeting be approved as printed without reading. Geno Moro made a motion to this effect, which was seconded by Paul Smith and was carried by a voice vote of the members present at the meeting.

Bonnie Wasson, the Nominating Committee Chairperson, announced the results of the election. The newly elected Board members were: Paul Smith, Barbara Hartgrove-Holley and Marvin Gutter.

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 Hackett Family presented the John Hackett Scholarship to its recipient.

Geno Moro recognized the school liaison representatives.

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

Don Eppert presented the results of the Political Action Committee raffle. The winner of the raffle was drawn.

The meeting was adjourned by acclamation of the members present.
Bonnie Wasson, Secretary

The 2008 Annual Meeting Minutes were recorded and transcribed by David M. Whittaker, Esq.

A Message From Our President

We are happy to report that 2008 was a profitable year for MidState Educators Credit Union in spite of the economic difficulties that occurred during the year. MidState Educators Credit Union is member owned and accordingly our decisions are made with you our members in mind. MidState Educators Credit Union is extremely well capitalized and continues to be nationally recognized as a superior financial institution as witnessed by Bauer Financial Inc., which once again has given your credit union a 5-Star (Superior) rating. Our Capital Ratio (one of the ratios used to measure a financial institution's stability and efficiency) is at a level that is 200 % of what the government requires, providing us with a deep safety cushion shielding us from the current economic downturn that we are now experiencing.

Your deposits are insured up to \$500,000. The first \$250,000 in deposits is insured by the National Credit Union Administration (NCUA), a federal agency. The NCUA is backed by the full faith and credit of the United States Government. The additional \$250,000 in deposits are insured by Excess Share Insurance (ESI), which is a wholly owned subsidiary of American Share Insurance (ASI), the nation's largest private deposit insurer, and insures only credit unions meeting its high standards.

MidState Educators Credit Union is committed to making a difference in our members' lives by reinforcing the philosophy on which credit unions were built of "People Helping People." In 2009 we will continue to offer a variety of products and services with our members' best interest in mind. We will also continue to promote financial literacy and money management skills to our members.

I want to sincerely say "thank you" to our members. Without you we would not be who we are today.

Dick Maslyk
President/CEO

Board Of Directors

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

Your Credit Union Staff

The staff of the credit union is dedicated to providing sound financial services to all members. Please feel free to contact us with any questions you may have.

Sheila Allard	Connie Michalec
April Arledge	Daria Moore
Teri Ault	Debbi Morris
Penny Beach	Tara Neiswonger
Charmaine Blue	Wes Phillips
Michelle Carr	Dottie Riffle
Pat Carr	Amber Ross
Julia Cesa	Patrick Scanlin
Linda Eddy	Cheryl Schmitt
Angie Freeman	Meagan Shadwill
Jackie Grisvard	Amity Smallwood
Barbara Hackett	Dane Smith
Da'Lyn Harper	Danielle Stallsworth
Miki Hartman	Rita Syrkin
Jerry Hawkins	Ashlee Waderker
Andrea Kiifner	Daniel Walraven
Carli Leonhardt	Nathan White
Dick Maslyk	Vicki Williams
Sarah Mason	

2008

ANNUAL REPORT



**Safe & Sound -
Our pledge to you.**



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Columbus, Ohio 43235
614-885-2921

www.educu.org

A Message From Our Chair

MidState Educators Credit Union remained focused in 2008 on our commitment to educators and schools employees through a number of financial initiatives. We offered a variety of financial education seminars to help our members make healthier and sounder financial decisions in this very tough economic time. We trained our members on the importance of making and following a budget and also how to plan for their future.

With each passing year our relationship with our founding members, The Columbus City Schools, grows more solid. Our presence at Columbus State Community College continues to develop and we are working diligently to strengthen our relationships with other school districts in Franklin and Delaware counties as well as local colleges and universities.

We want you to realize that no matter what your need may be or situation you may find yourself we are here for you. MidState Educators Credit Union offers a variety of financial products and services with fair rates, low fees and honest answers.

I want to thank the management team and staff of MidState Educators Credit Union. Their loyalty and dedication is a testament to the successes of our credit union. I am proud to serve you as Chairman of the Board.

Marvin Gutter
Chairman of the Board

Loan Review Panel

MidState Educators Credit Union's Loan Officers and Loan Review Panel made a total 2,116 loans in 2008, including VISA credit card loans. These loans totaled approximately \$13,941,740, bringing the total loans made since the organization of the credit union in 1936 to \$459.5 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,
Teri Ault,
Member Sales Manager

Audit Report

We have audited the accompanying statements of financial condition of MidState Educators Credit Union, Inc. as of December 31, 2008 and 2007 and the related statements of income, 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 MidState Educators Credit Union, Inc. as of December 31, 2008 and 2007 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.

Treasurer's Report

As Treasurer of the Board of Directors of MidState Educators Credit Union, Inc., I am proud to report that 2008 was another successful year for the credit union. Assets ended the year at \$74.8 million. The credit union originated almost \$14 million in total loans in 2008 with our first mortgage program pulling in \$3.4 million in new loans this year. Net income was \$143,233 for the year ended 2008.

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,
Norman Landry, Treasurer

Financial Statement

Balance Sheet

Dec. 31, 2008

Assets

Loans.....	\$ 49,646,227
(Less) Allowance for Loan Loss.....	(410,183)
Accounts Receivable.....	19,014
Banks.....	1,276,194
Corporate One Credit Union.....	2,204,813
Other Investments	19,876,278
Prepaid & Deferred Expenses	370,455
Furniture & Equipment (Net)	510,690
Land & Building (Net)	948,331
Other Assets.....	390,690

Total Assets **\$ 74,832,509**

Liabilities

Accounts Payable.....	\$ 54,801
Accrued Expenses.....	887,568
Other Liabilities.....	59,114

Total Liabilities **1,001,483**

Shares

Regular Shares.....	18,878,067
Money Management.....	16,592,995
Share Certificates.....	18,554,391
IRAs.....	2,248,570
Health Savings Accounts.....	438,070
All Other Savings.....	433,933
Checking Accounts.....	6,387,051

Total Shares..... **63,533,077**

Equity

Regular Reserves.....	1,839,147
Undivided Earnings	9,360,160
Sub Total.....	11,199,307
Other Comprehensive Gain (Loss)*	(901,358)

Total Equity..... **10,297,949**

Total Liabilities, Shares & Equity..... **\$ 74,832,509**

*Represents Defined Benefit Plan FAS 158 Transition

Unaudited

Income Statement

Dec. 31, 2008

Income

Interest from Loans.....	\$ 3,654,585
Interest from Investments.....	898,631
Other Income	1,826,986

Total Operating Income..... **6,380,202**

Expenses

Compensation	1,475,071
Employee Benefits.....	601,236
Travel & Conference.....	59,923
Office Occupancy Expense	223,000
Office Operations Expense	1,260,253
Education	58,484
Advertising	124,224
Scholarships	5,000
Loan Servicing Expense	319,012
Professional Services	299,143
Provision for Loan Loss	255,000
State Supervisory Fee	25,567
Annual Meeting Expense.....	14,400
Misc. Operating Expense	41,419

Total Operating Expenses **4,761,732**

Net Income from Operations

Gain (or Loss) on
Disposition of Assets

Net Income Before Dividends **1,618,475**

Dividends

Net Income After Dividends **143,233**

Changes in Undivided

Earnings for the Year..... **\$ 143,233**

Statistical Information

Number of Accounts	16,945
Loans Made in Current Year	\$ 13,941,740
Number Made in Current Year.....	2,116
Loans Made Since Organization.....	\$ 459,554,135
Number Made Since Organization.....	231,774