

## 2004 Annual Meeting Minutes

The Annual Meeting of the MidState Educators Credit Union, Inc. was held on April 2, 2004, at the Villa Milano Restaurant. The meeting was called to order at 7:15 PM by Chairman David Black.

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

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

After the invocation, dinner and entertainment by Northland High School, Chairman Black called the business meeting to order and asked Secretary Norm Landry to declare a quorum, and a quorum was declared.

Chairman Black requested that the members approve the agenda as printed in the 2004 Annual Meeting Agenda. Geno Moro made a motion to this effect, which was seconded by Don Eppert and was carried by a voice vote by the members present at the meeting.

Barbara Hartgrove-Holley, the Nominating Committee Chairperson, introduced the Nominating Committee.

David Black announced the results of the mail ballot election. The newly elected Board members were Donald Eppert, Barbara Flu-Allen and Bonnie Wasson.

Geno Moro recognized the school liaison representatives.

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

Barbara Hartgrove-Holley moved that the reading of the 2003 Annual Meeting Minutes be dispensed with and that they be approved as printed. The motion was seconded by Barbara Flu-Allen and carried by a voice vote of the members present at the meeting.

Marvin Gutter moved that the officers', CEO and committee reports be accepted as printed without the reading of same. The motion was seconded by Geno Moro and carried by voice vote of the members present at the meeting.

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.

Chairman David Black called for any new business and no new business was presented. The Annual Meeting Committee of Geno Moro (Chairman), Don Eppert, Barbara Flu-Allen and Barbara Hartgrove-Holley 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 at 8:45 PM by acclamation of the members present.

Submitted By:  
Norman Landry, *Secretary*

The 2004 Annual Meeting Minutes were recorded and transcribed by David M. Whittaker, Esq.

## President's Message

2004 marked a major event in the history of MidState Educators Credit Union when we became the very first Ohio-chartered credit union to receive a Trade, Industry or Profession (TIP) Charter, allowing us to serve anyone employed in the educational industry in Ohio. This new charter now allows us to extend the benefits of credit union membership to even more teachers, school employees and those businesses that support schools.

The Credit Union remains constantly focused on seeking new ways to serve the needs of our members and in 2004 we added several new products and services.

- For parents of children subject to participation fees for sports and other extracurricular activities we introduced the Pay-to-Play Loan. You can borrow up to \$1500 per member with rates as low as Prime – 1% Annual Percentage Rate.
- With a Summer Camp Loan raising the lump-sum payment to reserve your child's space isn't a problem. These loans will get you the money you need at a great rate and term with no prepayment penalties.
- Our new Indirect Lending program provides you the convenience of arranging your financing directly at the car dealership while benefiting from the great rates that you have become accustomed to.
- Many of our members have different credit card needs, so we have expanded our Visa card program to include a Visa Gold Card at a fixed rate of 7.9% annual percentage rate.
- We are very excited to introduce our new Advantage Club Accounts. ABC Advantage Club is for our youngest members up to their 13<sup>th</sup> Birthday, and then they will automatically be enrolled in our Teen Advantage Club until their 18<sup>th</sup> birthday when they automatically become part of the Young Adult Advantage Club.
- For those members who carry large balances and want to earn a better return without tying up their money we now offer a Tiered Rate Money Market account. This allows the liquidity of a share savings account while still paying excellent interest and no penalties are involved.

Please mark your calendars for Monday, June 20, 2005. That day will be the first annual "Educators Golfing for Scholarships" event at Riviera Golf Club with all proceeds going to benefit the MidState Educators Scholarship Foundation. The Scholarship Foundation currently funds five \$2000 scholarships each spring for graduating high school seniors and over time hopes to grow beyond that.

*Continued...*

Economists tell us that the economy turned the corner and is no longer declining, but we still saw high unemployment rates and record bankruptcies in 2004. In spite of these problems in the economy, we were still able to provide the membership with a positive return and maintain a strong capital position. We are confident that as the economy recovers we will be positioned to enjoy even greater success in the future.

I would like to thank the members of the Board of Directors and Staff of the credit union for their support and dedication in 2004. It is a privilege and an honor to serve as President/CEO of MidState Educators Credit Union, and I know that my leadership would mean nothing without a strong team. Please join me in taking this opportunity to thank them for a job well done.

Respectfully Submitted,  
Richard Maslyk  
*President/CEO*

## Board Of Directors

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

## Your Credit Union Staff

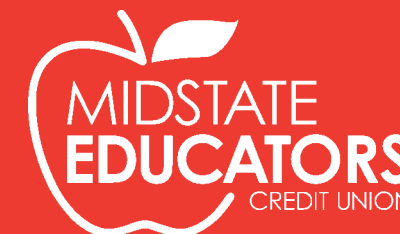
The staff of your credit union is dedicated to providing sound financial services to all members. Please feel free to contact us with any questions you may have.

Sheila Allard	Tammie Livingston
Ruth Armstrong	Anjani Madiraju
Penny Beach	Richard Maslyk
Charmaine Blue	Connie Michalec
Susan Body	Teri Minette
Patricia Carr	Daria Moore
Aimee Chapman	Mark Mora
Linda Eddy	Tara Neiswonger
Susan Emerson	Wes Phillips
Marcia Fisher	Staci Rector
Angie Freeman	Patrick Scanlin
Barbara Hackett	Cheryl Schmitt
Miki Hartman	Amity Smallwood
Jerry Hawkins	Dane Smith
Heather Johnson	Rita Syrkin
Andrea Kiifner	Billie Wilson

# 2004 ANNUAL REPORT



## A Successful Year In Review



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## A Message From Our Chair

MidState Educators Credit Union is an organization that has been meeting the financial needs of its members for 69 years. We are constantly developing new financial products that are competitive and cost-saving to members. Your trust in MidState Educators Credit Union indicates that the efforts of the Board of Directors, President/CEO, senior management team and staff are compatible with the financial needs of teachers, school employees, and the educational community.

The Board of Directors believes in sharing the profits of this credit union with the children of its members. We offer educational scholarships to qualified high school candidates and welcome additional contributions from members to increase financial opportunities to students.

The philosophy that guides this credit union is service to its members. Thus once a member, you are a lifetime member. You are welcome into the house that credit union members built for the present and future needs.

Respectfully Submitted,  
David Black

## Loan Review Panel Report

MidState Educators Credit Union's Loan Officers and Loan Review Panel made a total of 2,338 loans in 2004, including VISA credit card loans. These loans totaled approximately \$15 million, bringing the total loans made since the organization of the credit union in 1936 to \$408.5 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,  
Penny Beach, *Loan Supervisor*



## Audit Report

We have audited the accompanying statements of financial condition of MidState Educators Credit Union, Inc. as of December 31, 2004 and 2003 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 audits 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, 2004 and 2003, and the results of its operations and its 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

## Treasurer's Report

As Treasurer of the Board of Directors of MidState Educators Credit Union, Inc., I am proud to report that 2004 was another successful year for the credit union. Assets ended the year at \$70 million. Loans grew \$3.3 million while shares decreased \$377,000. The first mortgage program pulled in \$981,000 in new loans this year. Net income was \$289,782 for the year ended 2004.

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,  
Paul Smith, *Treasurer*

## Financial Statement

### Balance Sheet

	Dec. 31, 2004
<b>Assets</b>	
Loans .....	\$ 39,766,621
(Less) Allowance for Loan Losses .....	(375,711)
Loan Participations .....	2,745,307
Accounts Receivable .....	67,846
Banks .....	924,790
Corporate One Credit Union .....	2,076,834
Other Investments .....	23,031,920
Prepaid & Deferred Expenses .....	116,793
Furniture & Equipment (Net) .....	347,935
Land & Building (Net) .....	923,257
Other Assets .....	228,546
<b>Total Assets .....</b>	<b>\$ 69,854,138</b>
<b>Liabilities</b>	
Accounts Payable .....	\$ 93,600
Accrued Expenses .....	179,208
Other Liabilities .....	28,051
<b>Total Liabilities .....</b>	<b>300,859</b>
<b>Shares</b>	
Regular Shares .....	26,679,994
Money Management .....	10,140,090
Share Certificates .....	14,384,388
IRAs .....	1,607,760
Checking Accounts .....	6,507,400
<b>Total Shares .....</b>	<b>59,319,632</b>
<b>Equity</b>	
Regular Reserves .....	1,839,147
Undivided Earnings .....	8,394,500
<b>Total Equity .....</b>	<b>10,233,647</b>
<b>Total Liabilities, Shares and Equity .....</b>	<b>\$ 69,854,138</b>

### Income Statement

	Dec. 31, 2004
<b>Income</b>	
Interest from Loans .....	\$ 2,885,174
Interest from Investments .....	824,389
Other Income .....	1,119,670
<b>Total Operating Income .....</b>	<b>4,829,233</b>
<b>Expenses</b>	
Compensation .....	1,306,120
Employee Benefits .....	150,348
Travel & Conference .....	80,627
Office Occupancy Expense .....	109,254
Office Operations Expense .....	863,210
Education .....	8,004
Advertising .....	105,499
Scholarships .....	17,500
Loan Servicing Expense .....	181,825
Professional Services .....	223,019
Provision for Loan Losses .....	555,000
State Supervisory Fee .....	15,251
Annual Meeting Expense .....	14,400
Misc. Operating Expense .....	21,901
<b>Total Operating Expenses .....</b>	<b>3,651,958</b>
<b>Net Income from Operations .....</b>	<b>1,177,275</b>
Gain (or Loss) on Disposition of Assets .....	3,778
<b>Net Income Before Dividends .....</b>	<b>1,181,053</b>
Dividends .....	891,271
<b>Net Income After Dividends .....</b>	<b>289,782</b>
<b>Changes In Undivided Earnings For The Year .....</b>	
	<b>\$ 289,782</b>
<b>Statistical Information</b>	
Number of Accounts .....	14,927
Total of Loans Made in Current Year .....	\$ 15,012,764
Number Made in Current Year .....	2,338
Total of Loans Made Since Organization .....	\$ 408,515,871
Number Made Since Organization .....	222,750