The Annual Meeting of the MidState Educators Credit Union, Inc. was held on March 3, 2009, 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. Normal Larndry was not present.

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

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

Chairman Gutter requested that the members approve the agenda as printed in the 2009 Annual Meeting Agenda. Don Eppert 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 Gutter requested that the reports of the Officers, CEO and the Committee reports be accepted as printed without reading. Barbara Hartgrove-Holley made a motion to this effect, which was seconded by Barbara Flu-Allen and was carried by a voice vote of the members present at the meeting.

Chairman Gutter requested that the minutes of the 2008 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.

Bonnie Wasson reported that the Nominating Committee had nominated only three candidates for the three open Board positions and that no contested election was necessary. The nominated candidates were David Black, Geno Moro and William Bailey. Chairman Gutter advised the members present at the meeting that the Credit Union’s Code of Regulations permitted the nominated candidates to be approved by acclamation and the members indicated their approval by voice vote and David Black, Geno Moro and William Bailey were elected as new Board members.

Dick Maslyk reported to the members regarding the Credit Union’s focus on which credit unions were built “People Helping People.” We would like to thank members of the Board of Directors and Staff for their dedication in 2009. Collectively we maintain the philosophy that credit unions please visit our website.

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.

April Arledge
Lindsay Ault
Teri Ault
Penny Beach
Charmeine Blue
Amity Bosworth
Michelle Carr
Patricia Carr
Julia Cesa
Linda Eddy
Angie Freeman
Barbara Hackett
Miki Hartman
Jerry Hawkins
Andrea Kiffin
Dick Maslyk
Sarah Mason
Connie Michalec

www.educu.org
1-866-628-6446

A Message From Our President

Our focus has remained unchanged since 1936. We are dedicated to expertly serving the financial needs of our members. Despite a very challenging economic year, we experienced loan, asset and membership growth. We expect this growth to carry on as we enter 2010.

MidState Educators Credit Union continues to receive the highest ratings from our regulators as well as from Bankrate.com and Bauer Financial Group. These ratings signify that we exhibit strong capitalization, good asset quality, have ample liquidity and are profitable. You can certainly rest assured that your money is well protected and that you belong to a safe and sound financial institution.

Our continued emphasis on education is evident with our annual scholarship competition. Since beginning this program we have awarded over $100,000 in scholarships to very deserving high school students. We are very proud of this milestone accomplishment.

In 2009 we implemented several new products to support our continued focus on financial literacy and financial education. “CU Student Choice” is a private student loan program that is structured to help students supplement the funding gap that federal financial aid does not cover. To enhance our financial literacy efforts we also have a free web-based financial literacy program available to high school students, college students and families – “FoolProof”. We also continue to offer our free financial seminar and student seminar and student seminar financial literacy programs. To learn more specific details on these products please visit our website.

The Board of Directors along with the Executive Management Team has been working at length to develop a well-defined strategic business plan. With the development of this extensive strategic business plan we intend to explore new markets to develop and expand new products and services in 2010 and beyond. Our priority however remains unchanged - to serve our members to our fullest capabilities.

It is a privilege to lead MidState Educators Credit Union and I would like to thank members of the Board of Directors and Staff for their dedication in 2009. Collectively we maintain the philosophy on which credit unions were built “People Helping People.”

Dick Maslyk
President / CEO

ANNUAL REPORT
2009

A Year In Review
A Message From Our Chair

Thank you for allowing me to serve as your Chairman. Marvin G. Gutter
Chairman of the Board

Financial Statement

Balance Sheet 31-Dec-09

Assets

Loans $49,764,877
( Less) Allowance for Loan Loss $(459,797)
Accrued Receivables 142,748
Banks 972,044
Corporate One Credit Union 9,584,795
Other Investments 20,652,634
Prepaid Deferred Expenses 453,635
Furniture & Equipment (Net) 401,053
Land & Building (Net) 918,170
Other Assets 809,092
Total Assets $82,840,052

Liabilities

Accounts Payable $45,194
Accrued Expenses 776,430
Other Liabilities 126,442
Total Liabilities $82,840,052

Net Worth

Total Shares 71,450,259
Other Liabilities 126,442
Net Worth $10,383,771

Total Liabilities, Shares & Equity $82,840,052

*Represents Defined Benefit Plan FAS 158 Transition

Loan Review Panel

MidState Educators Credit Union’s Loan Officers and Loan Review Panel made a total of 2,363 loans in 2009, including VBA credit card loans. These loans totaled approximately $14,099,743, bringing the total loans made since the organization of the credit union in 1936 to $473,653,877 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, Don Eppert, Treasurer
Member Sales Manager

Audit Report

We have audited the accompanying statements of financial condition of MidState Educators Credit Union, Inc. as of December 31, 2009 and 2008 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, 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, 2009 and 2008 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 2009 was another successful year for the credit union. Assets ended the year at $82.9 million. The credit union originated $14 million in total loans in 2009. MidState Educators Credit Union originated almost 5.5 million in first mortgage loans as well. Net income was $53,632 for the year ended 2009.

1. 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, Patrick Scalin, Member Sales Manager

MidState Educators Credit Union is a not-for-profit cooperative currently serving over 18,000 members. MidState Educators Credit Union, as are most credit unions, governed by a volunteer Board of Directors who are elected by the credit union membership. MidState Educators Credit Union retains its earnings to its members through higher interest rates on deposits, lower loan rates, and lower fees on financial services. The Board of Directors along with the Executive Management Team developed a clear and concise strategic business plan. This business plan provides MidState Educators Credit Union with growth and expansion opportunities well into the future. MidState Educators Credit Union will strive to focus on its members including providing financial education and financial literacy, especially to our younger members. These young members are the future of our credit union and it is our hope that we can instill in them strong financial habits that will last a lifetime.

Total Liabilities, Shares & Equity $82,840,052

Statistical Information

Number of Accounts 18,036
Loans Made in Current Year $14,099,743
Number Made in Current Year $2,363
Loans Made Since Organization $473,653,877
Number Made Since Organization $234,137

MidState Educators Credit Union originated $14 million in total loans in 2009. MidState Educators Credit Union originated almost 5.5 million in first mortgage loans as well. Net income was $53,632 for the year ended 2009.

Net Income from Operations 1,232,615
Gains on Loans 9,584,795
Disposition of Assets 37,354
Net Income Before Dividends 1,232,615
Dividends 1,076,183
Net Income After Dividends 156,432
NCUSIF Stabilization Plan Expense (102,800)
Changes in Unrelated Earnings for the Year $53,632

Total Operating Income $6,262,974
Expenses

Compensation $1,476,058
Employee Benefits 690,094
Travel & Conference 33,626
Office Occupancy Expense 223,746
Office Operations Expense 1,345,900
Education 34,270
Advertising 89,761
Scholarships 5,000
Loan Service Expense 373,888
Professional Services 283,888
Provision for Loan Loss 400,000
State Supervisory Fee 26,543
Annual Meeting Expense 115,635
Misc. Operating Expense 28,925
Total Operating Expenses 5,030,359

Interest from Loans 3,623,882
Interest from Investments 746,921
Other Income 1,892,171
Total Income $6,262,974

Total Liabilities $82,840,052

Net Worth $10,383,771

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