

2007 Annual Meeting Minutes

The Annual Meeting of the MidState Educators Credit Union, Inc. was held on March 24, 2007, 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 and Barbara Hartgrove-Holley.

Bonnie Wasson was not present.

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 Barbara Flu-Allen to declare a quorum, and a quorum was declared.

Chairman Black requested that the members approve the agenda as printed in the 2006 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 2006 Annual Meeting be approved 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.

Paul Smith, the Nominating Committee Chairperson, announced the results of the election. The newly elected Board members were: Don Eppert, Barbara Flu-Allen and Bonnie Wasson.

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.

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.

Barbara Flu-Allen, Secretary

The 2006 Annual Meeting Minutes were recorded and transcribed by David M. Whittaker, Esq.

David M. Whittaker, Esq.

A Message From Our President

MidState Educators Credit Union continued to grow in 2007. We have strengthened our relationship and expanded our presence at Columbus State Community College. For the convenience of the students and staff, we have installed two ATMs on campus. We are forming long lasting relationships with the students, in particularly those receiving financial aid. We provide the students with a secure place for their financial aid proceeds to be deposited; at the same time they gain the benefits that come with credit union membership.

In spite of a nationwide trend of increased foreclosures and bankruptcies, MidState Educators Credit Union had a respectable year. Last year we also gained over 1,000 new credit union members and our first mortgage programs grew almost five million dollars. In 2007 we upgraded our electronic services with the addition of our Home Banking, Bill Payer and E-Statements. These services offer additional convenience to our members. Our mission is to provide the best and most affordable products and services to our members. In keeping with our mission we put a great deal of focus on providing financial education to our members. We also offered free Home Buyers', Auto Buyers' and Out of Hock/Out of Debt Seminars. These free seminars will again be available in 2008. Our newly created "Community Affairs Director" Danielle Chatfield's primary goal is to distribute and teach financial literacy curriculum to local school districts and colleges and she will also be involved in community organizations, such as Junior Achievement. In addition she will coordinate the previously mentioned financial education seminars for our members throughout the year.

2008 will be a challenging year, but we plan to continue offering our members innovative and cost-effective products and services. As your full-service financial institution we look forward to serving all the financial needs of you and your family. "People Helping People" is the fundamental philosophy on which credit unions were built. As a member of MidState Educators Credit Union you will always have a place where you belong. Whether it's to open a new account, inquire about a loan or for any other financial need, stop in and see us today. We are here for you.

Dick Maslyk
President/CEO

Board of Directors

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

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.

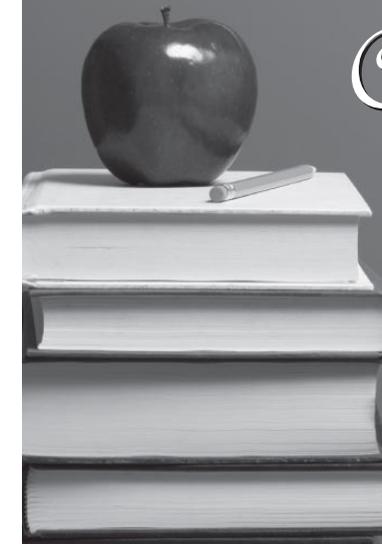
Sheila Allard	Connie Michalec
April Arledge	Daria Moore
Teri Ault	Mark Mora
Penny Beach	Debbi Morris
Charmaine Blue	Tara Neiswonger
Michelle Carr	Wes Phillips
Pat Carr	Dottie Riffle
Julia Cesa	Amber Ross
Danielle Chatfield	Patrick Scanlin
Linda Eddy	Cheryl Schmitt
Angie Freeman	Meagan Shadwill
Jackie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



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2007 ANNUAL REPORT



Celebrating
72 Years
Of
Service



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A Message From Our Chair

Since we first opened our doors in 1936, our primary mission has been to meet the financial needs of our membership. Today we are proud that our mission has not changed. Also unchanged is the warm, caring, and helpful service that is provided to all of our members. MidState Educators Credit Union offers products and services that exceed our members' expectations and provide them with financial security.

As in past years, we continue to place a huge focus on financial education for our members. We remain committed to our founding members, The Columbus City Schools, and have forged new partnerships for growth with other local school districts and colleges.

As my five year term comes to an end I want to take a moment to say how thankful I am to the Board of Directors, Executive Management Team and Staff of MidState Educators Credit Union. I could not have successfully served as Chairman without their hard work, dedication and support.

Respectfully Submitted,
David Black

Loan Review Panel Report

MidState Educators Credit Union's Loan Officers and Loan Review Panel made a total of 2,302 loans in 2007, including VISA credit card loans. These loans totaled approximately \$17,730,224, bringing the total loans made since the organization of the credit union in 1936 to \$452.4 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, 2007 and 2006 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, 2007 and 2006, 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 2007 was another successful year for the credit union. Assets ended the year at \$71.6 million and loans grew \$5.4 million. The first mortgage program pulled in \$4.9 million in new loans this year. Net income was \$404,842 for the year ended 2007.

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,
Geno Moro, Treasurer

Financial Statement

Balance Sheet

	Dec. 31, 2007
Assets	
Loans	\$ 49,186,026
(Less) Allowance for Loan Loss	(454,487)
Loan Participations	364,046
Accounts Receivable	41,811
Banks	1,067,098
Corporate One Credit Union	2,786,600
Other Investments	16,591,052
Prepaid & Deferred Expenses	269,039
Furniture & Equipment (Net)	507,036
Land & Building (Net)	880,742
Other Assets	372,233
Total Assets	\$ 71,611,196
Liabilities	
Accounts Payable	\$ 67,957
Accrued Expenses	646,516
Other Liabilities	69,917
Total Liabilities	784,390
Shares	
Regular Shares	19,076,969
Money Management	12,905,883
Share Certificates	19,165,451
IRAs	1,951,083
Health Savings Accounts	262,387
All Other Savings	437,653
Checking Accounts	6,598,291
Total Shares	60,397,717
Equity	
Regular Reserves	1,839,147
Undivided Earnings	9,216,927
Sub Total	11,056,074
Other Comprehensive Gain (Loss)*	(626,985)
Total Equity	10,429,089
Total Liabilities, Shares and Equity	\$ 71,611,196

*Represents Defined Benefit Plan FAS 158 Transition

Income Statement

	Dec. 31, 2007
Income	
Interest from Loans	\$ 3,687,385
Interest from Investments	1,008,390
Other Income	1,809,748
Total Operating Income	6,505,523
Expenses	
Compensation	1,436,824
Employee Benefits	465,009
Travel & Conference	64,036
Office Occupancy Expense	203,228
Office Operations Expense	1,181,627
Education	27,209
Advertising	144,539
Scholarships	7,500
Loan Servicing Expense	303,507
Professional Services	292,863
Provision for Loan Loss	270,000
State Supervisory Fee	25,681
Annual Meeting Expense	14,400
Misc. Operating Expense	77,375
Total Operating Expenses	4,513,798
Net Income from Operations	1,991,725
Gain (or Loss) on Disposition of Assets	—
Net Income Before Dividends	1,991,725
Dividends	1,586,883
Net Income After Dividends	404,842
Changes in Undivided Earnings for the Year	\$ 404,842
Statistical Information	
Number of Accounts	15,847
Loans Made in Current Year	\$ 17,730,224
Number Made in Current Year	2,302
Loans Made Since Organization	\$ 452,429,738
Number Made Since Organization	229,692