

2013 Annual Meeting Minutes

March 12, 2013

The Annual Meeting of the Education First Credit Union, Inc. was held on March 12, 2013 at 5:10 pm in the Corporate Office, 501 W. Schrock Road, Westerville Ohio.

Attending the meeting were Chairperson Paul Smith, Debra Evans, Barbara Flu-Allen, Geno Moro, Ezetta Murray, Jeff Woodson.

Also present were President/CEO Tara Neiswonger, Connie Michalec, Jerry Hawkins, Patrick Scanlin, Deb Olbrys and Jared Elsass.

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

Chairperson Smith requested that the members approve the agenda as printed in the 2013 Annual Meeting Agenda. Debra Evans made a motion to this effect, which was seconded by Ezetta Murray and was carried by a voice vote of the members present at the meeting.

Chairperson Smith requested that the minutes of the 2012 Annual Meeting be approved as printed without reading. Jeff Woodson 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.

Jeff Woodson, of the Nominating Committee, reported the results of the election of board members and introduced Barbara Flu Allen and Ezetta Murray as re-elected board members and Bob Secrest and Barbara Overholser as a newly elected board members. Flu Allen, Secrest and Overholser hold three year term seats and Murray holds a one year term seat.

Chairperson Smith requested that the reports of the Officers, CEO and the Committee reports be accepted as printed without reading. Ezetta Murry made a motion to this effect, which was seconded by Deb Evans and was carried by a voice vote of the members present at the meeting.

No new business or old business was presented.

President/CEO Tara Neiswonger announced the scholarship recipients:

La'Bria Hairston-Gray (Canal Winchester), Wyatt Royce (Upper Arlington), Ester Harrison (Centennial), Julia Weaver (Whetstone), Paul Beck (The Ohio State University)

Employees were recognized and awarded for their milestone years of employment:

Tara Neiswonger, Charmaine Blue and Cheryl Schmitt – 15 years
Barbara Hackett, Jerry Hawkins and Connie Michalec – 10 years

The meeting was adjourned by acclamation of the members present at 5:25pm.

Recorded and Transcribed by Tara Neiswonger, president CEO.

A Message From Our President & Chairperson of the Board

With a renewed dedication to serving our member owners, Education First originated almost \$15.2 million in loans in 2013. We were able to originate almost \$4 million in 1st mortgages for members and provide over 160 members with access to student loan funds to finance their higher education. Deposits ended the year at \$77.6 million with our savings rates continuing to be some of the highest in the area. Our health savings accounts saw increased interest and Education First Credit Union was also able to expand our ATM network with the placement of an ATM on the Otterbein University Campus. We aim to continue to provide you, our member owners, with the financial services you expect from us.

Our online branch received a much needed update this year when a more polished and modern website was unveiled in the fall of 2013. The website now boasts easier navigation, increased information on rates and products, and an emphasis on providing solid financial services information. Foolproof, our online financial literacy portal provides members of any age with valuable classes on topics ranging from budgeting to applying for credit to insurance and taxes. You will find the link under Online Resources - take a moment to check it out.

Continuing in the vein of Education First's commitment to providing financial literacy to our member owners, Education First Credit Union held 24 different financial literacy outreach sessions at local high schools and colleges this past year. Home Buying and Mortgage Refinancing seminars were presented to the membership in 2013 and 119 on site new member presentations were held at various member group locations. Education First Credit Union will continue to bring the important message of financial literacy to our membership throughout 2014.

We congratulate our scholarship winners. Their individual accomplishments speak to the hope of a bright future for all of us. They join a distinguished line of past scholarship winners numbering 76 in total and dating back to 1998. We thank our judges from the Retired Teachers Association who volunteer their time each year to find our top essayists. Our annual scholarship competition is one of our ways of supporting the importance of education.

We thank you for your support of your credit union. As a cooperative financial institution, it is the support and guidance of our member owners that allow us to thrive and grow. Providing solid financial products and services that enable you to make your money work for you is what we are here for. Our focus is your future.

Sincerely

Tara Neiswonger
President/ CEO

Paul Smith
Chairperson/ Board of Directors

Board Of Directors

Paul Smith, Chairperson

Debra Evans

Jeff Woodson,
Vice-chairperson

Norman Landry

Geno Moro, Treasurer/
Secretary

Ezetta Murray

Barbara Overholser

Lou Ann Carman

Bob Secrest

Your Credit Union Staff

April Arledge

Sarah Mason

Penny Beach

Connie Michalec

Charmaine Blue

Tara Neiswonger

Amity Bosworth

Chad Newman

Lea Anne Broseus

Deborah Olbrys

Michelle Carr

Wes Phillips

Patricia Carr

Zarrja Porter

Molly Crance

Dottie Riffle

Kimberly DeRamus

Tatiana Robinson

Linda Eddy

Amber Ross

Jared Elsass

Cheryl Schmitt

Christopher Equizi

Priscilla Sheffield

Angie Freeman

Dane Smith

Barbara Hackett

Brianna Stanley

Miki Hartman

Daniel Walraven

Jerry Hawkins

Gary Weaver

Cindy Hunt

Nathan White

Andrea Kiifner

Vicki Williams

Cindi Martin

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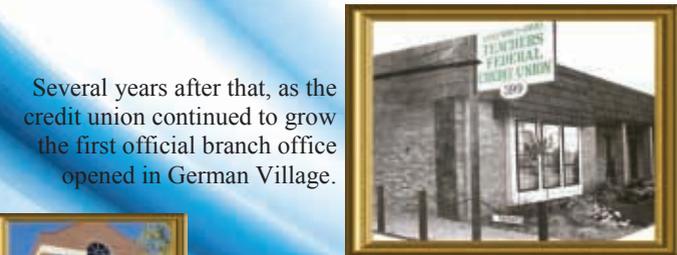
education *first*
credit union
Our focus. Your future.

Progressing Forward Annual Report 2013

Our credit union was founded in 1936 by the late Mr. Herb Williams. Not only was he an educator with the Columbus City Schools, he was a visionary and a leader.



As the credit union grew, Mr. Williams moved the office out of his personal residence to the Seneca Hotel. He wanted to be close to the administration offices for the Columbus Board of Education.



Several years after that, as the credit union continued to grow the first official branch office opened in German Village.



Today, in addition to German Village, we have branches located in Westerville & Gahanna.

Thank you for trusting us with your business.

German Village • Westerville • Gahanna
Proudly Serving Our Members Since 1936.

Audit Report

To the Board of Directors of
Education First Credit Union, Inc.

We have performed an audit of the financial statements of Education First Credit Union, Inc. as of December 31, 2013 and 2012 and for the years then ended. Our report on these financial statements reads as follows:

Report on the Financial Statements

We have audited the accompanying statement of financial condition of Education First Credit Union, Inc. as of December 31, 2013 and 2012 and the related statements of operations and comprehensive income, members' equity and cash flows for the years then ended.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. 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 involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal controls relevant to the credit union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluation the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion audits.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Education First Credit Union, Inc. as of December 31, 2013 and 2012, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

The audited financial statements and report of Independent Certified Public Accountants may be viewed at the main office located at 501 W. Schrock Rd., Suite 400, Westerville, OH 43081.

Audit Report from:
Lillie & Company LLC • Certified Public Accountants

Loan Review Panel

Education First Credit Union's Loan Officers and Loan Review Panel made a total of 1,959 loans in 2013 including Visa credit card loans. These loans totaled approximately \$15,192,591 bringing the total loans made since the organization of the credit union in 1936 to \$533,860,950.

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,
Gary Weaver
Chief Sales and Service Officer

Treasurer's Report

As Treasurer of the Board of Directors of Education First Credit Union, I am proud to report that 2013 was another successful year for the credit union. Assets ended the year at 86.4 million. The credit union originated approximately 15.2 million in loans in 2013, including 3.8 million in first mortgage loans. Net income was -349,896 before the NCUSIF premium for the year ended 2013.

I, along with the Board of Directors, appreciate the ongoing support and financial responsibility that the executive 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	31-Dec-13
Assets	
Loans.....	55,818,210
(Less) Allowance for Loan Loss.....	(540,091)
Accounts Receivable.....	53,182
Banks.....	1,597,794
Corporate One Credit Union.....	2,044,799
Other Investments.....	23,416,483
Prepaid & Deferred Expenses.....	828,246
Furniture & Equipment (Net).....	1,447,315
Land & Building (Net).....	1,273,736
Other Assets.....	482,483
Total Assets.....	86,422,157
Liabilities	
Accounts Payable.....	71,185
Accrued Expenses.....	320,533
Other Liabilities.....	131,952
Total Liabilities.....	523,670
Shares	
Regular Shares.....	22,000,480
Money Management.....	22,724,934
Share Certificates.....	19,660,155
IRAs.....	3,365,218
Health Savings Accounts.....	1,159,940
All Other Savings.....	438,903
Checking Accounts.....	8,206,256
Total Shares.....	77,555,886
Equity	
Regular Reserves.....	1,839,147
Undivided Earnings.....	7,686,167
Sub Total.....	9,525,314
Other Comprehensive Gain (Loss)*	(1,182,713)
Total Equity.....	8,342,601
Total Liabilities, Shares & Equity.....	86,422,157

*Represents Defined Benefit Plan FAS 158 Transition

Income Statement	31-Dec-13
Income	
Interest from Loans.....	\$ 3,765,885
Interest from Investments.....	258,024
Other Income.....	1,806,722
Total Operating Income.....	5,830,631
Expenses	
Compensation.....	1,692,215
Employee Benefits.....	537,154
Travel & Conference.....	26,258
Office Occupancy Expense.....	344,408
Office Operations Expense.....	1,669,091
Education.....	4,628
Advertising.....	130,034
Scholarships.....	4,567
Loan Servicing Expense.....	689,042
Professional Services.....	210,506
Provision for Loan Loss.....	453,477
State Supervisory Fee.....	18,733
Annual Meeting Expense.....	3,286
Misc. Operating Expense.....	27,931
Total Operating Expenses.....	5,811,330
Net Income from Operations.....	19,301
Gain (or Loss) on Disposition of Assets.....	-
Net Income Before Dividends.....	19,301
Dividends.....	369,197
Net Income After Dividends.....	(349,896)
NCUSIF Stabilization Plan Expense.....	(62,538)
Net Income after NCUSIF Stabilization Plan Expense.....	(412,434)
Changes in Undivided Earnings for the Year.....	(412,434)
Statistical Information	
Number of Accounts.....	16,511
Loans Made in Current Year.....	\$ 15,192,591
Number Made in Current Year.....	1,959
Loans Made Since Organization.....	\$ 533,860,950
Number Made Since Organization.....	242,579