

Event Schedule

- Welcome
- Invocation
- Dinner
- Guest Speaker – Tom Batiuk
- Annual Business Meeting
 - Determination of Quorum
 - Roll Call of Directors & Committee Members
 - Chairman's Report
 - Supervisory Audit Committee Report
 - Treasurer's Report
 - Results of the Nomination and Election of the Board of Directors
 - Unfinished Business
 - New Business
 - Meeting Adjournment
- Awarding of Door Prizes*

* Must be present to win.

Guest Speaker: Tom Batiuk

School Employees Lorain County Credit Union is pleased to welcome Tom Batiuk. He was born in Akron in 1947 and continues to reside in Ohio with his wife and son. He graduated from Kent State University in 1969 with a B.F.A. and a certificate in education. He taught art at Eastern Heights Middle School and, during that time period, began drawing a panel for *The Chronicle-Telegram* teen page.

Those strips led to the creation of *Funky Winkerbean* in 1972, followed by two others. In 1979, he launched into syndication *John Darling*, which followed the adventures of a fictional talk-show host. In 1987, he created *Crankshaft*, the irascible bus driver who is a cross-over from *Funky Winkerbean*.

Over the years, Batiuk has stretched the boundaries of comic strips by introducing timely topics into his storylines, such as teen pregnancy, racial discrimination, teen dating abuse, teen suicide, learning disabilities, alcoholism and guns in the classroom. He also included a storyline in which a character dealt with breast cancer. The story was a Pulitzer Finalist in 2008, and was collected into an award-winning book, *Lisa's Story*.

Batiuk's outstanding treatment of serious social issues has earned him numerous awards over the years. Today, *Funky Winkerbean* appears in more than 400 newspapers worldwide; *Crankshaft* is featured in nearly 300 newspapers.



SCHOOL EMPLOYEES

Lorain County Credit Union, Inc.

ANNUAL REPORT 2012 IN REVIEW

55TH ANNUAL MEETING

APRIL 9, 2013

SPITZER CONFERENCE CENTER
LORAIN COUNTY COMMUNITY COLLEGE

Volunteers & Staff

Board of Directors

Edward Syrowski, Chairman
Andrew Lingler, Vice Chairman
Marilyn Tipple, Secretary
Wanda DiVencenzo, Director
Richard Killen, Director
Carolyn May, Director
Paulette Paine, Director
John Bartter, Director Emeritus

Supervisory Audit Committee

Kathy Runser, Chairperson
Karen Norton

Management Team

Brent T. Binkley, President & CEO
Karen S. Akers, CPA, CFO
Shannon Boesel, Executive
Administrator/ HR
Ethel Frye, Operations Manager
Kathy Garvey, Member Services
Manager
Monica Heath, Marketing Manager
Becky Ryan, Teller/Hub Manager
Mary Vaughan, Director-Membership
Development

Accounting

Pamela Spence

Call Center Representatives

Tosh Cabbil
Sue Sage

Financial Services Representatives

Michelle Gonzalez, FSR Coordinator
Patti Baker
Shannon Fridrich
Brad Niece
Mindy Piskur
Kelley Scheiferstein
Matthew Van Wormer

Loan Underwriter

Marianne Jalowiec

HUB Coordinators

Denise Carreon
Kathy Sislowski
Ginger Slone
Deb Zvara

Operations

Cheryl Fleming
Nona Jackson
Connie Smith
Karla Staylon

Receptionist

Sue Ellen Shepherd

Tellers

Jan Doyle
Tyler Johnston
Jaqueline Ledesma
Lori Morris
Blaine Padgett
Tina Rankin
Carl Vass

Visa Administrator

Jeff Kovacs

Attorney

Weltman, Weinberg & Reis

Auditors

Lillie & Company, Inc.



Registered Representatives

from LPL Financial
Cheryl Janik
Renee Dietz

54th Annual Meeting Minutes, cont.

Attention was called to the Supervisory Audit Committee Report in the program and the committee members were recognized for their work that was done in 2011.

Wanda DiVencenzo, of the Nominating Committee, presented the slate of Andrew Lingler, Marilyn Tipple and Edward Syrowski to continue as directors for a 3-year term ending in 2015. A motion was made by Richard Sharrock and seconded by Pat Jackson to approve the slate as presented. The nominees were unanimously approved.

There was no unfinished business and no new business to discuss.

Vice Chairman Andrew Lingler officially adjourned the 54th Annual Meeting. The board of directors awarded the traditional door prizes. The door prizes consisted of fifteen \$10, five \$20, and five \$50 drawings.

The meeting adjourned at 7:37p.m.

Respectfully submitted,
Marilyn Tipple - Secretary, Board of Directors

Supervisory Audit Committee Report

During 2012, members of the Supervisory Audit Committee performed random cash counts of the teller stations and the vault. The accounting firm of Lillie & Company, Inc. reviewed loan files, accounting practices and performed the members' account verification.

Based on our audits and those of Lillie & Company, Inc., it is the opinion of the Supervisory Audit Committee that the financial condition of School Employees Lorain County Credit Union, Inc. is strong and its policies and procedures are effective.

Respectfully,
Kathy Runser - Chairperson, Supervisory Audit Committee

54th Annual Meeting Minutes - 2012

The 54th Annual Meeting was held on the 12th day of April (Thursday), 2012 at The Spitzer Conference Center, Lorain County Community College. Doors opened at 5:30p.m.

Brent T. Binkley, President and Chief Executive Officer, welcomed the credit union members and their guests. He asked everyone to stand for the Pledge of Allegiance. Paulette Paine, Board Director, gave the invocation. Dinner was served at 6:00p.m.

Brent Binkley introduced our guest speaker, Rachael Wummer, from the Ohio Attorney General's office. Rachael gave a presentation regarding Identity Theft and Fraud.

Vice Chairman of the Board, Andrew Lingler, called the 54th annual business meeting to order at 7:20p.m. and referred to the 2012 Chairman's report in the program. Some of the highlights touched upon in the report were: SELCCU's assets grew from \$133 million in 2010, to over \$136 million at the end of 2011; SELCCU membership approved the change to American Share Insurance (ASI), which has allowed SELCCU to provide at least \$500,000 of savings protection for each qualified account; SELCCU also received approval from the State of Ohio to open our membership to students of any educational entity within Lorain County in 2011. Since then, SELCCU has partnered with the Elyria City School District to open student branches at Northwood Middle School, Westwood Middle School and Elyria High School.

Brent Binkley then gave the report of the state of the credit union and referred to the Comparative Financial Report and emphasized the importance of the credit union making loans.

Andrew Lingler convened those assembled to the business portion of the 54th annual meeting. As Vice Chairman of the board of directors, he determined a quorum was present. A roll call of the board of directors was conducted.

Marilyn Tipple, Secretary of the Board, referred to the minutes of the 53rd annual meeting. A motion was made by Beth Bartter and seconded by Sandy Lingler to approve the minutes as written. The motion carried.

Chairman's Report

As of Dec. 31, 2012, www.cudata.com (which provides reports on the credit union industry's performance and trends) published a report indicating industry-wide growth in membership, net worth and loans, as well as a decrease in the number of delinquent loans.

This is good news! It demonstrates the strength, security and resilience of the credit union movement, even as we continue to move through difficult economic times. I'm pleased to report that at the end of 2011, we had more than \$136 million in assets; at the end of 2012, we had \$139 million in assets.

One of our biggest challenges remains loan growth. As a well-capitalized credit union, we have money to lend ... and not just for vehicle loans or mortgages. We offer personal loans to help you with medical bills, your dream vacation or school expenses, such as fees or field trips. I encourage you to make full use of one of the many benefits of your membership – generally lower interest rates.

Another challenge facing the credit union is membership growth. For the past few years, our membership numbers have remained relatively the same. In 2011, we expanded our field of membership to include students. We now have student branches up and running at Northwood Middle School, Westwood Middle School, Elyria High School and Lorain County JVS. To date, we have more than 200 new student members.

We're asking our members to share the credit union difference. Periodically, we'll be hosting member referral programs to help boost our membership. I urge everyone to let your family and co-workers know about the benefits you already enjoy as a SELCCU member – low/no fees on our products and services, competitive rates on savings products, lower interest rates on loans and credit cards, plus numerous member discount programs.

As we look to the future, SELCCU will be exploring the many uses of technology to provide added services and convenience to you. We've renewed our pledge to continue exceeding your expectations and we thank you, as always, for making SELCCU a success.

Respectfully,
Edward Syrowski - Chairman, Board of Directors

(Continued)

School Employees Lorain County Credit Union, Inc.

Comparative Financial Report

	Consolidated <u>12/31/2012</u>	Consolidated <u>12/31/2011</u>
ASSETS		
Home Equity Loans	\$ 14,565,574	\$ 14,725,277
First & Second Mortgages	17,485,194	17,805,128
VISA	10,919,077	11,463,408
Motor Vehicle Loans	15,786,583	16,789,514
Share Secured & Personal Loans	321,818	356,534
Other Unsecured Loans	2,014,295	1,932,154
Less Allowance for Loan Loss	(436,092)	(532,766)
Total Loans	<u>60,656,449</u>	<u>62,539,249</u>
Cash	32,143,269	30,436,383
Investments	41,028,989	36,543,835
Share Insurance Deposits	1,704,674	2,917,063
Accrued Interest Receivable	204,705	228,668
Other Assets	1,534,990	1,898,739
Land & Buildings (Net)	1,613,803	1,640,841
Furniture & Fixtures (Net)	77,177	76,326
Total Other Assets	<u>78,307,607</u>	<u>73,741,855</u>
TOTAL ASSETS	<u>\$ 138,964,056</u>	<u>\$ 136,281,104</u>
LIABILITIES		
	# of accounts	
Shares	13,022	\$ 20,906,011
IRAs	720	12,846,400
Certificates	2,189	32,115,026
MMIAs	2,431	44,774,142
Share Drafts	5,301	15,104,534
Other Share Accounts	1,700	1,486,265
Total Shares		<u>127,232,378</u>
Other Liabilities		(3,120,227)
Net Worth		<u>14,851,905</u>
TOTAL LIABILITIES & NET WORTH		<u>\$ 138,964,056</u>

	Consolidated <u>12/31/2012</u>	Consolidated <u>12/31/2011</u>
INCOME		
Income on Loans	\$ 2,591,180	\$ 2,857,668
Income on Investments	643,076	670,606
VISA Interest Income	910,193	966,829
Fee & Other Operating Income	1,073,519	1,054,711
Total Income	<u>5,217,968</u>	<u>5,549,814</u>
OPERATING EXPENSES		
Administration & Operations	2,164,950	2,244,119
Occupancy	497,295	512,388
Loan Servicing	698,536	679,969
Professional & Outside Services	525,662	503,999
Provision for Loan Losses	265,195	472,165
Dividends	<u>670,257</u>	<u>881,240</u>
Total Operating Expenses	<u>4,821,895</u>	<u>5,293,880</u>
NON-OPERATING ITEMS		
Gain on sale of investments	2,842	0
Loss on disposition of assets	<u>(31,927)</u>	<u>0</u>
NET INCOME	<u>\$ 366,988</u>	<u>\$ 255,934</u>