

Event Schedule

- Welcome
- Invocation
- Dinner
- Scholarship Presentation
- Special Guest – Paul Mercer
- 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.*

Special Guest: Paul Mercer

Paul Mercer is President of the Ohio Credit Union League and its affiliated organizations – OCUL Services Corporation, OCULAC & OCULPAC, the Ohio Credit Union Foundation, and the Ohio Credit Union Defense Coalition. Prior to his appointment as president in June 1997, Mercer served for five years as the League's vice president of credit union development.

Mercer currently serves on the League InfoSight board. In Ohio, he serves on the boards of Cooperative Business Services, Aimbridge Indirect Lending-Ohio and CU Partner Link. He has served on several Credit Union National Association (CUNA) and American Association of Credit Union Leagues (AACUL) committees, has been a board member of CUNA and the National Credit Union Foundation, and was Chairman of AACUL in 2004 and 2005.

Prior to coming to Ohio in 1992, Mercer held management positions at the Massachusetts Credit Union Association, the New York State Credit Union League, and Heritage Community FCU. He started his credit union career at Empire Corporate Federal Credit Union where he served as loan and investment officer. He holds a degree in Finance and Economics from the University of Connecticut.



SCHOOL EMPLOYEES

Lorain County Credit Union, Inc.

Annual Report 2014 in Review

57th Annual Meeting
April 16, 2015
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
Henry "Hank" Harsar, Director
Richard Killen, Director
Carolyn May, Director
Paulette Paine, Director
John Bartter, Director Emeritus

Supervisory Audit Committee

Kathy Runser, Chairperson
Karen Sprague

Management Team

Neil R. Sommers, CEO
Karen S. Akers, CPA, CFO
Shannon Boesel, HR Manager
Ethel Frye, Operations Manager
Kathy Garvey,
Member Services Manager
Michelle Gonzalez,
Lorain Branch Manager
Monica Heath, Marketing Manager
Becky Ryan Monschein,
Teller/HUB Manager
Mary Vaughan,
Director-Membership Development

Accountant

Pamela Spence

Call Center Representatives

Tosh Cabbil
Sue Sage
Sue Ellen Shepherd

Financial Services Representatives

Brad Niece, FSR Coordinator
Patti Baker
Karyn Bevins (Lorain Branch)
Denise Carreon
Shannon Fridrich
Tyler Johnston (Lorain Branch)
Mindy Piskur
Blaine Padgett
Ginger Slone

HUB Coordinators

Tina Rankin
Kathy Sisolowski
Carl Vass
Deb Zvara

Loan Underwriter

Marianne Jalowiec

Operations Specialists

Cheryl Fleming
Nona Jackson
Connie Smith
Karla Staylon

Student Development Representative

Brian Brown

Tellers

Samantha Dewey
Jan Doyle
Taley Fowler (Lorain Branch)
Becky Karpinski
Sally Knoll
Lori Morris, Head Teller
Sarah Rambo

Visa Administrator

Jeff Kovacs

Attorney

Weltman, Weinberg & Reis

Auditors

Lillie & Company, Inc.



Member**Plus** | C.U.S.O. Inc.
Located at School Employees Lorain County Credit Union

Registered Representatives

from LPL Financial
Cheryl Janik
Renee Dietz

Marilyn Tipple, Secretary of the Board, referred to the minutes of the 55th annual meeting. A motion was made by Donna Gnagy and seconded by Jordan Bockmore to approve the minutes as written. The motion carried.

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 2013.

Andy Lingler, of the Nominating Committee, presented the slate of Paulette Paine and Richard Killen to continue as directors for a 3 year term ending in 2017. A motion was made by Donna Gnagy and seconded by John Bartter to approve the slate as presented. The nominees were unanimously approved.

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

Ed Syrowski, Chairman, officially adjourned the 56th 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 7:47p.m

Supervisory Audit Committee Report

Kathy Runser, Chairperson

During 2014, 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 the 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.

56th Annual Meeting Minutes - 2014

Marilyn Tipple, Secretary – Board of Directors

The 56th Annual Meeting was held on the 8th day of April (Tuesday), 2014 at The Spitzer Conference Center, Lorain County Community College.

Brent Binkley 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.

The scholarship committee was introduced (Wanda DiVencenzo and Marilyn Tipple). Wanda DiVencenzo presented the scholarship recipients with their certificates. The scholarship recipients were Nicholas Lesner, Adeline Simon (Warren Wallace Education Major Scholarship), Katie Nutall, and Jonathan Wallace.

Our guest speaker, Bill Boronkay, a traveling comedian, was introduced.

Ed Syrowski, Chairman of the Board, called the 56th annual business meeting to order at 7:10 p.m. and referred to the 2014 Chairman's report in the program. Some of the highlights touched upon in the report were: SELCCU's assets grew from \$139 million in 2012, to over \$140 million at the end of 2013. One of the challenges that we continue to face are loan growth and membership growth. All members were encouraged to take advantage of the many benefits they have available to them with our products and services such as mobile banking, financial education, loan promotions, etc.

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.

Ed Syrowski convened those assembled to the business portion of the 56th annual meeting. As Chairman of the board of directors, he determined a quorum was present. A roll call of the board of directors was conducted.

(Continued)

Chairman's Report

Andrew Lingler, Vice Chairman – Board of Directors

To say 2014 was an eventful year would be an understatement. Nationally, credit union membership in the United States topped 100 million. For decades, we've extolled the benefits of our not-for-profit, member-owned cooperative structure. I feel confident that, with this milestone, credit union membership is no longer the country's best kept secret.

In addition, the Credit Union National Association (CUNA) reported that credit union products and services saved consumers \$8.5 billion. This savings went directly to credit union members in the form of more competitive savings rates, lower loan rates, lower fees and member-focused products and services. There is truly no better time to be a credit union member!

This past year, SELCCU received approval from the Ohio Department of Commerce Division of Financial Institutions for the merger with Lorain School Employees Credit Union. The merger has provided us with the opportunity to help more people afford life through our products and services. In addition, our asset size increased from more than \$140 million in 2013 to \$154 million at the end of 2014. In terms of asset size, this makes us the largest credit union in Lorain County.

Following the merger, the board of directors appointed Neil R. Sommers as CEO. Sommers most recently served as CEO for Lorain School Employees Credit Union. Prior to his involvement in the credit union movement, Sommers worked in retail banking for PNC (formerly National City Bank), as comptroller for a Burger King franchise in North Olmsted, and as comptroller for an environmental company in Wellington.

Sommers, a native of Lorain, served in the U.S. Air Force from 1968-1972. He graduated from Cleveland State University with a bachelor's degree in economics and holds a master's degree in systems management from Baldwin Wallace University. He is past president of the Ohio Credit Union League-Lake Erie Chapter, past president and current committee member for the Lorain Sports Hall of Fame, and a member of the board of directors for the Lorain Port Authority.

The board appointed Henry "Hank" Harsar of Amherst Township as its newest board member. A Lorain native, he spent 43 years in education as a teacher, principal and consultant in the Lorain City School District. Harsar previously served on the board of directors for Lorain School Employees Credit Union. He also serves on the Amherst Township Zoning Commission.

The merger also provided us with the opportunity to expand our financial literacy programs. In 2014, we opened two student branches in the Lorain City School District – General Johnnie Wilson Middle School and Longfellow Middle School, as well as a student branch at North Ridgeville Middle School.

This year, we're taking steps to enhance our customer service by converting to a new data processing system. While adopting a new technology is never simple, it is a crucial step as we strive to acquire and retain members.

A few months ago CUNA released results of its most recent member/non-member survey. The top three financial concerns of those survey include 1) retiring without having enough money set aside; 2) not having enough "rainy day" savings; and 3) loss of household income. We will be taking these into serious consideration as we develop future products, services and promotional strategies. We want to do the best for you because you deserve the best. As always, thank you for making your credit union a success.

School Employees Lorain County Credit Union, Inc.

Comparative Financial Report

	Consolidated <u>12/31/2014</u>	Consolidated <u>12/31/2013</u>
ASSETS		
Home Equity Loans	\$ 14,237,888	\$ 14,509,550
First & Second Mortgages	15,863,642	16,870,362
VISA	10,099,951	10,823,379
Motor Vehicle Loans	18,688,370	14,945,313
Share Secured & Personal Loans	313,655	223,882
Other Unsecured Loans	2,817,652	2,129,602
Less Allowance for Loan Loss	(252,014)	(308,327)
Total Loans	<u>61,769,144</u>	<u>59,193,761</u>
Cash	31,114,687	29,941,195
Investments	56,037,203	47,100,680
Share Insurance Deposits	1,948,895	1,734,021
Accrued Interest Receivable	204,328	187,183
Other Assets	1,325,499	1,129,702
Land & Buildings (Net)	1,740,990	1,533,895
Furniture & Fixtures (Net)	89,491	48,741
Total Other Assets	<u>92,461,093</u>	<u>81,675,417</u>
TOTAL ASSETS	<u>\$ 154,230,237</u>	<u>\$ 140,869,178</u>
LIABILITIES		
	<small># of accounts</small>	
Shares	14,479	\$ 30,294,398
IRAs	712	\$ 23,428,329
Certificates	2,146	11,760,652
MMIAs	2,329	29,572,428
Share Drafts	5,643	46,893,190
Other Share Accounts	1,887	16,430,549
Total Shares		<u>1,654,777</u>
		<u>142,440,284</u>
Other Liabilities		(4,647,134)
Net Worth		(3,444,405)
TOTAL LIABILITIES & NET WORTH		<u>16,437,087</u>
		<u>\$ 154,230,237</u>
		<u>\$ 140,869,178</u>

	Consolidated <u>12/31/2014</u>	Consolidated <u>12/31/2013</u>
INCOME		
Income on Loans	\$ 2,252,478	\$ 2,321,944
Income on Investments	667,646	555,037
VISA Interest Income	837,813	871,743
Fee & Other Operating Income	1,104,641	1,085,671
Total Income	<u>4,862,578</u>	<u>4,834,395</u>
OPERATING EXPENSES		
Administration & Operations	2,371,567	2,273,072
Occupancy	529,586	486,461
Loan Servicing	758,964	753,394
Professional & Outside Services	666,336	538,711
Provision for Loan Losses	139,107	99,733
Dividends	335,973	450,617
Total Operating Expenses	<u>4,801,533</u>	<u>4,601,988</u>
NON-OPERATING ITEMS		
Gain (loss) on sale of investments	(5,482)	-0-
Bargain purchase gain	271,458	-0-
NET INCOME	<u>\$ 327,021</u>	<u>\$ 232,407</u>