



# 2014

## Annual Report

### 60<sup>th</sup> Annual Meeting



# Superior

FEDERAL CREDIT UNION

Lima • Delphos • Wapakoneta • Ottawa • St. Marys



[SuperiorFCU.com](http://SuperiorFCU.com)



## Minutes from the Annual Meeting on May 1, 2013

Board Chairman Ray Hughes called the 59th Annual Meeting to order at the Apollo Career Center on May 1, 2013 at 7:00 p.m. Chairman Hughes noted a quorum of members was present. Board Members in attendance: Dave Watkins, Bruce Campbell, Pam Shaw, Jim Bacome, Greg Shrader, Ron Snyder, and David Young. Kelley Recker was excused.

Chairman Hughes introduced the current board members to those in attendance. He reviewed the performance of Superior Federal Credit Union for the past year. He noted the credit union opened a new branch in St. Marys, Ohio, implemented a new home banking software with mobile banking, and completed a merger with Utelco Credit Union. Chairman Hughes thanked the board and Management Team for their commitment to the credit union as 2012 was a very successful year.

### Minutes from Last Annual Meeting

Ray Hughes asked for a motion to dispense with reading of last minutes.

**Motion to Approve:** Dave Watkins, **Second Motion:** Jim Bacome, Motion Carried by Acclamation

### Treasurer's Report

Bruce Campbell presented the Annual Treasurer's report. In 2012 the credit union finished with \$424 million dollars in assets, \$246.7 million dollars in loans and paid members 2.6 million dollars in dividends. Net income for the 2012 was a record 8.4 million dollars. He also noted the credit union has over \$63 million dollars in capital and that 50,000 members belong to Superior.

**Motion to Approve:** Ron Snyder, **Second Motion:** Pam Shaw, Motion Carried by Acclamation

### President/CEO Report

Phil Buell acknowledged the staff and volunteers for their contribution this past year. He noted the credit union's primary focus is to deliver value to members by fulfilling our commitment to members. Even though the financial services and products the credit union offers may change, the cooperative remains committed to working in the member's best interest and providing financial services. He also recognized Shirley Potts who retired at the end of April.

### Nominating Committee

Jim Bacome reported the credit union has three Board seats open for three year terms. As of the Nominating Committee's deadline, the Committee received only three nominees, one candidate for each position. These nominees are Bruce Campbell, Dave Young, and Dave Watkins. The election was performed in accordance with the credit union's By-laws. Members were notified by mail of the nomination by petition process; the Nominating Committee received no additional nominations by petition as of the deadline. As a result, the nominees are elected by general consent or acclamation according to By-laws.

### New Business

Ray Hughes called for any new business. There was no new business.

### Drawing for Door Prizes

The meeting ended with a drawing for cash door prizes.

Adjournment of Meeting 7:31 p.m.

## Superior Coach Spotlight: Carole Staver

It takes a staff of more than 100 professionals and some of the latest technology available to the industry for Superior Federal Credit Union to serve its members today. So it might be hard to believe there was a time when it was all done with a handful of hard-working volunteers and a few ledger books.

Carole Staver can remember those days. As a credit union member since 1962, and a board member through 1985, Staver witnessed those early days and looks back on them with a mix of fondness and disbelief.

"It is hard to think of it now, but when I started, it was just a little cubicle in the guard tower. Everybody who worked with the credit union also worked at Superior Coach, and the board all worked there too," Staver said.

Staver worked in the offices at Superior Coach, helping manage personnel issues for the security and hourly workers. She joined the Credit Union board in the mid-'70s and remained through 1985, a time when the credit union and the plant it served were going through historic changes.

"I was there when they moved (the credit union offices) into the little house across the street. I was on the board when Superior closed down. And I was on when they decided to build the new office on Kibby," Staver said.

The closing of Superior Coach was a challenge for everyone involved with the company, but board members faced the reality of not only losing their own jobs, but trying to decide whether the Credit Union should go on.

As part of the personnel staff, Staver had the thankless task of signing off on the official letters that told workers they were let go.

"I had to sign every card individually. It was terrible. I still have people coming up to me telling me they still have my signature at home," Staver said.

Though the company closed its doors, the Credit Union not only survived, but grew. By 1984, they had outgrown their Collins Street office and were looking at building a new headquarters. The Board went to work educating themselves on the fresh task of overseeing planning and construction.

"I had never done anything like that. None of us had. When we got into the financial part of building the new building, that stretched us all. We had no experience," Staver said.

Experienced or not, the \$425,000 building was completed in 1985. That same year, Staver resigned from the board when the boss at her new job refused to let her out early for board meetings.

Her only regret from the whole affair? Not thinking bigger.

"As (the Credit Union) grew, we found out the building wasn't big enough," Staver laughed. "We could foresee that we'd maybe have branches on the other side of town. We thought it would grow, but we never thought it would be what it is now."

—written by Bart Mills

## Statement of Financial Condition

Assets	2013	2012
Cash and Cash Equivalents	\$36,118,652	\$57,698,073
Other Investments	\$40,294,351	\$45,130,785
Loans Net of Allowance for Loan Losses	\$276,721,712	\$246,730,774
Property and Equipment	\$8,512,979	\$7,726,241
Other Assets	\$13,440,091	\$13,297,258
<b>Total Assets</b>	<b>\$446,393,376</b>	<b>\$424,813,750</b>
Liabilities and Equity	2013	2012
Members Shares	\$365,713,692	\$348,579,188
Notes Payable	\$0	\$2,000,000
Dividends Payable	\$217,237	\$254,497
Accrued and Other Liabilities	\$4,245,725	\$4,995,204
Total Liabilities	\$375,854,184	\$360,993,369
Members Equity	\$70,539,552	\$63,280,381
<b>Total Liabilities and Equity</b>	<b>\$446,393,376</b>	<b>\$424,813,750</b>
Income Statement	2013	2012
Loan Interest Income	\$11,868,449	\$12,121,622
Investment Interest Income	\$1,128,011	\$1,162,423
Total Interest Income	\$12,996,460	\$13,284,045
Interest Expense on Borrowings	\$62,990	\$85,308
Member Dividends	\$2,322,511	\$2,644,145
Total Dividend and Interest Expense	\$2,385,501	\$2,729,453
Net Interest Income	\$10,610,959	\$10,554,592
Provisions for Loan Loss	\$197,629	\$288,413
Net Interest Income after Provision for Loan Losses	\$10,413,330	\$10,266,179
Non-Interest Income	\$10,247,835	\$12,142,955
Non-Interest Expense	\$13,847,868	\$14,015,271
Net Income (before NCUA assessment)	\$6,813,297	\$8,393,863
Special NCUA Corporate Stabilization Charge	(\$382,213)	(\$404,103)
Unrealized Gain on Investments	(\$94,126)	\$7,224
<b>Net Income</b>	<b>\$6,719,171</b>	<b>\$8,401,087</b>
Other Financial Information	2013	2012
Members	50,386	49,303
Capital to Assets	15.76	14.99
Return on Assets	1.56	2.09
Delinquency Ratio	0.92	0.17
Asset Growth	5.25	12.96

## Supervisory Committee Report

The Supervisory Committee, as appointed by the Board of Directors, shares the Board's responsibility for: determining that management practices are protecting the member's assets; properly administering the Board's policies and procedures; and safeguarding against fraud and conflict of interest.

The Certified Public Accounting firm of GBQ was contracted by the Supervisory Committee to conduct an audit in accordance with generally accepted auditing standards for the year ended December 31st, 2013. Their complete audit report is available upon request.

Based on the results of the audits, examinations and on-going internal control reviews, along with evaluations of products and services against policies and procedures, the Supervisory Committee can assure members that Management and the Board of Directors have acted in their best interest to ensure continuance of a sound financial institution.

### **Supervisory Committee**

Cheryl Lawson, Joel Parker, and Greg Shrader

## QUIZ: Test Your Knowledge About Your Credit Union

THANK YOU FOR BEING A MEMBER. As we begin our 60th year serving the Lima community, we want to share a few highlights of your credit union from the past. How well do you know your credit union history?

1. How many names has your credit union gone by since its inception in 1954?  
A) One  
B) Two  
C) Three  
D) Four
2. How many credit unions have merged with Superior since 1981?  
A) Three  
B) Seven  
C) Nine  
D) Thirteen
3. How much (in dollars) has Superior Federal Credit Union loaned to its members since 1954?  
A) \$800 million  
B) \$1.5 billion  
C) \$3 billion  
D) \$5.6 billion
4. How much (in dollars) has Superior Federal Credit Union paid in dividends to its members since 1954?  
A) \$25 million  
B) \$80 million  
C) \$125 million  
D) \$1 billion
5. How many hours have Superior's volunteer Board of Directors and committee members volunteered in service to their credit union since its inception?  
A) 10,000  
B) 20,000  
C) 30,000  
D) 40,000

### ANSWERS

1. C. Since its founding, Superior Federal Credit Union has had three names: Superior Coach Employees Federal Credit Union (1954), Lima Superior Community Federal Credit Union (1981), and Superior Federal Credit Union (2004).
2. C. Since 1981, Superior has merged with nine other local credit unions: Circle Diamond CU, Teamsters Local 908 CU, Randall Graphite FCU, Duff Trucking FCU, B&O Railroad Employees FCU, Habion FCU, Member 1 CU, North Star FCU, and Utelco CU.
3. C. Since its founding, Superior Federal Credit Union has issued 81,490 loans accounting for just over \$3 billion!
4. B. Since its founding, Superior Federal Credit Union has paid its members more than \$80 million in dividends!
5. D. Since its founding, volunteer Directors and committee members have donated more than 40,000 hours to their work at the credit union.

**The mission of Superior Federal Credit Union is to build trusted relationships by delivering personalized financial solutions.**

### WHAT'S NEW FOR 2014

#### Technology

We understand that as member demographics change, so does the need for new technologies to serve and interact with our membership. Last April, Superior invested in an innovative, state-of-the-art technology solution for our members – including home banking, online billpay, website, and mobile banking. Earlier this year, we released mobile remote deposit and a brand new platform for our small business members. We believe these new technologies provide our members access to the best electronic services solutions available in the local market.

#### Kenton Branch

In April, SFCU broke ground on our newest office, located at 1209 E. Columbus Street in Kenton. The new location will complement SFCU's current branch structure with full-service amenities. Despite not having an office in Hardin County, Superior is already the #3 mortgage lender there.

#### Superior Foundation

SFCU believes strongly in supporting our community. Last year, Superior supported many local causes donating over \$150,000 to local events and charities. As the New Year began, we celebrated the creation of the new Superior Foundation, a community foundation that will continue to serve our field of membership long into the future. The credit union provided initial funding of \$100,000 and looks to grow the Foundation into one of the largest in Allen County.

#### Superior Title

In November, the credit union opened its own title agency, Superior Title, to provide low-cost title insurance and services for our mortgage customers. Opening a title agency will allow Superior to further reduce mortgage closing costs, strengthening our position as the #1 mortgage lender in Allen, Auglaize, and Putnam Counties. Additionally, The Mortgage Center provides mortgages services for more than two dozen other credit unions in eight different states across the nation.

### 2013-2014 Board of Directors

<b>Chairman</b> .....	Ray Hughes
<b>Vice Chairman</b> .....	Greg Shrader
<b>Treasurer</b> .....	Bruce Campbell
<b>Secretary</b> .....	Jim Bacome
<b>Directors</b> .....	Kelley Recker, Ron Snyder, Pam Shaw, Dave Young, Dave Watkins