



# 2016

## Annual Report

*62<sup>nd</sup> Annual Meeting*



# Superior

CREDIT UNION

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## Minutes from the Annual Meeting on May 13, 2015

Board Chairman Ray Hughes called the 61st Annual Meeting to order at the Lima Veterans Memorial Civic and Convention Center on May 13, 2015 at 6:00 p.m. He noted a quorum of members were present. Board Members in attendance included: 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 Kenton, Ohio, and implemented a new call center to service members. Mr. Hughes also discussed the credit union is investigating changing credit union charters. Currently, the credit union operates as a federal credit union and the board is currently investigating switching to a state charter. This is being considered due to field of membership constraints within the federal charter. Chairman Hughes thanked the board, Management Team, and staff for their commitment to the credit union, as 2014 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: Pam Shaw, Motion Carried by Acclamation.

### Treasurer's Report

Bruce Campbell presented the Annual Treasurer's report. In 2014 the credit union finished with \$491.5 million in assets, \$304.9 million in loans, and paid members \$2.2 million in dividends. Net income for the past year was \$6.7 million. He also noted the credit union has over \$77.2 million in capital and that during this past quarter the credit union's membership reached 52,000 members.

Motion to Approve: Jim Bacome, Second Motion: Ron Snyder, Motion Carried by Acclamation.

### President/CEO Report

President/CEO Phil Buell noted a recent member experience complementing the credit union staff for improving the member's financial well-being. Phil discussed the credit union's mission is to improve each member's financial situation. Phil Buell acknowledged the staff and volunteers for their contribution this past year and their relentless efforts to help members succeed. He also discussed the Superior Foundation which will be donating over \$117,000 to support local financial independence initiatives in 2015.

### Nominating Committee:

Greg Shrader 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 Pam Shaw, Ray Hughes, and Ron Snyder. 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 6:32 pm by Ray Hughes.

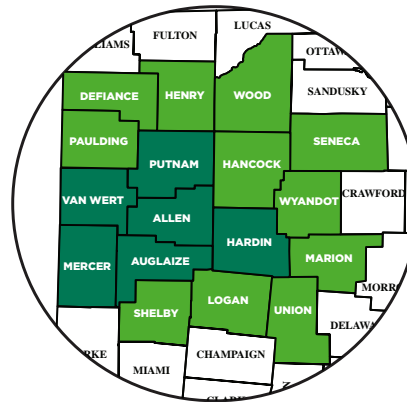
## Superior Expands to 17 County Field of Membership

Following the affirmative membership vote earlier this year, the Ohio Department of Financial Institutions officially granted a state charter to Superior Federal Credit Union, now known as Superior Credit Union, Inc.

Even after conversion to a state charter, Superior remains federally insured by the National Credit Union Share Insurance Fund.

Superior can now accept new members who live, work, worship, or attend school in 17 northwest Ohio counties (up from 6 counties previously). Those counties include Allen, Auglaize, Putnam, Van Wert, Mercer, Hardin, Paulding, Defiance, Henry, Wood, Hancock, Seneca, Wyandot, Marion, Union, Logan, and Shelby. The conversion also expands the credit union's potential member base from approximately 300,000 in population to 850,000 in population.

"We're excited to have this opportunity to bring our products and services to this expanded geographical area," said Phil Buell,



**Superior**  
CREDIT UNION

### Field of Membership

- Previous 6-County Field of Membership
- New Counties Added Fall 2015

CEO, Superior Credit Union. "Superior is well-known for our offering of higher rates on deposits, competitive loan rates, and lower service fees. But what sets Superior apart is our high-level commitment to technology and quality service."

## Statement of Financial Condition

Assets	2015	2014
Cash and Cash Equivalents	\$74,763,244	\$63,235,176
Total Investments	\$123,226,085	\$95,709,002
Loans Net of Allowance for Loan Losses	\$341,027,049	\$304,490,298
Property and Equipment	\$13,124,474	\$10,806,294
Other Assets	\$19,850,903	\$17,345,169
<b>Total Assets</b>	<b>\$571,991,755</b>	<b>\$491,585,939</b>
Liabilities and Equity	2015	2014
Members Shares	\$465,286,873	\$383,413,407
Notes Payable	\$10,000,000	\$20,000,000
Dividends Payable	\$231,888	\$207,750
Accrued and Other Liabilities	\$12,811,865	\$10,685,133
Total Liabilities	\$488,330,626	\$414,306,290
Members Equity	\$83,661,129	\$77,279,649
<b>Total Liabilities and Equity</b>	<b>\$571,991,755</b>	<b>\$491,585,939</b>
Income Statement	2015	2014
Loan Interest Income	\$12,764,305	\$11,927,411
Investment Interest Income	\$1,660,221	\$1,893,206
Total Interest Income	\$14,424,525	\$13,820,617
Interest Expense on Borrowings	\$27,218	\$12,270
Member Dividends	\$2,216,547	\$2,110,651
Total Dividend and Interest Expense	\$2,243,765	\$2,122,921
Net Interest Income	\$12,180,760	\$11,697,696
Provisions for Loan Loss	\$365,582	\$508,176
Net Interest Income after Provision for Loan Losses	\$11,815,178	\$11,189,520
Non-Interest Income	\$10,297,965	\$9,092,868
Non-Interest Expense	\$14,992,636	\$13,718,265
<b>Net Income</b>	<b>\$ 7,120,506</b>	<b>\$6,564,123</b>
Change in Unrealized Gain on Investments	(\$770,139)	\$175,974
Other Financial Information	2015	2014
Members	54,306	51,438
Capital to Assets	14.71	15.70
Return on Assets	1.34	1.38
Delinquency Ratio	0.47	0.41
Asset Growth	16.41	9.84

## 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, 2015. 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

## A Note From Our CEO

What an EXCEPTIONAL year! While delivering the highest dividend rates, lowest loan rates, and most affordable fees in our area, Superior remained focused on delivering member value. As we reviewed 2015, the credit union achieved several significant milestones we should celebrate.

### Superior Named a Top 200 Healthiest Credit Union

Superior Credit Union was named one of the Top 200 Healthiest Credit Unions in America in 2015, ranking #92 out of 6,655 federally-insured credit unions in the U.S. From the list of 6,655 credit unions, DepositAccounts.com recognizes those who have shown exceptional fiduciary responsibility in its annual edition of the Top 200 Healthiest Credit Unions in America.

### Financial Strength and 54,000 Members

Superior's profitability remains in the top 10% of credit unions nationally with net income reaching \$7 million in 2015. Meanwhile, Superior's capital reserves remained twice the reserve requirement mandated by our state and federal regulators. As a sign of financial strength, SCU maintains over \$83 million in capital reserves which is the most capital of any credit union in Northern Ohio.

### Exceptional Growth

Members used the credit union's services at a rapid rate. In 2015, we experienced DOUBLE digit growth in several areas.

- Deposits increased 21.4% for \$82 million dollars in growth
- Loans increased 12% for \$37 million dollars in growth
- Total assets exceed a half billion dollars increasing to \$572 million dollars.

### State Charter Conversion

In September, Superior's members approved converting our federal credit union charter to a state credit union charter. Although the charter change did not affect the credit union's products, rates, fees, or services, the new charter does provide new members the opportunity to join the credit union.

### Welcome Southeast Credit Union's Ohio members and Ottoville Parish FCU members

Two new credit union memberships joined Superior this past year. In October 2015, 102 Ottoville Parish FCU members decided to merge with Superior. In January 2016, over 7,000 Southeast Credit Union members who live in Ohio became Superior members. With the new Southeast CU members, Superior gains two new office locations in Fostoria and Tiffin, Ohio. We are excited about serving the Ottoville members and expanding our services to Seneca County.

### Bruce Campbell and Dorothy Thompson Awards

We were excited to honor two current and two former credit union employees recently. Wendy Donley and Kim Salsbury were awarded the Bruce C. Campbell Achievement Award and the Dorothy J. Thompson Community Action Award, respectively.



The **Bruce C. Campbell Achievement Award** honors a Superior Credit Union Employee who exemplifies a lifelong commitment to member advocacy, member service, and promoting the credit union philosophy. Wendy Donley is our Vice President of Consumer Lending and Sales. Over the past 30 years, she has worked in a variety of positions for Superior

including the Accounting Department, Teller, Loan Officer, and Branch Manager. Anyone who knows her, knows this award is much deserved - congratulations, Wendy!

### The Dorothy J. Thompson Community Action Award

honors a Superior Credit Union employee who makes a significant community impact as an "Unsung Hero." The award is for an employee who willingly volunteers their time and energy to credit union projects and community organizations. Kim Salsbury is a Financial Service Officer at our



North West Street branch. She is our go-to person when it comes to volunteering and supporting community projects and programs. She is always willing to help, giving generously of her time and talents. We are so lucky to have her on our team!

### THANK YOU!

We certainly appreciate you being a member of Superior. If you have any ideas about how we can enhance the credit union, please feel free to reach out to us. We are always searching for new ideas to enhance your membership experience. We truly believe your financial cooperative is successful because of you.

### Phil Buell

President & CEO

pbuell@superiorcu.com

## 2015-2016 Board of Directors

<b>Chairman</b> .....	Raymond Hughes
<b>Vice Chairman</b> .....	Gregory Shrader
<b>Treasurer</b> .....	Ron Snyder
<b>Secretary</b> .....	Jim Bacome
<b>Directors</b> .....	Stacey Deitering, Kelley Recker, Pam Shaw, Dave Young, Dave Watkins
<b>Director Emeritus</b> .....	Bruce Campbell