



# 2012

## Annual Report

58<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 4, 2011

Chair Ray Hughes called the 57th Annual Meeting to order at the Apollo Career Center on May 4, 2011, at 7:10 p.m. Board Members in attendance: Kelley Recker, Pam Shaw, Jim Bacome, David Young, Dave Watkins, Ray Hughes, Ron Snyder, Bruce Campbell. Excused was Greg Shrader.

The Chairman noted a quorum of members was present for the meeting. Chairman Hughes introduced the Board and Supervisory Committee and thanked the volunteers for their service the past year. He also thanked the staff and members for their support of the credit union. He also noted the Supervisory Committee report is included in the Annual Report.

### Minutes from Last Annual Meeting

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

**Motion to Approve:** Henretta Spencer

**Second Motion:** Jim Bacome

Motion Carried by Acclamation

### Treasurers Report

Treasurer Bruce Campbell reviewed the annual financial report for members. He noted the credit union continued to grow serving nearly 45,000 members. He discussed the credit unions financial as the credit union has over 340 million in assets and nearly 50 million dollars in capital. At the same time the credit union paid nearly 4 million dollars in dividends. He commented the credit union is doing very well and everyone should be very proud.

**Motion to Approve:** Ron Snyder

**Second Motion:** Dave Watkins

Motion Carried by Acclamation

### President/CEO Report

Phil Buell reviewed the credit union accomplishments for the past year. He noted the credit union entered the recent recession strong financially and become even stronger during economic downturn. Superior strives

to provide member value while being safe and sound. He discussed SFCU performs as one of the highest performing credit unions in the country with strong capital, high profitability and great asset quality. Superior is positioned well to be successful in the future. He noted the credit union seeks to return value to members by paying above market dividends and providing service. He also mentioned the new Delphos office was being constructed and would be open by Labor Day. He closed by thanking all of the staff, volunteers and members for making Superior the successful cooperative it is today.

### Nominating Committee

The credit union had three Board seats open this year. There are three (3) seats for three (3) year terms. As of the Nominating Committee's deadline, the Committee received three nominees, one candidate for each of the three positions. The nominees are:

Kelley Recker

Dave Young

Greg Shrader

The election was performed in accordance with the credit union's By-laws. Members were then 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 our By-laws.

### Old Business

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

### 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 7:42 pm



Bruce Campbell began his career at the Superior Coach Bus Company as a bus seat assembler, a profession in which he worked for 26 years. He joined the Board of Directors of the Superior Coach Employees Credit Union in 1972.

Upon the closing of the Superior Coach Bus Company in 1981, Bruce – at this time the Treasurer of the credit union

– took over managing the credit union full-time. With his vision, the credit union was reborn as Lima Superior Community Credit Union, and now had a community charter. Lima Superior was the first credit union in the U.S. to obtain a community charter in a city with more than 50,000 people. Doing so required Bruce to visit local businesses and government meetings for support and garner enough signatures for the NCUA to consider his petition.

Lima Superior merged with credit unions for the Teamsters, Randall Bearing, Duff Trucking, Trim Trends, and the B&O and BLH Railroads during his tenure. Bruce was also responsible for expanding the credit union's field of membership, first from Lima to Allen County, and then to Allen & Auglaize County. Finally, Bruce's vision led him to create The Mortgage Center at Superior – now the top consumer mortgage lender in the area.

Since retirement, Bruce has remained on the Board of Directors for Superior. He still serves as the Treasurer of The Board. Bruce remains active with the Western Buckeye Chapter of credit unions through both his attendance and support, and is a dedicated volunteer and fund-raiser locally for the Ohio Credit Union League Political Action Committee (OCULPAC).

**Please join us in recognizing Bruce Campbell for his 40 years of service to our credit union and its members!**

## Statement of Financial Condition

Assets	2011	2010
Cash and Cash Equivalents	\$39,474,935	\$35,260,499
Other Investments	\$34,760,200	\$17,138,200
Loans Net of Allowance for Loan Losses	\$232,056,897	\$211,459,945
Property and Equipment	\$6,833,564	\$6,386,425
Other Assets	\$11,378,458	\$11,296,114
<b>Other Assets</b>	<b>\$376,381,956</b>	<b>\$341,369,316</b>
Liabilities and Equity	2011	2010
Members Shares	\$310,476,904	\$283,580,955
Notes Payable	\$2,000,000	\$2,000,000
Dividends Payable	\$323,974	\$378,374
Accrued and Other Liabilities	\$3,759,358	\$2,890,145
Total Liabilities	\$321,263,154	\$292,632,307
Members Equity	\$55,118,802	\$48,737,009
<b>Total Liabilities and Equity</b>	<b>\$376,381,956</b>	<b>\$341,369,316</b>
Income Statement	2011	2010
Loan Interest Income	\$12,148,438	\$12,402,196
Investment Interest Income	\$1,256,624	\$1,230,369
Total Interest Income	\$13,405,062	\$13,632,565
Interest Expense on Borrowings	\$87,011	\$277,975
Member Dividends	\$3,063,260	\$3,939,434
Total Dividend and Interest Expense	\$3,150,271	\$4,217,409
Net Interest Income	\$10,254,791	\$9,415,156
Provisions for Loan Loss	\$192,525	\$320,963
Net Interest Income after Provision for Loan Losses	\$10,062,266	\$9,094,193
Non-Interest Income	\$9,307,526	\$9,762,856
Non-Interest Expense	\$12,264,428	\$12,412,416
Net Income (before NCUA assessment)	\$7,105,364	\$6,444,633
Special NCUA Corporate Stabilization Charge	(\$723,571)	(\$725,482)
<b>Net Income</b>	<b>\$6,381,793</b>	<b>\$5,719,151</b>
Other Financial Information	2011	2010
Members	46,156	44,829
Capital to Assets	14.62	14.25
Return on Assets	1.78	1.7
Delinquency Ratio	0.29	0.4
Asset Growth	10.20	2.95

## 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 Condit and Associates was contracted by the Supervisory Committee to conduct an audit in accordance with generally accepted auditing standards for the year ended December 31st, 2011. 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 Deitering, Joel Parker, and Greg Shrader

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

As your community-owned financial cooperative, Superior now serves 46,000 members in West Central Ohio. Your credit union is in GREAT financial condition and is among the leaders in financial performance.

Besides being a top-performer, SFCU has broadened our mission to serve members in recent years. Here are a few examples from these past initiatives that support our members and community.

### Record Low Interest Rates Save Members \$12.7 Million

With interest rates remaining at historic lows, the credit union staff was busy refinancing mortgages for members. The credit union refinanced over \$130 million in mortgages in 2011. This resulted in interest savings to members of \$12.7 million over the life of their loans. These interest savings will be available for members to save for a child's college education, build a nest egg for retirement, or spend in the local community.

### Superior Helps to Create and Retain 275 Jobs

Over the past two years, Superior has helped many small businesses with financing. These small businesses have directly created 145 jobs and retained 133 positions locally. Loans financed through Superior provide a local economic impact of over \$5 million in annual payroll. Superior is supporting small businesses with loans for capital improvement, lines of credit, and access to U.S. Small Business Administration products.

To support future economic growth, Superior FCU donated over \$20,000 to support local chambers of commerce and economic development efforts. Supporting job creation and economic development efforts enhances our members' financial well-being as well as enhance our entire community.

### Educating our Youth... Real Money, Real World

Collaborating with local schools and agencies, Superior provided financial education to over 2400 students in 2011. A popular program with students is the Real Money, Real World program. Real Money, Real World is an interactive, hands-on experience that gives young people the opportunity to make lifestyle and budget choices. This is the 7th year that Superior participated in the program and it continues to grow each year. We understand that financially-educated students will make financially responsible adults.

### Volunteer Income Tax Assistance

Completing Federal income tax returns can be an overwhelming task. Volunteers from Superior Federal Credit Union, the United Way of Greater Lima, and the community-at-large helped qualifying individuals in the Lima area prepare basic tax returns. In 2012, 400 individuals had their taxes prepared at no charge through this program at Superior. This program saved our community nearly \$50,000 in tax preparation fees while bringing back over \$700,000 in Federal & State income tax returns.

### Superior Provides over \$150,000 in Local Donations

Superior believes strongly in investing in the communities we serve. Superior supports many local non-profits, including the Lima Memorial Foundation, St. Rita's Foundation, Lima Chamber Foundation, the United Way of Greater Lima, and Star Spangled Spectacular. In 2011, the credit union contributed over \$150,000 to nearly 250 different causes. Our employees also donate a significant amount of their time to serve on community boards and committees.

### The Future

On May 1, Superior finalized a merger with the former UTELCO Credit Union. UTELCO was chartered to serve the employees of the Telephone Company, now CenturyLink. UTELCO also serves employees from Dana, Amatek Plastics, Kalida Manufacturing, and more. With the merger, Superior members now have access to another office location – 521 Findlay Road, Lima.

Superior is also proud to announce the construction of a new full-service office and drive-thru in St. Marys, located in the Shoppes at St. Marys. Construction is slated to begin in June 2012, with completion by October 2012. Superior has already opened a temporary location in downtown St. Marys, located at 208 E. Spring Street.

In addition to locations, Superior is also planning major upgrades to our online banking and mobile banking services in late 2012.



## 2011-2012 Board of Directors

**Chairman** .....Ray Hughes  
**Vice Chairman**.....Kelley Recker  
**Treasurer**.....Bruce Campbell  
**Secretary**.....Jim Bacome  
**Director**.....Greg Shrader

**Director**.....Ron Snyder  
**Director**..... Pam Shaw  
**Director**..... Dave Young  
**Director**..... Dave Watkins