

# What's in this Report?



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## chairperson's Letter



Dear Members:

2009 was another stressful, challenging year. In Southeastern Wisconsin, unemployment has been very high and dividend rates have been very low. Foreclosures and loan losses have been high, and a significant number of banks across the nation failed.

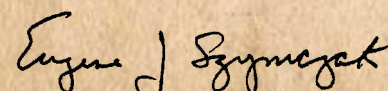
But even in this economy, Educators Credit Union remains in good shape. It's because of you—our loyal members. Our co-operative operating model is to take member deposits and then lend that money out to other members. The money stays local, and we never do predatory lending. Because of this, our assets are over \$1 billion and our reserves remain strong.

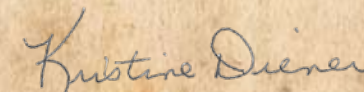
### You'll Love our Unique Programs

- We paid our members a \$1 million participation dividend at the end of 2009.
- Our Fast Lane Financing program helped members refinance loans at a lower rate. Last year we saved members \$6.5 million in interest!
- The second Savings Challenge began with six families working hard to increase their savings and reduce their debt.
- Reality Check Day was so successful with RUSD, that we continue to organize it at other high schools Southeastern Wisconsin.
- Based on member feedback, we built a branch on Prospect Avenue in Milwaukee to offer a convenient location on the East Side.
- We joined the Allpoint ATM network to offer free ATM access at over 37,000 ATMs nationwide!
- For more convenience, we also added new electronic options. Live Chat enables members to ask questions on our website and get an immediate response from a member service representative (during select business hours). You can also do Mobile Banking from your cell phone by going to [www.ecu.com](http://www.ecu.com) on your phone, or by downloading an iPhone app on iTunes.
- We also now have 34,000 members enrolled in E-statements, which saves the credit union almost \$1 million in printing and postage every year! It's green on many levels and is more secure for our members.

Our mission is to be safe and sound, offer first-class service, educate and advise our members and offer competitive rates. Remember that we are always here for you and are continually looking for ways to help.

Love,

  
Eugene Szymczak, President

  
Kristine Diener, Chair



# Agenda

Saturday April 17, 2010  
8:00 am to 12:15 pm



From the 2009  
Annual Meeting

Welcome to the 73rd Annual Meeting of Educators Credit Union! For over 70 years, our continued growth and success is attributed to you, our members. We hope you enjoy the Annual Meeting and entertainment we have prepared for you today.

8:00-8:50: Breakfast

9:00-10:15: Annual Meeting

Call to order— Kristine Diener, Chair

Determination of Quorum

Introduction of Directors and Guests

Minutes of 2009 Annual Meeting— Dave Holle, Secretary

Reports of Directors and Committees

Chair of Board, Kristine Diener

President, Eugene Szymczak

Treasurer, Brad Zautcke

Old Business/New Business

Nominating Committee Report & Election, Mary Ann Smith/Election Results

Video and Prizes Awarded

10:15-12:15: Movie: Date Night



*Kristine Diener*  
Chairperson

Kristine is a retired Principal of IQ Academics, a charter school of the School District of Waukesha and is currently a faculty member at Cardinal Stritch University. She has served on the Board of Directors since 1990 and currently serves on the Trustee and CUSO Committees.

*Mary Ann Smith*  
Board Member

Mary Ann is retired from the School District of Kettle Moraine and Milwaukee Public Schools and has served on the Board since 1990. Mary Ann serves on the ALM, Audit and Technology Committees and is also Chairperson of the Succession Committee.

*Cheryl Kolhe*  
Vice Chairperson

Cheryl is a Business and Information Technologies teacher and School to Career Coordinator for Wilmot Union High School. Cheryl serves on the Budget & Insurance, Member Satisfaction, Trustees and CUSO Committees and is also Chair of the Technology Committee.

*Mary Lueneburg*  
Board Member

Mary is a retired Business and Computer Technology Teacher from Park High School in Racine and UW-Parkside Outreach. On the board since 1980, she currently serves on the Technology, Succession/Nominating, Credit, Budget & Insurance and CUSO Committees. Mary is also Chairperson of the Building Committee.

*Bill Halsey*  
Board Member

Bill, an attorney/partner with Long & Halsey Associates in Racine, has served on the board since 1993. He is the Chairperson of the Budget and Insurance Committee and also serves on the Credit, Building and CUSO Committees.

*Janet Dags*  
Associate Board Member

Janet became an Associate Member in August 2008. Her background includes work in both the University of Wisconsin System and Wisconsin Technical College System. Janet currently serves as Gateway Technical College's District Coordinator for Multicultural Programs. Janet serves on the Member Satisfaction and Technology Committees.

*David Holle*  
Secretary

David is a retired Assistant Vice Chancellor for Budget from UW-Parkside. He has served as a Board member since 1985. David is the co-Chair of the ALM Committee and is also on the Audit and Budget & Insurance Committees.

*Milton Dockery*  
Board Member

Milton currently serves as the Chairman of the Department of History at Milwaukee Area Technical College (MATC) in Milwaukee. Milton is also the co-host of Black Nouveau on MPTV. Milton is on the Member Satisfaction, Building, Budget & Insurance and Succession/Nominating Committees.

*Paul Pelzek*  
Board Member

Paul is a retired Diagnostic Teacher for Milwaukee Public Schools. He has served on the Board since 1986. Paul serves on the Succession/Nominating and Technology Committees, and is also Chairperson of the Member Satisfaction and Audit Committees and Co-chair of the ALM Committee.

*Brad Zandke*  
Treasurer

Brad is the Utility District Administrator and Land Development Coordinator for the Town of Salem and serves on the ALM, Building, Member Satisfaction and CUSO Committees. Brad joined the Board in 2007.





## 2009 Fast Lane Financing



We challenged our members to save \$5 million in interest in 2009 by refinancing ALL their loan products; auto, credit cards, home loans, home equities and personal loans. Our finance representatives determined how much total interest the member would save if they refinanced by helping them figure out the best loan option for them, and those stories were totaled up. By the end of 2009, we not only met our goal, we exceeded it! We saved members **\$6.5 million!**

Since 2009's Fast Lane was such a great success, we've expanded the goal for Fast Lane yet again in 2010. Our goal is to save members **\$7.5 million before the end of 2010!**

To track the amount of savings, staff members are asked to turn in a story about how much each member saved. Each story will then be entered into a monthly drawing, and the staff member(s) who entered the story and the member will each win a \$50 Visa® gift card!\* Plus, every member that participates by refinancing their loan in 2010 will automatically be put into a Grand Prize drawing for a chance to win their Fast Lane loan's interest for 2010 back (minimum of \$1,000 and maximum of \$3,000 prize).

Here are just a couple of the great savings stories that we have heard so far this year:

- A MFR at our Rapids Drive branch helped a member with a home equity consolidation loan, **saving them \$16,105.79 in interest and reducing the rate by over 24%!**
- A MFR at our Kenosha branch helped a member with a HELOC consolidation loan to pay off four high rates credit cards, ranging in rate from 16.24% to 24.9%. Her HELOC rate is now only 4.99%. This saved the member **over \$17,400 in interest!**
- Courtesy of Rose on the new Fast Lane Blog on our website: "I refinanced my home and consolidated my home equity along with it and now have one payment, fewer years until payoff and a lower payment! Can't beat that. With the dollars saved I can put it toward my taxes and am saving all around."

Do you want to save money with Fast Lane Financing? Just call us at one of the numbers on the last page, apply online at [www.ecu.com](http://www.ecu.com) or stop in any branch. And if you have a Fast Lane story to share on our blog, please do so!

\*Contest rules available at [www.ecu.com](http://www.ecu.com).



# 2009-10 Savings Challenge



Antholine Family



Boken Family



Kouhel Family



Leannais Family



Reid Family



Rico Family

In the summer of 2008, we introduced the Savings Challenge, a nine-month long program designed to help six families improve their financial situations by reducing debt and increasing savings, with a chance to win \$10,000 at the end of the challenge. Last year's challenge was very successful, and the families involved had great improvement in their financial situations. Plus, Educators won a 2009 Governor's Financial Literacy Award from Governor Doyle's Council on Financial Literacy (GDCFL) for the Savings Challenge.

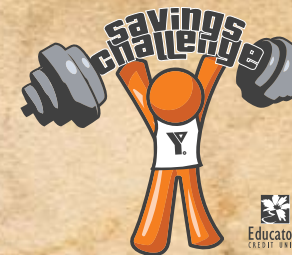
For this year's challenge, we received over 250 applications from families/individuals across Southeastern Wisconsin. The six families who were chosen to compete are the Antholine Family from Waukesha (Bob & Diana and daughters Kaylee & Ashlyn); the Kouhel Family from Waukesha (Traci and children Zakary & Adam); the Leannais Family from Racine (Jake & Amy); the Bokens Family from Milwaukee (Bruce & Michelle and children Austin, Celeste, Connor & DeMarco); the Reid Family from Milwaukee (Donte & Kiarra and son Jaden); and the Rico Family from Racine (Luis & Esmeralda and daughter Olivia).

The six families have been working hard to improve their situations, and have been sharing their tips and struggles through a new video blog on our website, updated each month. They continually meet with coaches from Educators who have been assisting them through the process. At the halfway point of the challenge, the six families had reduced their debt by \$48,306.31, increased their savings by \$15,580.55 and raised their credit scores by 251 points!

The challenge ends on May 31, 2010 and the winner will be announced in June.

In order to help even more members achieve their savings goals, we also offered the At Home version of the Savings Challenge. Any member could participate in this version by picking up a Passbook and fulfilling certain requirements during the challenge. We have 98 people participating in the At Home version this year! Those who fulfill all the requirements can turn in their Passbook by May 31, 2010 to be entered to win up to \$1,000.

To see the family videos, read the blog and get financial savings tips, go to [www.ecu.com](http://www.ecu.com).





## 2009 Reality check Days



Reality Check Day for Racine Unified in 2008 was so successful that Educators has now provided the program to many other schools in Southeastern Wisconsin, and it won two awards in 2009! In February 2009 Reality Check Day won the RAMAC Excellence in Education Program of the Year Award, and in May 2009 it won the Phi Delta Kappa Friend of Education Award.

Educators organized Reality Check at these schools:

April 2009—Racine Unified School District

June 2009—RAMAC R3 Summer Work Program

October 2009—Racine Unified School District

December 2009—Kenosha Bradford High School

March 2010—Kenosha Bradford High School

April 2010—Lake Geneva Badger High School

April 2010—Milwaukee South Division High School

And participated in it at these schools:

April 2009—Burlington High School

Fall 2009—Elkhorn Area High School

December 2009—Burlington High School

Reality Check Day is designed to show the importance of sound money management skills by giving students a chance to test their budgeting skills using actual prices for products and services. It also provides insight into career selection and how that will play a part in their financial future.

Teachers and students begin before the event by working on career mapping to help determine what the students would like to do after they finish their education. On the day of the event the students are given a folder with a mock checkbook, a paycheck that represents one month's gross salary, their career assignment, plus a randomly assigned marital status, credit score and a random number of dependent children. Students have to then obtain housing, transportation, child care and insurance, and pay for groceries, credit cards, taxes and utilities. They can also choose to pay for entertainment, retirement investments and charitable donations.

The students also have to stop at the fate table; this table has many different events portrayed on cards that the students pick at random, some giving them money and some taking it away. Another element that adds to the realism is a patrolling police officer and a nurse who randomly hand out unanticipated traffic citations and health issues. And finally, to help students who find out their monthly income doesn't cover their basic needs, there is also an SOS table where they can get a part-time job.

If you know of a school that would be interested in this event, please contact Educators Training Department at (262) 884-6613.



## Income Statement\*

Year Ending December 31, 2009

|   | 2008                 | 2009                 |
|---|----------------------|----------------------|
| <b>Income</b>                               |                      |                      |
| Interest—Personal and Other Loans           | \$ 22,737,250        | \$ 21,065,765        |
| Interest—Credit Card Loans                  | 3,257,133            | 3,411,821            |
| Interest—Real Estate Loans                  | 22,669,943           | 25,190,082           |
| Investments                                 | 3,407,669            | 1,373,946            |
| Fees and Commissions                        | 8,007,318            | 8,492,246            |
| Other Income                                | 5,534,057            | 4,335,224            |
| <b>Total Income</b>                         | <b>\$ 65,613,370</b> | <b>\$ 63,869,084</b> |
| <b>Expenses</b>                             |                      |                      |
| Payroll and Benefits                        | \$ 11,982,329        | \$ 12,605,234        |
| Insurance                                   | 178,635              | 217,472              |
| Education and Promotion                     | 1,713,678            | 1,844,049            |
| Cost of Occupied Space                      | 2,495,267            | 2,559,307            |
| Office Operations                           | 4,779,612            | 5,250,229            |
| Data Processing                             | 970,015              | 989,788              |
| Provision for Loan Losses                   | 4,661,048            | 5,299,365            |
| Other Expenses                              | 5,393,094            | 6,692,780            |
| <b>Total Expenses</b>                       | <b>\$ 32,173,678</b> | <b>\$ 35,458,224</b> |
| <b>Net Income</b>                           | <b>\$ 33,439,692</b> | <b>\$ 28,410,860</b> |
| <b>Distribution of Income</b>               |                      |                      |
| Dividends                                   | \$ 27,021,344        | \$ 20,685,330        |
| Interest Expense                            | 0                    | 275                  |
| Reserves before Regulatory Adjustment       | \$ 6,418,348         | \$ 7,725,255         |
| Regulatory Adjustment                       | -5,283,120           | +5,283,120           |
| <b>Reserves after Regulatory Adjustment</b> | <b>\$ 1,135,228</b>  | <b>\$ 13,008,375</b> |

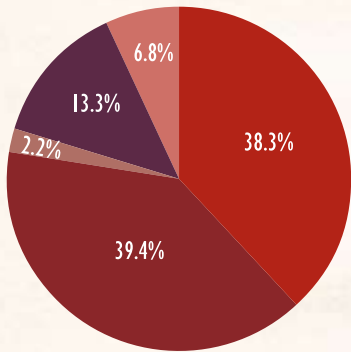
## Balance Sheet\*

Year Ending December 31, 2009

|  | 2008                    | 2009                    |
|--|-------------------------|-------------------------|
| <b>Assets</b>                          |                         |                         |
| Cash and Due from Deposit Institutions | \$ 16,139,871           | \$ 15,704,268           |
| Investments                            | 123,859,011             | 152,148,051             |
| Personal Loans (Net)                   | 388,423,580             | 438,354,363             |
| Real Estate Loans (Net)                | 441,787,821             | 520,237,798             |
| Furniture and Fixtures (Net)           | 5,414,697               | 5,470,753               |
| Land and Building (Net)                | 28,353,048              | 31,954,461              |
| Other Assets                           | 5,765,686               | 6,209,801               |
| <b>Total Assets</b>                    | <b>\$ 1,009,743,714</b> | <b>\$ 1,170,079,495</b> |
| <b>Liabilities and Net Worth</b>       |                         |                         |
| Notes Payable                          | \$ 0                    | \$ 0                    |
| Other Liabilities                      | 12,139,447              | 14,299,668              |
| Share Savings                          | 97,117,583              | 113,394,470             |
| Share Draft Checking                   | 85,605,930              | 101,086,074             |
| Share Certificates                     | 259,302,117             | 335,599,667             |
| Individual Retirement (IRA)            | 70,944,487              | 84,880,214              |
| Insured Money Market (IMMS)            | 381,570,908             | 404,682,098             |
| Regular Reserves                       | 15,709,452              | 15,709,452              |
| Other Reserves                         | 0                       | 0                       |
| Undivided Earnings                     | 87,353,790              | 100,427,852             |
| <b>Total Liabilities and Net Worth</b> | <b>\$ 1,009,743,714</b> | <b>\$ 1,170,079,495</b> |

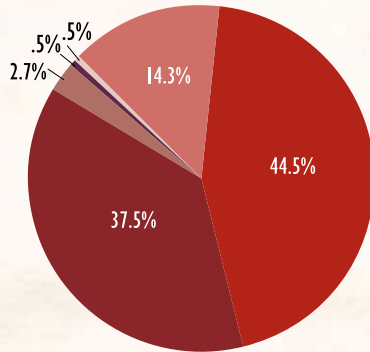
\*Unaudited numbers





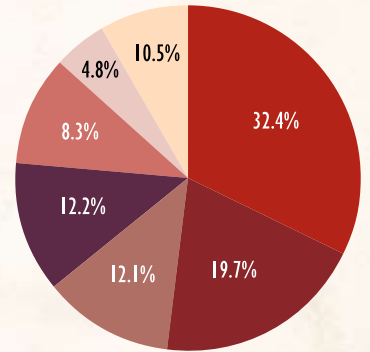
*Income (% of revenue)*

- Interest—Personal and Other Loans
- Interest—Real Estate Loans
- Fees and Commissions
- Other Income
- Investments



*Assets*

- Real Estate Loans
- Personal Loans
- Cash & Investments
- Land and Building
- Furniture and Fixtures
- Other Assets



*Expenses (% of revenue)*

- Dividends
- Payroll and Benefits
- Reserves
- Cost of Occupied Space and Office Operations
- Other Expenses
- Insurance, DP and Promotion
- Provision for Loan Losses

