

## MINUTES OF THE ANNUAL SHAREHOLDERS' MEETING SERVICE ONE CREDIT UNION MARCH 19, 2009

**CALL TO ORDER** The 46th Annual Shareholders' Meeting of Service One Credit Union was held at the Carroll Knically Center, WKU South Campus in Bowling Green, KY, on Thursday, March 19, 2009. Chair Richard Miller called the meeting to order at 7:02 PM and welcomed all credit union members. Chair Miller requested that Brenda Willoughby, Secretary/Treasurer determine if a quorum was present. Willoughby declared that a quorum was present.

**READING OF THE MINUTES** Chair Miller informed members that the Minutes of the 2008 Annual Shareholders' Meeting were included in the programs and asked for any additions or corrections. Hearing none, the minutes were approved as distributed.

**REPORT OF THE CHAIRMAN OF THE BOARD** Chair Miller introduced the members of the Board of Directors and Supervisory Committee and expressed his thanks for their dedication to Service One. He reported that he was proud to serve with the other dedicated Board members and that they have the skills and experience to serve.

Chair Miller stated that his report was lengthy but he would not read it and referred the members to the Annual Shareholders' report. Miller reported that total assets at the end of 2008, were over \$84.7 million and currently at \$89 million. Miller stated that the credit union is well-captized with a Net Worth/Assets ratio of 12.1%.

Richard Miller reported that the NCUA insurance coverage had increased from \$100,000 to \$250,000 per unique account.

Chair Miller stated that the credit union leadership is looking to the future with the addition to the Campbell Lane Branch. He noted that the community is eagerly watching the progress of the green expansion.

Miller asked for Treasurer Brenda Willoughby to give the Treasurer's Report.

**REPORT OF THE TREASURER** Treasurer Brenda Willoughby stated that complete financial reports for 2007 and 2008 could be found in the Annual Reports and that she would make her report as brief as possible. Willoughby reported that total assets at December 31, 2008, were \$84,762,845, an increase of \$3,178,577 (or 3.90%) from the prior year-end balance of \$81,584,268. Willoughby stated that net loans increased \$157,222 (or 0.26%) from the prior year balance of \$60,567,548, ending the year 2008 at \$60,724,770.

Treasurer Willoughby informed the membership that Service One Credit Union maintained good liquidity positions during the year. Total cash and investments at December 31, 2008, were \$17,818,461, an increase of \$2,844,025 over the balance of \$14,974,436 at the previous year-end.

Willoughby noted that member deposits increased \$2,880,235 (or 4.05%) during 2008, ending the year at \$73,935,538. Willoughby stated that 83.30% of these deposits were loaned out to members as of year-end 2008.

Willoughby reported that total members' equi-

ty at December 31, 2008 was \$10,294,409, which calculates to 12.15% of 2008 year-end total assets. Federal regulations state that any credit union with a net worth ratio of 7% or above is considered "Well Capitalized", which is the highest rating possible.

Treasurer Willoughby stated that net income for the year ended December 31, 2008, decreased 53.91% to \$509,756 from \$1,105,935 for the year-ended December 31, 2007. Even though net income decreased 53.91%, dividends paid decreased \$196,906, or only 11.15%, between the year ended 2008 and the year ended 2007.

Treasurer Willoughby asked if there were any questions. Hearing none, Willoughby moved to accept the 2008 year-end Annual Financial Report. The motion was seconded by John Wassom. Chair Miller asked for any questions or corrections. Hearing none, the motion carried.

**REPORT OF SUPERVISORY COMMITTEE** Chair Pamela Napier expressed greetings from the Supervisory Committee. Napier introduced committee members Harold Little and Pat Stewart.

Napier stated that she wanted to recognize the other supervisory members and staff for their hard work in 2008. Chair Napier reported that Edwards and Associates, CPA, Nashville, TN is scheduled to conduct their annual audit for year ending December 31, 2008 beginning March 30, 2009.

**REPORT OF THE PRESIDENT** President Valerie Brown welcomed members to the 46th annual meeting of the credit union and stated that it was her 30th annual meeting.

Brown informed the membership that it has been a challenging year with the near meltdown of the financial system. She informed the members that their credit union is healthy and strong but not unaffected by the situation.

President Brown read a letter from NCUA and stated that NCUA required a writedown of NCUSIF deposits. Service One's writedown is \$353,773 and the assessment is \$208,102 which comes off the top of 2009 earnings. Brown informed the membership that there was good news, she stated that Service One is well capitalized.

Brown stated that new initiatives and innovation have been the hall marks of Service One. The credit union was the first financial institution to build in the middle of a cornfield on Campbell Lane, the first financial institution to open on Saturday, the first to use cash recycling teller machines, the first to offer 14-day notice CDs, the first to not charge PMI on mortgages, and now the first to build a LEED certified "green" building.

President Brown reported that new initiatives must now include cost-savings including a hiring freeze, and no raises for 2009. Brown stated that the staff understands the seriousness of the situation and is working very hard to cover for each other during this hiring freeze.

Brown stated that she appreciated the staff very much. She introduced each department manager and asked their staff to stand.

Brown recognized the 2008 Serious-About-Service winners Bill Sims, Holly Finn, Angela Crabtree, and Debbie Chyle. These four individuals were selected by their peers during 2008 for outstanding service to their fellow em-

ployees and the membership. President Brown congratulated these employees for their recognition by other employees.

**NEW BUSINESS** There was no new business brought before the Chair.

**ELECTIONS** Nominating Committee Chair, John Wassom reported that the Nominating Committee had submitted and published the names of Carol Glaser, Brenda Willoughby and Leslie Weigel for three-year terms on the Board of Directors. No additional nominations were received. Chair Miller declared these nominees elected by acclamation.

**PRIZE DRAWINGS** A mini financial fair was held for members preceding the Shareholders' meeting for information on Mortgages, Virtual Branch/Virtual Bill Pay, Young Savers Accounts, Insurance and Investment Options, and the new plans from Campbell Lane. The winners of the drawings at the Shareholders' meeting are as follows:

### 2009 Winners

Carolyn Panchyshyn  
\$25 and Papa Johns Pizza  
Ann Parsons  
\$25 and Papa Johns Pizza  
Curtis Logsdon  
Picnic Cooler  
Gary Price  
\$25 gift card  
Justin Henderson  
NCAA Basketball and Checkbook Cover  
Dot Brummit  
Media Gift Bag and Checkbook Cover  
Chris Russell  
Lunch Bag and Umbrella  
Steve Crabtree  
\$25 Cash and Checkbook Cover  
Cherry Tarter  
\$25 Cash and Checkbook Cover  
Nathan Miller  
Fred Thrasher Print and Checkbook Cover  
Dennis Arthur  
Hot Rods Baseball Package  
Kate Conrad  
\$50 Cash  
Diane Carver  
\$50 Cash  
Stacy Grant  
\$50 Cash  
Eula Mae Hardcastle  
\$50 Cash  
Albert Skees  
\$100 Cash  
Marcheta Skinner  
\$100 Cash  
Marcy Sledge  
\$500 Cash

**ADJOURNMENT** Chair Miller adjourned the meeting at 7:44 PM.

### APPROVED:

Richard Miller, Chair

### RESPECTFULLY SUBMITTED:

Brenda Willoughby, Secretary/Treasurer

## ORDER OF BUSINESS THURSDAY, MARCH 18, 2010

### *Board of Directors*



(L to R, Front Row) Leslie Weigel, Secretary/Treasurer; John C. Wassom, Chair; Louella Fong, Director; (L to R, Back Row) Richard Miller, Director; Carol Glaser, Director; Brenda Willoughby, Vice-Chair; C. Richard Aldridge, Director.

1. Call to Order - John Wassom, Chair
2. Ascertainment of Quorum  
The bylaws state that 15 members constitute a quorum.
3. Reading and approval of minutes of the last meeting -  
Leslie Weigel, Secretary/Treasurer
4. Report of the Directors - John Wassom, Chair
5. Report of the Treasurer - Leslie Weigel, Secretary/  
Treasurer
6. Report of the Supervisory Committee -  
Pamela Napier, Chair
7. Report of the President - Valerie C. Brown
8. New Business - John Wassom, Chair
9. Report of the Nominating Committee -  
Brenda Willoughby, Vice Chair
10. Elections - John Wassom, Chair
11. Prize Drawings (one entry per member)
12. Adjournment - John Wassom, Chair

### *Report of the Nominating Committee*

The 2009 Nominating Committee respectfully recommends the following slate of candidates for election to Service One Credit Union's Board of Directors:

**C. Richard Aldridge** is running for a three-year term on the Board of Directors. He is the Department Head of Accounting at Western Kentucky University and has been a member of the credit union for 28 years. Dr. Aldridge has served on the board for 12 years including two years as Chair. He has served in all offices and previously served on the Supervisory Committee from 1984 to 1998.

**Richard Miller** is running for a three-year term on the Board of Directors. He is retired from the Department of Psychology at Western Kentucky University and has been a credit union member for 38 years. During his 21 years on the Board, Dr. Miller has served in all offices including four years (2-two year terms) as Chair.

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### *Vision Statement*

**Service One Credit Union endeavors to:**

- Provide members with solutions to life's financial challenges in order to achieve their financial goals.
- Improve our community.
- Ensure financial soundness.

### *Mission Statement*

**Great member experience is our #1 priority.**

The mission of Service One Credit Union is to provide the best contemporary financial services to meet the changing needs of a dynamic and diverse membership.

SERVICE  
ONE  
CREDIT  
UNION