

# 2013 ANNUAL REPORT



3/31/2014

51st Annual Meeting



# 2013 Annual Report

TopMark Federal Credit Union

## History:

TopMark Federal Credit Union is a not-for-profit financial cooperative that provides a full line of affordable financial services to our member-owners. These include people who live, work, or worship in the communities we serve and or their families. TopMark chartered in 1963, now serves almost 6500 members.

TopMark's members are owners of our organization; the benefits they receive are a result of their ownership in the Credit Union.

TopMark's philosophy begins and ends with understanding and meeting member needs. Member-owners are at the forefront of all decisions made. As a result, TopMark offers a full array of financial services, including low-rate consumer loans, savings products, free checking, online services, and numerous branches due to our participation in shared branching.

For 51 years, we have remained dedicated to serving Allen and Auglaize counties.

**“Delivering personalized banking solutions while building valued relationships. “**



# Annual Meeting March 31, 2014

## Agenda

### Welcome

Richard Hensley, Chairman

Invocation

Minutes of 2013 Annual Meeting

Supervisory Report

CEO Report

Chairman Report

Financial Report

Chairman Report

Election of Officials

Old Business

New Business

Door Prizes

Adjournment

### Ballot 2014

Board of Directors

3-Year Term

Vote for 3

\_\_\_\_\_ Richard Hensley

\_\_\_\_\_ Janet Schnell

\_\_\_\_\_ Jill Briem

## Supervisory Report

The Supervisory Committee is comprised of volunteers appointed by the Board of Directors. The role of the Supervisory Committee is to assist the Board of Directors in fulfilling its oversight responsibility.

The Supervisory Committee ensures that an independent audit is performed annually in accordance with generally accepted auditing standards.

With positive results from the National Credit Union Administration and an outstanding audit from our independent accountant, TopMark is committed to ethical business practices, honesty and financial integrity that is evident at every level.

Thank you to everyone that took part in TopMark's success. To the volunteer members of the Supervisory Committee, Board of Directors, and to the staff and loyal members for another great year!

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## Minutes from the Annual Membership Meeting March 25, 2013

President, Richard Hensley, called the 50th Annual Meeting to order at Apollo Career on March 25, 2013 at 7 P.M. Board Members present were, Richard Hensley, Peggy Bevilockway, Jill Briem, LaDoyt Martz, and Liz Schnell. There was a moment of silence for members who have passed away during the year, and for our Armed Forces. The Chairman introduced the Board members and thanked them for their service the past year. He also introduced and thanked the staff. All members present were given a copy of the minutes of the 2012 Annual Meeting and a copy of the Annual Report for 2012. President Hensley gave an overview of 2012.

## Approval of 2012 Annual Meeting Minutes:

President Hensley entertained a motion to dispense with the oral reading of the minutes and to approve the minutes as printed in the Annual Meeting program. The motion was made by Steve Brown, seconded by James Cooper. Motion carried.

## Treasurer's Report:

President Hensley entertained a motion to dispense with the oral reading of the Treasurer's Report and to approve the minutes as printed. Motion made by Phil Meeks, seconded by Denise Brown. Motion carried.

## 2012 Supervisory Report and Chairman's Report:

President Hensley discussed safety and soundness. Angie Maynard discussed NCUA assessment.

## Report of Nominations:

Board members for re-election are LaDoyt Martz and Alvin Willis. After three calls from President Hensley for nominations from the floor, Jim Goetz and Michael Ayers moved that the nominations be closed.

## Old Business:

There was no old business.

## New Business:

Richard Hensley calls for any new business. There was no new business.

## Drawing for Door Prizes:

The meeting ended with door prize drawings. There was no additional business to conduct; a motion to adjourn the meeting was made by Elizabeth Americo and seconded by Michelle Boughan. The meeting adjourned at 7:25 P.M.

*Richard Hensley*

Richard Hensley  
President

*Jill Briem*

Jill Briem  
Secretary



# 2013 Annual Report

TopMark Federal Credit Union

## CEO Report:

We are everywhere you need to be. With nearly 35,000 surcharge-free ATM locations nationwide, convenience is KEY and we've got you covered in your busy life. In addition, you're welcome at more than 5,000 credit union branches because TopMark is part of the CO-OP Shared Branch Network. That adds up to convenience comparable to the country's largest banks. In addition to our website, shared branching locator tools include Smartphone apps, text, and a toll-free number. And again, all this convenience comes with no fees! It's one more way credit union membership helps keep more money in your pocket!

In July 2013, the National Credit Union Administration approved the merger between TopMark FCU and Lima OH Postal EFCU. The merger received regulatory, Board and Lima Postal membership approval. The Board of Directors from both organizations mutually agreed to pursue this opportunity between two well capitalized organizations, creating one credit union with a strong balance sheet that will be well positioned to grow and increase member value over the long term.

The future looks very bright due to this merger. Together we're truly better. We will proudly continue our long history of quality service, by providing our membership with a broad range of essential financial products and services.

As we continue to put people first and focus on building trust-based relationships with each of our members, we will remain true to our mission and we will continue to deepen our commitment to you and the community. It has been an exciting year and we look forward to delivering even more value to you.

## Chairman's Report:

2013 was another successful year for TopMark Federal Credit Union. Last year, TopMark succeeded in staying up-to-date with technology, keeping the financial needs of our members a top priority. Our success is the result of a consistent and relentless focus on quality member service and choice product offerings, as well as services and advice to help our members achieve their financial goals. With a low rate environment, our loan rates this past year were the lowest ever offered.

TopMark has stayed member focused for 50 years and will continue to stand by our driving principle of enhancing our members' financial lives. This strategy has led us to consistently make the best possible choices for you, our member-owners and for the Credit Union you own.

We aim to continue to provide our members with financial services you expect from us. Our website received a much needed update this year when a more polished and modern website was unveiled in December 2013.

Throughout our 51 years of existence, the organization has been supported by a dedicated staff and leadership team. The continued success of the credit union is largely due to the loyalty of our members. Speaking for the board of directors, we are pleased that we have very loyal members who continue to support the organization and recommend TopMark to their friends, relatives and neighbors.

Additionally, I want to thank our employees for continuing to provide our members with quality services. Last, I thank our volunteers serving on the board and supervisory committee supporting the credit union for the time and effort they are so willing to share.

# 2013 Annual Report

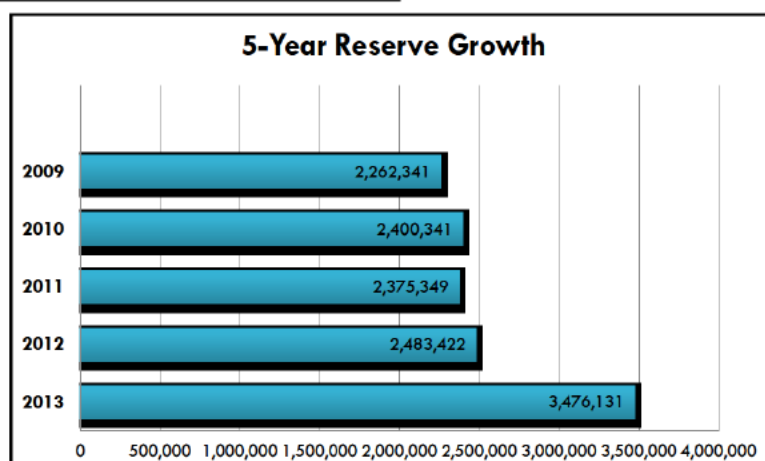
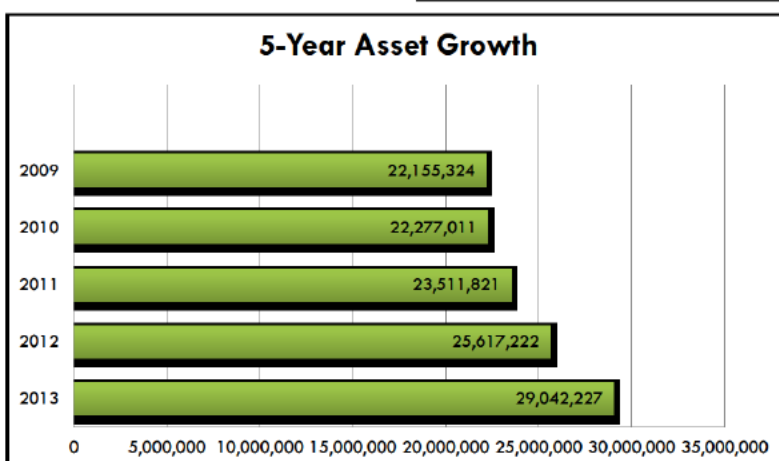
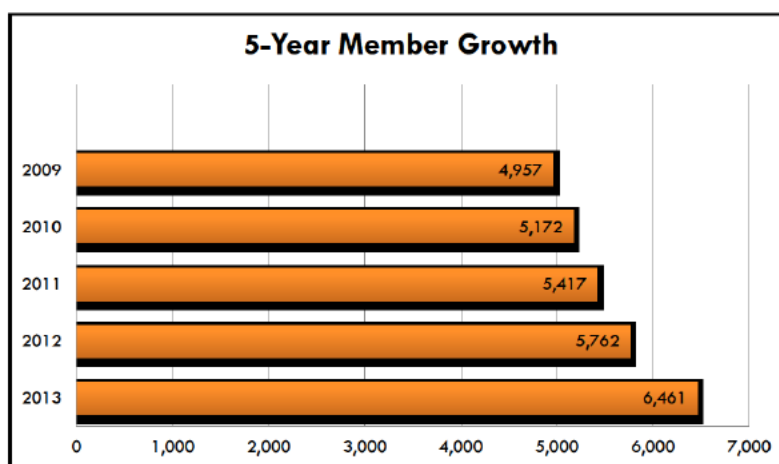
TopMark Federal Credit Union

## Financial Report:

2013 was another exceptional year financially for TopMark Federal Credit Union. TopMark originated over 11 million in 1st mortgages for members and provided over 500 members with vehicle or RV loans. In 2013 we granted almost 1200 loans to members. These loans totaled over 19 million and were made at the lowest interest rates in history.

Due to the merger with Lima Oh Postal EFCU, our capital increased from 9.69% to 11.96% and we ended the year with total equity of \$ 3,476,131. This classifies TopMark as a well capitalized credit union and in a sound position to protect member's assets and continue to deliver superior services.

In these challenging times, you should feel secure in knowing that your credit union will continue to be managed in the most prudent and sensible manner, always keeping the members' best interests in mind. It is our intention to provide the membership with the best financial products and services possible while using sound management decisions in order to continue to earn your trust and patronage. We look forward to serving you in 2014 and beyond.



# 2013 Annual Report

TopMark Federal Credit Union

## Statements of Financial Condition

December 31	2012	2013
<b>ASSETS</b>		
Cash and cash equivalents	\$577,178	\$417,840
Investments	6,418,460	9,062,108
Loans, net	18,287,830	19,214,665
Less Allowance for Loan Loss	162,092	146,111
Property and equipment, net of accumulated depreciation	333,369	317,202
Other assets	162,477	176,523
<b>TOTAL ASSETS</b>	<b>\$25,617,222</b>	<b>\$29,042,227</b>

<b>LIABILITIES &amp; MEMBERS' EQUITY</b>		
<b>Liabilities</b>		
Members' shares	\$23,121,170	\$25,555,848
Accrued expenses & other liabilities	12,630	10,248
<b>Total liabilities</b>	<b>23,133,800</b>	<b>25,566,096</b>
Commitments & contingent liabilities		
Members' equity		
Retained earnings	2,224,494	373,928
Undivided earnings	258,928	3,102,203
<b>Total members' equity</b>	<b>2,483,422</b>	<b>3,476,131</b>
<b>TOTAL LIABILITIES &amp; MEMBERS EQUITY</b>	<b>\$25,617,222</b>	<b>\$29,042,227</b>

## Statements of Income

Years Ended December 31	2012	2013
<b>INTEREST INCOME</b>		
Loans	\$1,166,773	\$1,260,385
Investments and cash equivalents	58,934	86,054
<b>Totals interest income</b>	<b>\$1,225,707</b>	<b>\$1,346,439</b>

<b>INTEREST EXPENSE</b>		
Dividends on members' shares	142,728	182,837
Interest on borrowed funds	79	106
<b>Total interest expense</b>	<b>142,807</b>	<b>182,943</b>
<b>Net interest income</b>	<b>1,082,900</b>	<b>1,163,496</b>
<b>Provision for loan losses</b>	<b>155,895</b>	<b>120,092</b>
<b>Net interest income after provision for loan losses</b>	<b>927,005</b>	<b>1,043,404</b>

<b>NON-INTEREST INCOME</b>		
Fee income	130,332	136,731
Other operating income	321,162	336,458
<b>Total non-interest income</b>	<b>451,494</b>	<b>473,189</b>
<b>Income before operating expenses</b>	<b>1,378,499</b>	<b>1,516,593</b>

<b>OPERATING EXPENSES</b>		
Employee compensation and benefits	518,403	627,198
Travel and conference	9,848	9,881
Office occupancy	48,148	48,416
Office Operations	259,407	299,481
Education and promotional	44,271	56,839
Loan servicing	168,233	151,513
Professional and outside services	150,061	186,916
Insurance premium and assessment	41,870	29,245
Miscellaneous operating	30,186	43,306
<b>Total operating expenses</b>	<b>1,270,427</b>	<b>1,452,795</b>
<b>NET INCOME</b>	<b>\$108,072</b>	<b>\$63,798</b>