

2014 in Review

I am excited to report successful results were again realized during 2014 by Beacon Credit Union. As an owner of Beacon Credit Union, you are benefiting from the rich tradition of partnering with members to provide yourself, your family, and your community with fair and competitive financial products and services. I am extremely proud of the efforts of our staff and your Board of Directors.

Safety, soundness and consistency are significantly important when assessing financial institutions, and once again Beacon Credit Union demonstrated that it excels in all of those aspects. The successful operational results realized in 2014 prove that member-owners are taking advantage of the benefits made available through their Credit Union.

Your financial cooperative remained true to its mission by focusing on the needs of its member-owners, and as our mission instructs; remaining responsive to the financial needs of our membership by providing fair and competitive financial products and services. We have been successful year- after- year by recognizing our existence is dependent on our ability to provide quality products and services on a safe and consistent basis, while serving and adding value to our member-owners. Your Credit Union relies on all of its member-owners, using all of our products and services to be successful. Our ability to return above market deposit rates, maintain our excellent service standards, and keep fees below the industry standards can only be achieved if our member-owners use Beacon Credit Union for all of their financial products and services.

During 2014, members realized the benefits of owning their local financial cooperative. Depositors received \$8.3 million in dividends, outstanding loan balances grew by \$29.5 million, and \$760,000 was returned to member-borrowers in the form of a 4% loan interest rebate. Operating expenses continued to be maintained at levels well below industry standards, as non-interest expense required less than 2.2% of average assets. Beacon Credit Union raised its reserves and undivided earnings to over \$157.1 million.

A monumental change occurred at Beacon Credit Union during 2014 regarding our Branch Staffing Model and our Consumer Loan Department. We incorporated additional Member Service Specialists at our Branch Offices to provide specialized individual service to our members. We provided our staff with Emotional Intelligence Training, so they could communicate with members on a higher level and better understand our member's needs. We implemented a Consumer Loan Centralized Underwriting Processing Center that incorporated new and improved technology, along with more efficient loan processing, giving our members the convenient ability to apply for a Consumer Loan at Beacon Credit Union 24 hours a day 365 days a year!

For the past 84 years Beacon Credit Union has kept its sights on its purpose and has represented the needs of its member-owners. As our name indicates, Beacon Credit Union has and will continue to provide security, consistency, and proper direction during the financial challenges that our individual members face throughout their lifetimes.



Kevin Willour- President/CEO



April 2015

The Compass

RATE WATCH



SAVINGS RATES..... APY

6 Month Certificate (\$2,500 min.)	.....	0.30%
1 Year Certificate (\$2,500 min.)	.....	0.40%
18 Month Certificate (\$2,500 min.)	.....	0.60%
2 Year Certificate (\$2,500 min.)	.....	0.80%
3 Year Certificate (\$2,500 min.)	.....	1.20%
4 Year Certificate (\$2,500 min.)	.....	1.61%
5 Year Certificate (\$2,500 min.)	.....	1.81%
IRA Account (18 Month Cert.)	.....	0.60%
IRA Account (36 Month Cert.)	.....	1.20%
IRA Account (60 Month Cert.)	.....	1.81%
30 Month Certificate Special	.....	2.01%

LOAN RATES..... APR

Primary Res. 15 yr. fixed (20% down)	.....	4.000%
Primary Resident 10 yr. fixed (20% down)	.....	3.900%
Primary Resident 3 yr. ARM (30 yr. amort./20% down)	.....	3.500%
Farm Operation (1 year max.)	.....	3.500%
Farm Real Estate 15 yr. fixed (35% down)	.....	4.250%

For a complete rates listing, visit www.beaconcu.org.

APY is Annual Percentage Yield
APR is Annual Percentage Rate
ARM is Adjustable Rate Mortgage
Rates effective April 17th, 2015
Rates Subject to Change



Which Financial Documents Should You Keep on File?

...and for how long?

Presented by Michael D. Farner & Tiffany J. Hauptert

You might be surprised how many people have financial documents scattered all over the house – on the kitchen table, underneath old newspapers, in the hall closet, in the basement. If this describes your financial “filing system,” you may have a tough time keeping tabs on your financial life. Organization will help you, your advisors ... and even your heirs.

If you’ve got a meeting scheduled with an accountant, financial consultant, mortgage lender or insurance agent, spare yourself a last-minute scavenger hunt. Take an hour or two to put things in good order. If nothing else, do it for your heirs. When you pass, they will be contending with emotions and won’t want to search through your house for this or that piece of paper. One large file cabinet may suffice. You might prefer a few storage boxes, or stackable units sold at your local big-box retailer. Whatever you choose, here is what should go inside:

- **Investment statements.** Organize them by type: IRA statements, 401(k) statements, mutual fund statements. The annual statements are the ones that really matter; you may decide to forego filing the quarterlies or monthlies. When it comes to your IRA or 401(k), is it wise to retain your Form 8606s (which report nondeductible contributions to traditional IRAs), your Form 5498s (the “Fair Market Value Information” statements that your IRA custodian sends you each May), and your Form 1099-Rs (which report IRA income distributions).¹ In addition, you will want to retain any record of your original investment in a fund or a stock. (This will help you determine capital gains or losses. Your annual statement will show you the dividend or capital gains distribution.)
- **Bank statements.** If you have any fear of being audited, keep the last three years’ worth of them on file. You may question whether the paper trail has to be that long, but under certain circumstances (lawsuit, divorce, past debts) it may be wise to keep more than three years of statements on file.
- **Credit card statements.** These are less necessary to have around than many people think, but you might want to keep any statements detailing tax-related purchases for up to seven years.
- **Mortgage documents, mortgage statements and HELOC statements.** As a rule, keep mortgage statements for the ownership period of the property plus seven years. As for your mortgage documents, you may wish to keep them for the ownership period of the property plus ten years (though your county recorder’s office likely has copies).
- Your annual Social Security benefits statement. Keep the most recent one, as it shows your earnings record for a particular year on hand to help Social Security correct it.²
- **Federal and state tax returns.** The IRS wants you to hang onto your returns until the period of limitations runs out – that is, the time frame in which you can claim a credit or refund. Keep three years of federal (and state) tax records on hand, and up to seven years to be really safe. Tax records pertaining to real property or “real assets” should be kept for as long as you own the asset (and for at least seven years after you sell, exchange or liquidate it).³
- **Payroll statements.** What if you own a business or are self-employed? Retain your payroll statements for seven years or longer, just in case the IRS comes knocking.
- **Employee benefits statements.** Does your company issue these to you annually or quarterly? Keep at least the most recent year-end statement on file.
- **Insurances.** Life, disability, health, auto, home ... you want the policies on file, and you want policy information on hand for the life of the policy plus three years.
- **Medical records and health insurance.** The consensus says you should keep these documents around for five years after the surgery or the end of treatment. If you think you can claim medical expenses on your federal return, keep them for seven years.
- **Warranties.** You only need them until they expire. When they expire, toss them.
- **Utility bills.** Do you need to keep these around for more than a month? No, you really don’t. Check last month’s statement against this month’s, then get rid of last month’s bill.



Michael D. Farner



Tiffany J. Hauptert

If this seems like too much paper to file, buy a sheet-fed scanner. If you want to get really sophisticated, you can buy one of these and use it to put financial records on your computer. You might want to have the hard copies on file just in case your hard drive and/or your flash drive go awry.

Mike and Tiffany may be reached at 800-762-3136 ext. 6415 or www.beaconcu.org.

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Citations:
1 - foxbusiness.com/personal-finance/2014/10/02/how-long-should-keep-my-tax-records/ [10/2/14]
2 - ssa.gov/pubs/EN-05-10081.pdf [9/13]
3 - irs.gov/Businesses/Small-Businesses-&Self-Employed/How-long-should-I-keep-records [1/27/15]

Who will **YOU** shine a light on?



In 2015, Beacon is excited to be celebrating **FIVE** years of supporting worthwhile local charitable projects and community-service based organizations through Project Spotlight, our community support program and annual giving campaign. In honor of our fifth year of the program, we are changing up the rules this year and awarding cash prizes to the **TOP 5** organizations in each of our 11 communities receiving the highest number of votes. That means we'll be awarding a total of 55 local charities and community projects and giving out a total of \$25,000 this fall!

Curious how can you get involved? As you are out and about enjoying the sunshine and spring weather, we are asking each of our members to think about the people, charities and non-for-profit organizations that work hard to make your communities better places to live. Once you've thought about it, take action! Visit our website, Facebook page or any branch location during May or June to submit a project that you think deserves Beacon's support. Our goal is to be able to support community projects both large and small, and bring awareness to the many good things happening in our communities every day.

As in the previous years, after we've collected your submissions, the voting will begin. The nominated organizations from each community we serve will be placed on our website for community voting during August and September. The project with the most votes will receive \$1,000, while the second and third place projects will receive \$500 each, and the fourth and fifth place winners will receive \$250 each.

So spread the word! You don't have to be a Beacon member to submit a worthy project, so tell your friends, family, co-workers, and neighbors; and together we can make a difference! Learn more at www.beaconcu.org/project-spotlight!

BCU Scholarship Winners 2015

Each year Beacon Credit Union awards eight (8) \$500 scholarships to financially assist students pursuing higher education. To be eligible, all applicants must be entering their freshman or sophomore year of college and be a member or have a parent or guardian who is a member of Beacon Credit Union. Congratulations to the 2015 winners! We wish you all the best of luck in furthering your education. The following eight students were awarded scholarships:

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- **April Wheeldon**
Pioneer Jr./Sr. High School
- **Brittany Gehlhausen**
Lewis Cass Jr./Sr. High School
- **Dakota Fred**
Indiana University of Kokomo
- **Emily Eckelbarger**
Indiana University
- **Grace Whitham**
Southwood High School
- **Leigh-Ann Gaylourd**
Ball State University
- **Jeremy Nevel**
Northfield Jr./Sr. High School
- **Savannah Wagoner**
Ivy Tech Community College

Home-repair and Remodeling Blunders: Avoid These Mistakes

Life Expectancy of Home Components

Appliances		Life expectancy in years
	Range	13 to 15
	Dryer	13
	Refrigerator	13
	Washer	10
	Water heater	10 to 11
	Other appliances	6 to 12
Flooring		
	Carpet	8 to 10
	Laminate	15 to 25
	Linoleum	25 (depending on traffic)
	Solid wood & ceramic tile (others not listed)	50+
Heating, ventilating, air conditioning (AC)		
	AC-central	10 to 15
	AC-room	10
	Boiler	13 to 21
	Furnace (gas)	15 to 20
	Furnace (oil)	10 or less
	Heat pump	16
Roofing		
	Fiber cement shingle	20
	Asphalt shingle	25
	Wood shingle	30 (depends greatly on conditions)
Windows & doors		
	Window glass	10+
	Aluminum or aluminum-clad window	15 to 30
	Wood window	30+
	Screen door	20 (pine), 40 (cedar), 60 (mahogany)
	Vinyl exterior	20
	French doors (interior)	30 to 50
Other		
	Paint (interior & exterior)	15
	Asphalt driveway	15 to 20
	Faucets, plumbing fixtures	10 to 20
	Deck	10 to 30 (less in wet areas and the South)

You can get taken for a ride when you try to get your house fixed. The good news, is that you can screen out many problems by heeding some common-sense precautions.

- Don't blindly take the lowest bid. Low bidders may be offering a great deal. Or, they might be inexperienced, or worse - prone to taking shortcuts.
- Maintenance matters. "When it got cold last fall, we tried to turn the furnace on, says a homeowner from Michigan. "It wouldn't start, so we called for service and were told that the blower motor was bad. The furnace filters hadn't been changed in quite a while. That wrecked the blower motor. And it overheated the furnace, causing the cracks."
- Relatives are not always trustworthy. A California homeowner says, "We wanted to save money on our home remodel so we hired a handy family member who needed a job. We ended up paying at least as much as a licensed contractor would have charged, but nothing is finished."
- Experts can screw up, too. In Wisconsin, one consumer survived a brush with death last fall, after he started a new furnace that a heating company had installed. His wife's complaints about headaches and fatigue didn't register until he saw a doctor discuss carbon monoxide poisoning on TV. When he called the gas company, their carbon monoxide meter went off the scale. It turned out that a seal was missing from the new furnace, so it was filling the basement with fumes.
- Ask questions first. Be sure to ask the pertinent questions before you sign the contract.
- Look ahead. Planning may be a hassle, but it's cheaper than lumbering blindly onward.

To finance your home fixups, talk to a lender at Beacon Credit Union about our home equity loan options today!

Small Business 101: Turning your passion into a career

“What would it be like to be my own boss? To start my own business? To choose my own hours?” Almost everyone has thought about it a time or two while strapped to their office chair or chained to an assembly line. For most of us the dream never materializes, but there are those with the right amount of focus and ambition who have been able to jump in head first and take this on every day. The keys to any new venture are, of course: knowing what you are facing, learning from those who have come before you and the three ‘R’s...research, research, and more research!

The first step in turning your dream into a reality? Create a 10,000 ft. plan of your new business. What are the services you plan to provide? What are others doing in this area? And perhaps even more importantly; are they succeeding? The worst thing you could do is dump money and time into a dream that belongs to you alone. We all want to do what we like – but you need money to live, and your business is going to have to make you that money. Once you have a marketable idea, you can follow some general guidelines for getting started.

1. **Writing the business plan:** A business plan is your map for the life of your business. It’s a way to focus your mission, and visualize the growth of your business from the start.
2. **Location:** Are you going to be working from a home office, or will you need a dedicated building?
3. **Financing:** Where is your capital coming from? Depending on your type of business it may be possible to receive government funding. It’s also a good idea to be on the lookout for possible investors who might share in your vision.
4. **Legal:** What type of business structure are you going to use? The most common type is a Sole Proprietorship. Others are Limited Liability Corporations, or Not-For-Profits. Other legal areas to cover would be choosing and registering a business name, receiving a tax ID number to register for state and local taxes, acquiring proper licensing, and knowing your responsibilities as an employer if you choose to hire. If the legal details feel overwhelming; consider consulting a lawyer who could help you take care of much of this process.

After you’ve addressed these four steps, the only thing left to do is to put in the hard work and do everything you can to sell yourself: use your resources, utilize your personal connections, and build references.

With the right amount of drive, and a smart business model that capitalizes on your unique competitive advantages, you can absolutely open and operate your own successful small business. But owning a small business isn’t for everyone, so before you go quitting your job and telling your spouse that you’re an entrepreneur now, (that shocked look of panicked encouragement is pretty priceless though, amiright?) think it through. Put it on paper and have something in front of you that’s tangible so you can do some real thinking about whether or not it’s possible. Dream big, work hard, and do your best to always know where you stand.

For more awesome financial tips, fun blogs, budgeting tools, and more, check out our new website just for YOU - my.beaconcu.org!



How to Contact Beacon Credit Union

Auburn (both locations)

(260) 925-0800

Garrett

(260) 357-0400

Grissom Aeroplex

(765) 689-9181

Huntington

(260) 359-9680

Logansport (216 Mall Road)

(574) 722-2161

Logansport (1405 W. Market)

(574) 722-6395

Marion

(765) 664-9537

New Haven

(260) 493-0725

North Manchester

(260) 982-7551

Peru (N. Broadway)

(765) 472-3472

Peru (W. Main)

(765) 472-1214

Peru (Old Key)

(765) 472-1022

Plymouth

(574) 936-2150

Rochester (504 Main Street)

(574) 223-1504

Rochester (430 Rouch Pl. Dr.)

(574) 223-4871

Wabash (all branches)

(260) 563-7443

Warsaw

(574) 268-1276

Department Extensions

Collectionsext. 2044

Beacon Inv. Services.....ext. 6415

Beacon Trust Services.....ext. 2013

Contact Center "0" or "3"

Email: beaoncu@beaoncu.org

Do not include confidential information such as account numbers in email correspondence.

Send all mail inquiries to:

Beacon Credit Union

PO Box 627

Wabash, IN 46992



Each account insured up to \$250,000 by American Share Insurance. By members' choice, this institution is not federally insured. Equal Opportunity Lender.

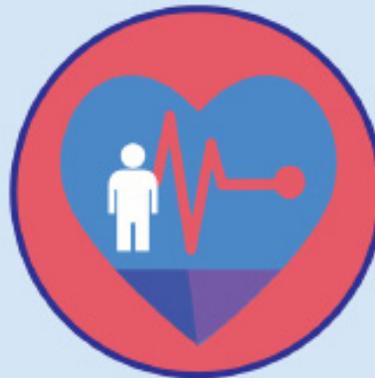
Will you *spend less* in RETIREMENT?

You've heard it before—when you stop working you'll spend less money. *Not so fast.* The conventional wisdom that you'll need only 70% or 80% of your income in retirement isn't true for a good portion of today's active retirees. Many spend the same amount or even more.

OVERALL SPENDING CHANGE IN RETIREMENT



Today's retirees **age 65 to 74** spend a bundle on health care and housing, but as you **pass age 74** those expenses increase even more.



Age 65 to 74

75+

Source: Bureau of Labor Statistics:
Consumer Expenditure Survey, 2012

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