



AMERICA'S
CREDIT UNIONS™

**CINCINNATI EMPLOYEES
CREDIT UNION**

**OWNER'S ANNUAL REPORT
FOR THE YEAR 2018**

Welcome to the Meeting

Market Street Grille

Harrison OH 45030

April 24, 2019

Agenda:

Welcome/Call to Order

Christian Conrad/President of the Board

Establish a Quorum

Review and Approval of 2017 Minutes

Douglas Distler/Secretary of the Board

Board Elections Report

Christan Conrad/Dustin Bauer

State of the Credit Union Reports

Christian Conrad/President of the Board

Raymond Burke/Treasurer of the Board

Scholarship Drawing

Call for Adjournment

Your Board of Directors

President	Christian Conrad	Board Member	Linda Litzler
Vice President	Bill Lane	Board Member	Dustin Bauer
Treasurer	Raymond Burke	Board Member	Tom Brackett
Secretary	Douglas Distler		

Credit Committee

Mike Burns
Jim Chessey
Chuck Heck
Klint Kuetemeyer
Larry Lutz
Jim Maune
Rita Werner

Audit Committee

Juanita Fleek
Clara Zinser

Office Staff

Christan Eldridge
Della Lutz
Sherry Lochard
Angie Davis
Kyri Mertcalf

Treasurer's Report:

Your Credit Union has made a profit for 40 years in a row. The Asset-Liability Committee and the Board of Directors worked diligently during 2018 to form a monthly plan of action that offered the very best dividend and certificate rates to all of you without causing a landslide of deposited funds. An excess of new funds is only a positive if we can actually lend those funds out to our fellow credit union members, otherwise, this excess will actually cause the dividend rates to drop.

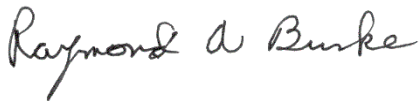
Christan and the entire staff have been working very extensively to assure that our members are in a good financial position to successfully apply for and repay their loans. They do this by offering budgeting tools, suggesting a newer used vehicle as an alternative to a new car loan, and helping with questions about cleaning up bad credit.

Last year we raised certificate by 40 to 50%. We also gave out 10 scholarships totaling \$6,500 and declared a 4% loan interest rebate.

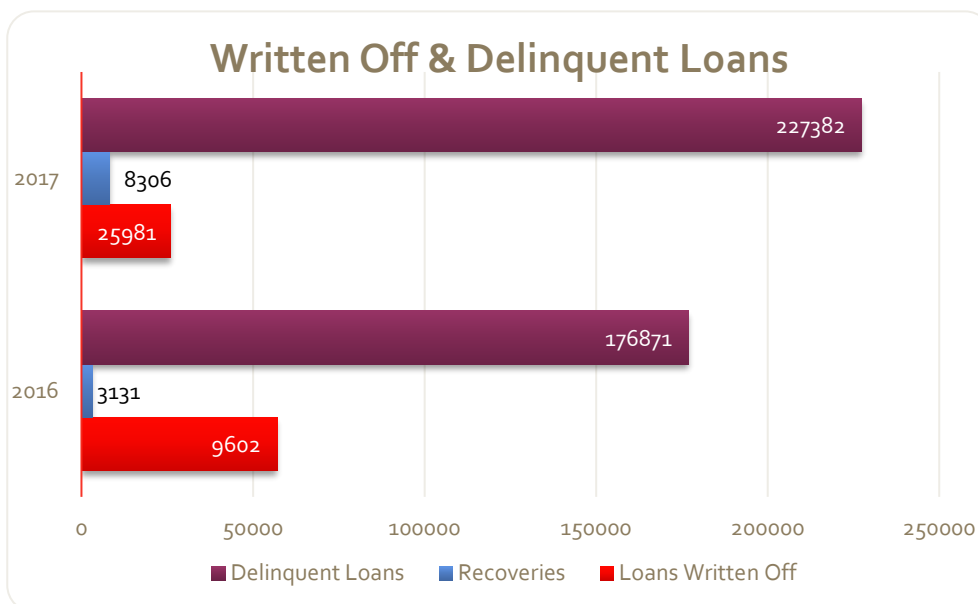
During 2018 our equity increased by \$82,134. Our equity ratio increased from 11.81% to 12.34%, which exceeds our goal of 10.5%. During the year, we wrote off loans totaling \$22,720. We recovered \$1,312 on loans previously written off. We anticipate writing off less than \$50,000 in loans in 2019 due to bankruptcies and repossessions. Our loan to asset ratio increased from 50.42% to 52.71%. We had another increase in our loans of \$361,000. Our delinquent loans decreased from \$227,382 at the end of 2017 to \$118,894 at the end of 2018. The delinquent loan ratio decreased from 1.63% to .83%.

Goals for this year are:

1. Continue to explore ways to increase our loans.
2. Maximizing efforts toward keeping our delinquent loan ratio below 1%.
3. Continuing the tradition of funding the loan rebate and scholarship programs.



Treasurer of the Board



Consolidated Financial Statements

Assets	2017	2016
Secured Loans to Members	\$ 7,195,307	\$ 6,804,885
Unsecured Loans to Members	780,601	792,905
Home Equity Loans to Members	5,939,084	5,780,293
Cash & Cash Equivalents	906,304	642,524
Investments/Banks	11,894,000	11,744,000
Investments/Corporate One Credit Union	540,170	1,186,170
Net Furniture & Equipment	22,845	11,699
Other Assets	321,325	315,168
Total Assets	<u>\$27,599,636</u>	<u>\$27,277,644</u>

Liabilities & Members' Equity

Members' Shares & Savings	\$18,057,519	\$17,472,100
Members' IRA Accounts	6,144,157	6,506,654
Accounts Payable	138,032	131,755
Retained Earnings & Reserves	3,259,928	3,167,135
Total Liabilities & Equity	<u>\$ 27,599,636</u>	<u>\$27,277,644</u>

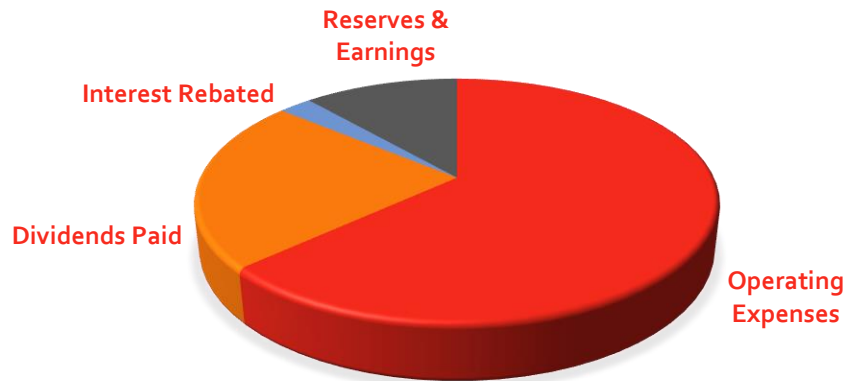
Income

Interest on Loans to Members	\$585,840	\$581,134
Investment Income	223,593	214,175
Subtotal Investment Income	<u>809,433</u>	<u>795,309</u>
Dividends to Members	-185,032	-178,117
Loan Interest Rebate paid	-20,000	- 19937
Net Interest Income	<u>\$604,401</u>	<u>\$597,255</u>

Expenses

Salaries & Benefits	\$ 281,989	\$264,401
Office Operations	115,932	118,618
Office Occupancy	31,088	28,604
Provision for Loan Losses	6,000	15,000
Other Operating Expenses	76,599	61,043
Total Expenses	<u>\$511,588</u>	<u>\$457,666</u>
Net Income	<u>\$ 92,793</u>	<u>\$139,589</u>

DISTRIBUTION OF NET INCOME



Distribution of Net income

Operating Expenses	\$ 511,608	63.21%
Interest Rebated to members	20,000	2.47%
Dividends Paid	185,032	22.86%
Reserves/Undivided earnings	<u>92,793</u>	<u>11.46%</u>
Total	<u>\$ 809,433</u>	<u>100%</u>

	2017	2016
Capital Adequacy:		
Earnings/Assets: <i>Indicates the reserve position relative to assets. It is also used as a measure of the ability to withstand a loss.</i>	11.81%	11.61%
Reserves/Loans: <i>Indicates the reserve position relative to loans. This also allows us to measure the ability to withstand a loss.</i>	10.05%	10.46%
Asset Quality:		
Delinquent loans/loans: <i>This is used to determine the quality of the loan portfolio</i>	1.63%	1.32%
Loans/Assets: <i>Total loans divided by assets.</i>	50.42%	49.04%
Earnings:		
Gross Return on Assets: <i>Total income divided by average monthly assets.</i>	2.93%	2.96%
Cost of Funds: <i>Dividends and interest paid for the year divided by average monthly assets.</i>	.67%	0.66%
Operating Expenses: <i>Shows the return on assets required to cover operating expenses</i>	1.85%	1.77%
Returns on Assets:	.34%	0.52%

A SPECIAL THANK YOU TO OUR VOLUNTEERS

Cincinnati Employees Credit Union would like to extend sincere thanks to all of our volunteers. We have been fortunate enough to have an outstanding array of volunteers contribute their valuable time and efforts to many aspects of the Credit Union. The dedication and hard work of our contributing volunteers have helped guide us toward success.

Past Volunteers

Tina Amrhein	Bob Gibson	Frank McDonald
Rick Anderson	Bob Guilfoyle	Phyllis Metz
Bill Berkshire	Louis Hengge	Shirley McGhee
Patty Bloom	Rob Hobday	Ralph Miller
Karen Brandt	Linda Hornbach	Bob Moody
Jim Bice	Don Humbert	William Otten
Marjorie Brewsaugh	Pam Ison	Mike Pies
Anita Brown	Tim Jones	Paulene Saskowski
Tom Brown	Geraldine Kemper	Gregg Smith
Sharon Chaney	Alan Kinnett	Dale Smith
Darla Cleary	Don Kirby	Mark Southard
Dennis Cloutier	Ken Krusling	Chuck Snyder
Dan Cormican	Jim Kramer	Andy St. John
Kaye Darwish	Mike Kushman	Marlene Stone
Larry Dickerson	Tom Lacey	Jerry Vaughan
Doug Esterkamp	Pauline Lehrter	Jerry Weigand
Pat Flatt	Dee Lewis	Rich Wells
Geral Gauck	Jim Lockwood	Lisa Wilson
William Gates	Alma McConnaughey	Ron Zeller

Thank You
VOLUNTEERS

Safeguarding your Assets

As a volunteer group, the audit committee's focus is to assist the Board of Directors as they oversee the integrity of the credit union's financial statements. They work along with the external audit personnel from Schmidt & Associates. Schmidt is a CPA firm located in central Ohio, with over 65 credit unions in the Midwest as their clientele. They conducted an opinion audit of the records of the Credit Union as of December 31, 2017. Their letter is included with this annual report. Your audit committee also enlists the help of Mrs. Carol Stoodt of Bellefontaine, Ohio. Stoodt conducts the annual verification of member's statements. Lastly, the Credit Union's financial statements and operational procedures are audited each year by the Ohio Division of Financial Institutions. This audit fulfills the regulatory requirements of the State of Ohio. The results of this audit are also reviewed by the National Credit Union Association.

Annual Letter to the Board of Directors

Date: April 18, 2018


To: The Board of Directors of Cincinnati Employees Credit Union

From: The Supervisory Audit Committee

In our opinion, the financial statements of Cincinnati Employees Credit Union and results of its operation are in conformity with generally accepted accounting principles applied on a basis consistent with that of the preceding year.

Respectfully submitted,


Clara Ann Zinser


Juanita M. Fleek



AMERICA'S
CREDIT UNIONS™
Where people are worth more than money.™

The Credit Committee meets regularly throughout the year to approve loans, making sure that the Credit Union is operating within its established lending policies and procedures. The committee's diligent efforts helps the Credit Union maintain its standing as a safe and stable financial institution.

Annual Letter to the Board of Directors

Date: April 18, 2018

To: The Board of Directors/Cincinnati Employees Credit Union

From: Credit Committee

During the year ended December 31, 2017 the Credit Committee approved the following loans:

Advances on Revolving Loans	297	\$ 238,695
Unsecured Loans	34	\$ 108,078
Title Secured Loans	263	\$3,746,054
Home Equity Loans	25	\$ 1,549,810
Share Secured Loans	<u>13</u>	<u>\$ 141,239</u>
Total Loans Approved	<u>632</u>	<u>\$5,783,876</u>

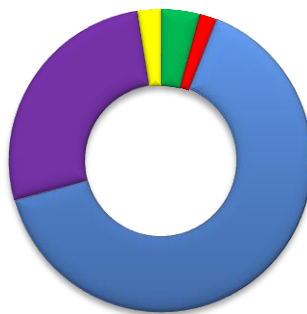
All reviews were conducted in accordance with the loan policy as established by the Board and are within the limits set therein.

Respectfully submitted,



James L. Cheesey

Loans Approved



■ Revolving ■ Signature ■ Title Secured ■ Home Equity ■ Share Secured