



Cincinnati Employees Credit Union

Owner's Annual Report

For the Year 2023

Welcome to the Meeting

205 Harrison Ave.

Harrison, OH 45030

April 17, 2024

Agenda:

Welcome/Call to Order

Dustin Bauer/President of the Board

Establish a Quorum

Review and Approval of 2022 Minutes

Douglas Distler/Secretary of the Board

Board Elections Report

Tom Brackett/Vice President of the Board

State of the Credit Union Reports

Dustin Bauer/President of the Board

Raymond Burke/Treasurer of the Board

Scholarship Drawing

Call for Adjournment

Your Board of Directors

President

Dustin Bauer

Board Member

Linda Litzler

Vice President

Tom Brackett

Board Member

Bill Lane

Treasurer

Raymond Burke

Board Member

Christian Conrad

Secretary

Douglas Distler

Credit Committee

Chuck Heck

Larry Lutz

Jim Maune

Mike Burns

Rita Werner

Klint Kuetemeyer

Audit Committee

Juanita Fleek

Clara Zinser

Office Staff

Christan Eldridge

Kyri Metcalf

Candi Back

Katie Hamon

Victoria Wathen

Treasurer's Report:

2023 could have been a disastrous year. The Board, Christan, and I thank our members who renewed their C.D.'s and those that brought new money into the credit union for less than what they could have received elsewhere. They not only showed their loyalty to the credit union but to their fellow members. Instead of a decrease in deposits of \$500,000 we would have lost \$2,500,000 in deposits for the year. To give out all our loans we would have had to borrow money or sell some of our investments at a loss. This would have given us a negative income.

We gave out our usual \$6,500 in scholarships in 2023; but we were not able to give a loan interest rebate. We will not be able to give out a loan interest rebate in 2024; but I anticipate one in 2025.

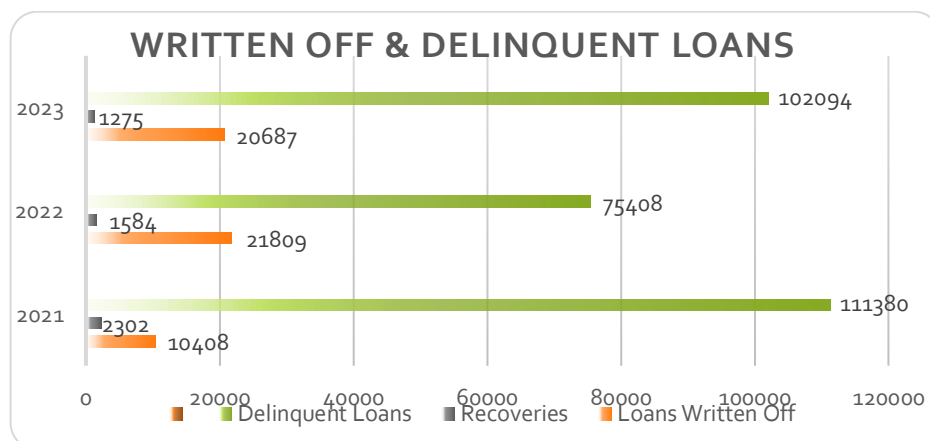
During 2023 our loans increased another \$1,150,000 despite having to raise our secured loan rates by an average of 1.75%. Our loan rates are still lower than our competitors'. For the year we wrote off loans totaling \$20,687 and recovered \$1,275 on previously written off loans. I anticipate writing off \$30,000 to \$50,000 of loans in 2024 due to repossessions and people not able to pay their unsecured loans due to inflation. Our delinquent loans increased from \$75,408 at the end of 2022 to \$102,094 at the end of 2023. The delinquent loan ratio increased from .46% to .58%. Our equity ratio is 10.70%, which is still above our goal of 10.50%.

Goals for this year are:

1. Maintain our loan level.
2. Maximizing efforts toward keeping our delinquent loan ratio below 1%.

Raymond A Burke

Treasurer of the Board



Consolidated Financial Statements

Assets	2022	2023
Secured Loans to Members	\$8,264,956	\$9,291,094
Unsecured Loans to Members	\$632,578	\$641,673
Home Equity Loans to Members	\$7,542,678	\$7,653,937
Cash & Cash Equivalents	\$610,918	\$454,846
Investments/Banks	\$14,367,000	\$13,308,000
Investments/Corporate One Credit Union	\$1,886,170	\$1,246,000
Net Furniture & Equipment	\$88	\$4,149
Other Assets	\$375,195	\$581,037
Total Assets	<u>\$33,679,495</u>	<u>\$33,180,736</u>

Liabilities & Members' Equity

Members' Shares & Savings	\$24,571,685	\$23,960,565
Members' IRA Accounts	\$5,431,316	\$5,483,298
Accounts Payable	\$138,037	\$186,335
Retained Earnings & Reserves	\$3,538,457	\$3,550,538
Total Liabilities & Equity	<u>\$ 33,679,479</u>	<u>\$33,180,736</u>

Income

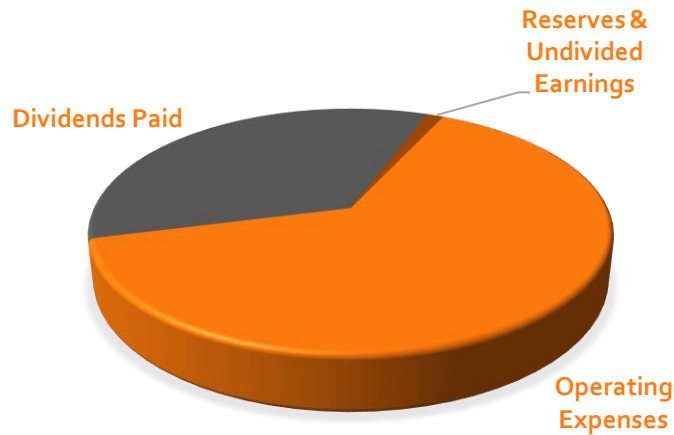
Interest on Loans to Members & other income	\$646,431	\$739,169
Investment Income	\$219,443	\$250,716
Subtotal Investment Income	<u>\$865,874</u>	<u>\$989,885</u>
Dividends to Members	-212,377	-343,232
Loan Interest Rebate paid	<u>-21,718</u>	<u>0</u>
Net Interest Income	<u>\$631,779</u>	<u>\$646,653</u>

Expenses

Salaries & Benefits	\$ 311,954	\$325,574
Office Operations	\$137,155	\$157,868
Office Occupancy	\$33,386	\$40,404
Provision for Loan Losses	\$8,000	\$23,000
Other Operating Expenses	\$97,074	\$87,727
Total Expenses	<u>\$587,569</u>	<u>\$634,573</u>

Net Income	<u>\$ 44,210</u>	<u>\$12,080</u>
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DISTRIBUTION OF GROSS INCOME



Distribution of Gross income

Operating Expenses	\$634,573	64.18%
Interest Rebated to members	\$0	0%
Dividends Paid	\$343,232	34.60%
Reserves/Undivided earnings	<u>\$12,080</u>	<u>1.22%</u>
Total	<u>\$ 989,885</u>	<u>100%</u>

	2022	2023
CAPITAL ADEQUACY:		
EARNINGS/ASSETS: INDICATES THE RESERVE POSITION RELATIVE TO ASSETS. IT IS ALSO USED AS A MEASURE OF THE ABILITY TO WITHSTAND A LOSS.	10.50%	10.70%
RESERVES/LOANS: INDICATES THE RESERVE POSITION RELATIVE TO LOANS. THIS ALSO ALLOWS US TO MEASURE THE ABILITY TO WITHSTAND A LOSS.	9.12%	8.53%
ASSET QUALITY:		
DELINQUENT LOANS/LOANS: THIS IS USED TO DETERMINE THE QUALITY OF THE LOAN PORTFOLIO	.46%	.58%
LOANS/SHARES: TOTAL LOANS DIVIDED BY SHARES.	54.80%	59.70%
EARNINGS:		
GROSS RETURN ON ASSETS: TOTAL INCOME DIVIDED BY AVERAGE MONTHLY ASSETS.	2.65%	2.98%
COST OF FUNDS: DIVIDENDS AND INTEREST PAID FOR THE YEAR DIVIDED BY AVERAGE MONTHLY ASSETS.	.65%	1.04%
OPERATING EXPENSES: SHOWS THE RETURN ON ASSETS REQUIRED TO COVER OPERATING EXPENSES	1.74%	2.95%
RETURNS ON ASSETS:	.14%	.03%

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			Retirees
Tina Amhrein	Gerald Gauck	Frank McDonald	Phyllis Bennett
Rick Anderson	Bob Gibson	Shirley McGhee	Phyllis Metz
Bill Berkshire	Bob Guilfoyle	Phyllis Metz	Mary Kraus
Jim Bice	Louis Hengge	Carla Meyer	Sherry Lochard
Patty Bloom	Rob Hobday	Ralph Miller	
Karen Brandt	Linda Hornbach	Bob Moody	
Marjorie Brewsaugh	Don Humbert	William Otten	In Memory of
Anita Brown	Pam Ison	Mike Pies	Deb Ahaus Manager 1989-2018
Tom Brown	Tim Jones	Paulene Saskowski	
Sharon Chaney	Geraldine Kemper	Gregg Smith	
Jim Chessey	Alan Kinnett	Dale Smyth	
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	
Michael Gabrelski	Jim Lockwood	Lisa Wilson	
William Gates	Alma Mconnaughey	Ron Zeller	

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, 2023. 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

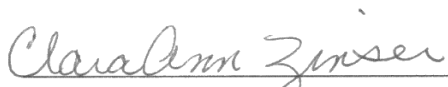
Date: April 17, 2024


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



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 17, 2024

To: The Board of Directors/Cincinnati Employees Credit Union

From: Credit Committee

During the year ended December 31, 2023 the Credit Committee approved the following loans:

Advances on Revolving Loans	204	\$ 190,247
Unsecured Loans	33	\$ 90,850
Title Secured Loans	243	\$ 5,559,584
Home Equity Loans	22	\$ 1,842,115
Share Secured Loans	<u>12</u>	<u>\$ 324,204</u>
Total Loans Approved	<u>514</u>	<u>\$8,007,000</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,

Rita Werner

