

CINCINNATI EMPLOYEES  
CREDIT UNION

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OWNER'S ANNUAL REPORT  
FOR THE YEAR 2013

## WELCOME TO THE MEETING

Market Street Grille  
Harrison OH 45030  
March 19, 2014 - 5:00pm

### Agenda:

Welcome/Call to Order

*Michael Gabrelski/President of the Board*

Establish a Quorum

Review and Approval of 2012 Minutes

*Douglas Distler/Secretary of the Board*

Board Elections Report

*Chris Conrad/Vice President of the Board*

State of the Credit Union Reports

*Michael Gabrelski/President of the Board*

*Raymond Burke/Treasurer of the Board*

Scholarship Drawing

Call for Adjournment

## BOARD OF DIRECTORS

Due to the efforts of the elected Board of Directors, your Credit Union has remained true to what being a financial cooperative is all about, demonstrating the “people helping people” spirit. They have defined a course to keep your Credit Union strong; continually striving to improve the products while maintaining a high quality of service to our valued members.

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



## Treasurer's Report:

2013 was a balancing act for your Credit Union. The Asset/Liability Management Committee (ALM) was kept very busy trying to form a monthly plan of action that offered the very best dividend rate to our membership without causing a landslide of funds being deposited in the credit union coffers. Bringing in money without the probability of lending would cause a negative effect on our savings and certificate rates. The rates are reviewed and discussed monthly by both the ALM committee and your Board. The goal being to keep our dividend rates and our certificate rates as high as possible, thus keeping our membership happy with our efforts and the resulting rates.

During 2013 the Credit Union offices ran smoothly. The management team covered the main office as well as the C.I. plant office very efficiently.

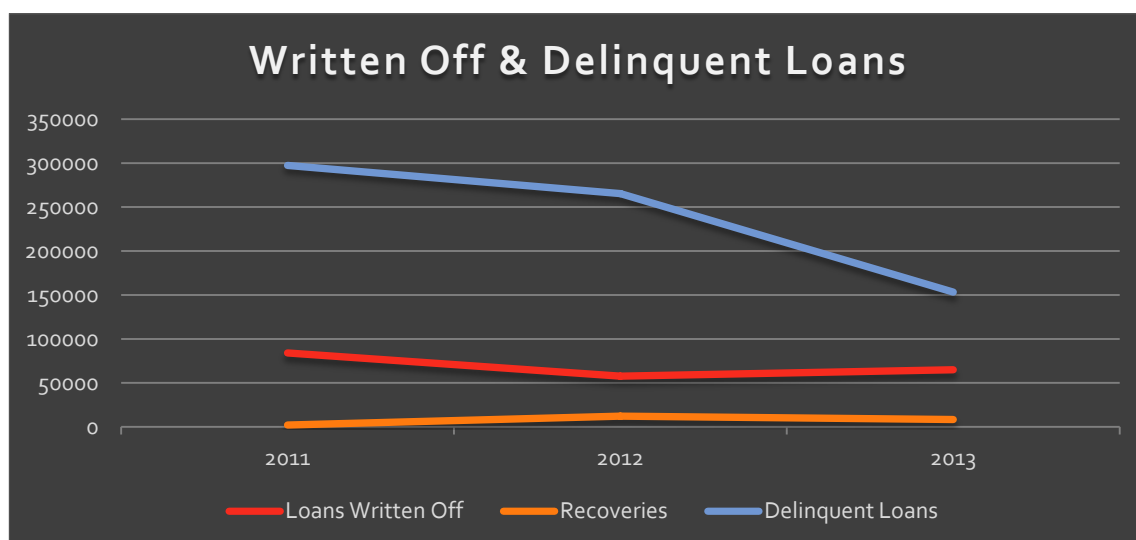
During the year our equity increased by \$88,312. Our equity ratio decreased from 11.11% to 10.73%, however this is still above our goal of 10.5%. It was necessary for us to adjust our dividend and certificate rates closer to the area markets due to the continued flow of money into the Credit Union. During 2013 we wrote off 14 loans in the amount of \$65,040. We recovered \$8,396 on loans previously written off. We anticipate writing off \$40,000 in loans in 2014 due to bankruptcies, repossessions and foreclosures. We have already budgeted for this, and our loan loss account will be adequately funded to cover these potential losses. Our delinquent loans have decreased from \$265,339 at the end of 2012 to \$153,310 at the end of 2013. Our delinquent loan ratio decreased from 2.48% to 1.37%. Thus, we met our main goal for 2013 of decreasing our delinquent loan ratio below 2.0%. Our loan to asset ratio dropped from 44.25% to 43.07%. This was due to an increase of shares.

Goals for this year are:

1. Increase our "Loan to Asset" ratio.
2. Continue our efforts to lower our delinquent loan ratio.
3. Repeat the loan rebate, bonus dividend and scholarship programs.

Raymond A Burke

Treasurer of the Board



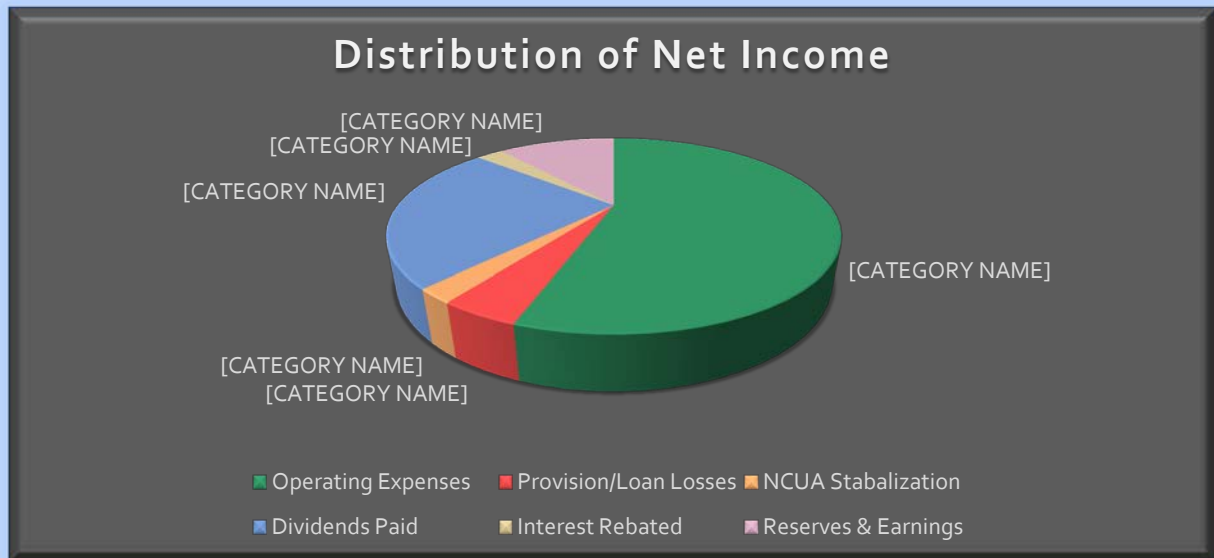
## Consolidated Financial Statements

	2013	2012
<b>Assets</b>		
Secured Loans to Members	\$ 4,498,777	\$ 4,189,661
Unsecured Loans to Members	627,453	529,181
Home Equity Loans to Members	6,037,259	5,987,596
Cash & Cash Equivalents	306,790	781,798
Investments/Banks	13,646,000	11,507,000
Investments/Corporate One Credit Union	466,442	855,797
Net Furniture & Equipment	45,613	58,365
Other Assets	290,743	285,698
Total Assets	<u>\$25,919,077</u>	<u>\$24,195,096</u>

<b>Liabilities &amp; Members' Equity</b>		
Members' Shares & Savings	\$16,327,568	\$14,717,093
Members' IRA Accounts	6,771,482	6,746,469
Accounts Payable	43,340	43,159
Retained Earnings & Reserves	2,776,687	2,688,375
Total Liabilities & Equity	<u>\$25,919,077</u>	<u>\$24,195,096</u>

<b>Income</b>		
Interest on Loans to Members	\$545,625	\$573,778
Investment Income	242,562	233,428
Subtotal Investment Income	788,187	807,206
Dividends to Members	-191,940	-217,906
Loan Interest Rebate paid	- 19,541	- 18,205
Net Interest Income	<u>\$576,706</u>	<u>\$571,095</u>

<b>Expenses</b>		
Salaries & Benefits	\$230,351	\$224,238
Office Operations	111,785	123,234
Office Occupancy	28,209	17,705
Loan Protection Insurance	24,654	21,990
NCUA Stabilization Expense	17,512	18,751
Provision for Loan Losses	35,000	50,000
Other Operating Expenses	40,883	33,920
Total Expenses	<u>488,394</u>	<u>489,838</u>
Net Income	<u>\$88,312</u>	<u>\$81,257</u>



#### DISTRIBUTION OF NET INCOME

Operating Expenses	\$ 435,882
Provision for Loan Losses	35,000
Loan Protection Insurance	24,654
NCUA Stabilization Expense	17,512
Interest Rebated to members	19,541
Dividends Paid	217,906
Reserves/Undivided earnings	<u>88,312</u>
<b>Total</b>	<b><u>\$ 788,187</u></b>



