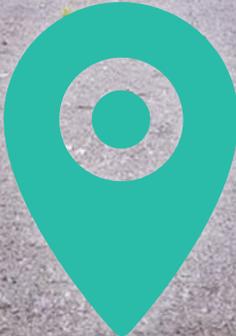


EATON FAMILY CREDIT UNION

2020 ANNUAL REPORT

START  HERE

OUR MISSION

To be our Owner/Members' preferred source for financial products and services by meeting the growing and changing needs of the membership while maintaining a position of financial strength.

AGENDA

ANNUAL MEETING

Evie Probert
 Call Meeting to Order
 Introductions
 Reading & Approval of Last Annual Meeting Minutes
 Treasurer's Report
 Loan Department Report
 Supervisory Committee Report
 Nominating Committee Report

Mike Losneck
 Staff Recognition
 Evie Probert
 Old Business
 New Business
 Open Discussion
 Adjourn
 Door Prizes

MESSAGE FROM THE BOARD OF DIRECTORS

Dear Credit Union Member:

This past year has been extremely challenging for Eaton Family Credit Union and all our Members. Our goal during the past year was to continue providing the best service possible to all our Members while keeping our Staff and Volunteers safe. To help our Members, we adjusted loan payments, offered PPP loans to our business members, and provided adjusted lobby service. We also continued to do our regular processing of loans and membership changes.

All our staff and volunteers were able to stay safe and healthy during the past year, and we are grateful to all our Members for helping us to do that.

With all that was going on this year, it gives me great pleasure to tell you that 2020 was another year of solid performance. As a direct result of the outstanding efforts of our Credit Union staff, we have been able to achieve significant results. Also, we continue to roll out the technology to enhance your access to mobile services.

As you can readily see, we continue to engage strategies that foster a financially sound Credit Union to assure we can offer quality products and services so that we can continue to be your primary financial services provider. You, our loyal Members, are the most important part of the Eaton Family Credit Union.

On behalf of the Board of Directors, Supervisory Committee, and staff, thank you for your continued support and participation as we strive for an even stronger financial services organization. We look forward to a healthy and happy 2021 for all our Members.

Sincerely,

Evie Probert
 Chairperson, Board of Directors

TREASURER'S REPORT

Eaton Family Credit Union had another strong year in 2020. During 2020, the loan portfolio increased by \$5,387,969. At the end of 2020, the total outstanding loan balance was \$43,247,942. Of all the individual loan types, the Mortgages, Member Business loans, and Used Auto had the largest increases. Total share balances increased during 2020 by \$7,566,249. This was an increase of 13.40% above the 2019 balances. At the end of 2020, the total share balance was \$64,034,533. Regular Share accounts, Draft accounts, and Money Market accounts had the largest increases during 2020.

Delinquency moved lower during 2020. At year-end, the delinquent ratio was 1.64%. In 2020, the allowance for the loan loss account was funded with an addition of \$387,223. Net charge-offs were lower at \$300,783 for 2020.

Total income continued to be strong and stable during 2020. We continue to work on keeping expenses as low as possible and maintaining income levels to support our operating expenses.

At year-end \$133,127 in net income was added to the capital base of the credit union, which helped to maintain our net capital at 10.41% as the assets of the credit union were growing.

At year-end our total membership was at 13,252. During the year we added 859 new members and closed 1,200 resulting in a net membership loss of 341 for 2020.

Total assets at year-end were \$71,768,980.

Respectfully submitted,
Mike Losneck
Treasurer

LOAN DEPARTMENT REPORT

During 2020, the Loan Department received 1,546 new requests for credit in the amount of \$28,846,720. Of these requests, 854 were approved for a total dollar amount of \$18,196,438. There were 692 declined for a total dollar amount of \$10,650,282. This is an approval rate of 63.08%. Of the total dollar amount approved, \$14,363,893 or 79.0% were secured by collateral. Of these collateralized loans, \$6,856,109, or 48.1% were secured by a first or second mortgage. Of the total dollar amount of loans declined, \$8,502,388 or 80.1% were secured by collateral and \$2,147,894 was unsecured.

INCOME AND EXPENSES

	2019	2020
Interest Income		
Interest Income on Loans	2,392,657	2,379,475
Interest Income on Investments	477,579	396,838
Other Income	975,405	831,309
Total Income	3,845,641	3,607,622
Dividend Expense	402,402	343,436
Net Interest Income	3,443,239	3,264,187
Less provision for loan losses	585,537	387,223
Net interest income after provision for loan losses	2,857,702	2,876,964
Operating Expenses		
Compensation	1,114,027	1,116,777
Employee Benefits	242,752	240,362
Travel & Conference	8,647	2,587
Association Dues	21,509	20,884
Office Occupancy Costs	82,408	79,600
Office Operation Costs	307,734	316,908
Depreciation	16,564	13,913
ATM Program Costs	31,506	47,036
Checking Program Costs	2,977	4,062
Debit Card Program Costs	172,383	167,893
IRA Program Costs	3,152	3,195
Training Expense	2,085	1,556
Marketing Expense	21,263	16,079
Loan Servicing Expense	208,773	203,972
VISA Program Costs	88,467	94,952
Lending Center Costs	15,059	9,076
Mortgage Services Program	55,394	66,625
Outside Service Expense	287,729	289,258
Exam/Audit Expense	17,964	14,116
Cash Over/Short	4,791	418
Annual Meeting Expense	6,000	5,608
Miscellaneous Expense	33,025	35,159
Total Operating Expenses	2,744,209	2,750,036
Non Operating Income (Expense)	(5,261)	6,200
Net Profit	108,231	133,127

BALANCE SHEET

	2019	2020
ASSETS		
TOTAL LOANS	\$37,859,973	\$43,247,942
Allowance for loan loss	(510,636)	(596,784)
Net Loans	37,349,337	42,651,158
RECEIVABLES	(547)	273
CASH	1,302,134	1,443,784
INVESTMENTS		
Overnight Investments	4,133,755	4,144,138
Certificates of Deposit	15,576,824	19,567,523
Investments available for sale	1,856,950	298,572
Corporate One Capitalization	395,227	395,227
NCUA Share Insurance Fund	590,863	627,546
Net Investments	22,553,619	25,033,006
OTHER ASSETS		
Fixed Assets	438,223	394,525
Prepaid Expenses	282,351	332,392
Accrued Loan Income	76,862	78,638
Accrued Investment Income	57,446	39,508
Other Assets	1,829,683	1,795,696
TOTAL OTHER ASSETS	2,684,565	2,640,759
TOTAL ASSETS	63,889,108	71,768,980
LIABILITIES		
Accounts Payable	542,790	524,937
Accrued Expenses	65,558	72,498
TOTAL LIABILITIES	608,348	597,435
EQUITY		
MEMBER SHARES		
Regular Shares	22,809,186	29,090,097
Checking Accounts	7,622,182	10,323,015
Money Market Savings	8,000,564	9,627,726
Share Certificates	12,293,193	8,834,171
IRA Accounts	4,868,300	5,041,494
All Other Accounts	874,858	1,118,030
TOTAL MEMBER SHARES	56,468,283	64,034,534
NET WORTH		
Regular Reserves	1,474,204	1,474,204
Undivided Earnings	5,268,841	5,401,968
Unrealized Value/Loss On Investments	69,432	260,839
TOTAL NET WORTH	6,812,477	7,137,011
TOTAL LIABILITIES AND EQUITY	63,889,108	71,768,980



Independent Auditor's Report

To the Board of Directors of
Eaton Family Credit Union, Inc.

Report on the Financial Statements

We have audited the accompanying statements of financial condition of Eaton Family Credit Union, Inc. as of June 30, 2020 and 2019 and the related statements of income and comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the credit union's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the credit union's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Eaton Family Credit Union, Inc. as of June 30, 2020 and 2019, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Lillie & Company LLC

Sunbury, Ohio
September 28, 2020

Adding insight... Not just numbers.

801 W. Cherry Street, Suite 100, Sunbury, OH 43074
Phone 866-965-2294 | 740-965-2294 | [website www.lilliecpa.com](http://www.lilliecpa.com)

SUPERVISORY REPORT

The Supervisory Committee is comprised of volunteer members who independently evaluate the strength and soundness of the Credit Union's operations and activities. The Committee completes periodic reviews of the credit union including cash counts and loan file review. They also collaborate with the Board of Directors and employees of the credit union to ensure that Member assets are safeguarded by reviewing policies, procedures, and regulatory requirements.

The Supervisory Committee retained the services of Lillie & Company LLC to perform the annual audit of the financial statements as of June 2020 and verify the balances of the member's accounts, and that adequate policies and procedures exist to protect EFCU resources. The audit also reviews governing regulations and policies to ensure they are properly followed. The financial statements accurately reflect EFCU results of operation. Further, the Supervisory Committee has examined the financial statements as of December 31, 2020, and the printed statements fairly represent the financial position of the credit union in conformity with generally accepted accounting principles as defined by the American Institute of Certified Public Accountants.

The Supervisory Committee has again concluded that Eaton Family Credit Union remains a financially strong institution. We wish to express our appreciation to the Board of Directors, management, and staff for their continued cooperation, compliance, and dedication to making our Credit Union great for all Members.

Respectfully submitted,
Denise Gruden
Supervisory Committee

NOMINATING COMMITTEE REPORT

Nominations for Board of Director positions were opened on October 1, 2020. The deadline to receive applications was December 1, 2020.

There were three open positions. The open positions were the result of terms ending for three incumbent board members, Dwayne Petish, Robert Santoro, Evie Probert. The Nominating Committee received and reviewed three re-election statements from Dwayne Petish, Robert Santoro, and Evie Probert. The Nominating Committee has approved all of these applications. No other applications were submitted.

A mail ballot to the membership to vote for Director Positions is not required when the number of nominees is equal to or less than the number of open positions.

Because all applications were reviewed and approved by the Nominating Committee, I am asking for a motion to accept the Nominating Committee Report and approve the three director applications from Dwayne Petish, Robert Santoro, and Evie Probert each serving a three-year term.

Respectfully submitted,
Chris Jochum, Doris Yee, Marc Manburg
Nominating Committee

EATON FAMILY CREDIT UNION WOULD LIKE TO THANK ALL OF OUR ANNUAL MEETING DOOR PRIZE DONORS

Action CARSTAR Auto Body and Frame Repair

Atlas Cinemas

ATM Solutions, Inc.

Bob Williams

Brick Capital Management, Inc.

Corporate One FCU

Euclid Police Department

Evie Probert

Freedom Capital Group, LLC

Judith M. Kowalski

Lawrence Simon & Co.

Lillie & Company

Mike Losneck

Our Town and All Around

Pat Briar

Sam's Club #4846

Starfish Computer Corporation

In Memory of Vivian Yeager

Warwick Communications

Woodside Mortgage

Zito Insurance Agency

**WE LOOK FORWARD TO GATHERING WITH OUR MEMBERS
LATER THIS YEAR. PLEASE WATCH FOR UPDATES ON THE
DATE AND LOCATION.**

SERVICES OF YOUR CREDIT UNION

Savings/Investment Accounts

- Savings Accounts
- Individual Retirement Accounts (IRAs)
- Money Market Accounts
- Holiday Clubs
- Term Share Certificates
- Young Savers (for members under 18)

Convenient Products and Services

- Advantage Checking Accounts
- Overdraft Privilege
- Direct Deposit
- Payroll Deduction
- ATM/Debit Card
- Member Anytime Touch-tone Teller (MATT)
- Free Web Bill Pay/Home Banking/Mobile
- Shared Branching
- Prepaid Visa Gift Cards
- Identity Theft Protection
- Financial Planning
- Remote Capture
- My Mobile Money Access
- Mobile Wallets

Loan Solutions

- Car, Boat & RV Loans (New & Used)
- Home Equity Loans
- Line-Of-Credit Loans
- Mortgage Loans
- GAP Protection/Extended Warranty Protection
- Depreciation Protection
- Lifestyle Loans
- VISA Credit Cards
- 24/7 Loan Line
- 24/7 Internet Loan Approval
- Stretch Pay Loans
- Business Loans
- Summer & Holiday Loans
- Payment Protection

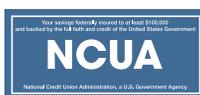


Eaton Family
CREDIT UNION, INC.

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Searcy, AR • Lincoln, IL

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OFFICIAL FAMILY BOARD OF DIRECTORS

Evie Probert, Chair
Marc Manberg, Vice Chair
Dwayne Petish, Secretary
Mike Losneck, Treasurer
Suresh Babu, Director
Chris Jochum, Director
Robert Carlson, Director
Robert Santoro, Director
Doris Yee, Director
Robert Williams, Associate Director
Kristina Slunski Cicero, Recording Secretary

SUPERVISORY COMMITTEE

Denise Gruden, Chair
Ralph Dinges
James Gehlbach
Eric Jackson
Fred Orenics
Tony Sanders

EUCLID OFFICE

Brent Binkley	Deborah Richards
Bianca Daniels	Chris Rivera
Terri Daso	Terry Shingledecker
Kenyita Hunt	Jasmine Simmons
Robyn Kudley	Kelly Slocum
Michael Losneck	Diane Toth
Clarissa Lumpkin	Rebecca Wilson
Lori Penny	Mirjana Zovkic

WILLOUGHBY HILLS OFFICE

Eric Ayers
Andie Giunta
Richard Toth

SEARCY, ARKANSAS OFFICE

Lindsey Raney
Taryn Barger

LINCOLN, ILLINOIS OFFICE

Ashley O'Neill
Stephanie Anderson

CORY UNITED METHODIST CHURCH

Kenyita Hunt
Clarissa Lumpkin