



FAMILY IS

Everything

EATON FAMILY CREDIT UNION

2022 ANNUAL REPORT

OUR MISSION: To be our Owner/Member's 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

Chris Jochum

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

Chris Jochum

Old Business

New Business

Open Discussion

Adjourn

Door Prizes

MESSAGE FROM THE BOARD OF DIRECTORS

Dear Credit Union Member:

I would like to welcome you to the Eaton Family Credit Union annual meeting.

It gives me great pleasure to advise you that 2022 was another year of solid performance and profitability despite the continued pandemic challenges and rising interest rates. As a direct result of the outstanding efforts of our credit union staff, we have been able to achieve significant results: impressive profits and growth. In addition, we continue to roll-out technology to enhance your access to Credit Union services.

As you can readily see, we continue to engage strategies that foster a financially sound Credit Union to assure we are able to offer quality products and services so that we can continued 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.

Sincerely,

Christopher S. Jochum
Chairperson, Board of Directors

TREASURER'S REPORT

Eaton Family Credit Union had another strong year in 2022. During 2022, the loan portfolio increased by \$5,899,999. At the end of 2022, the total outstanding loan balance was \$54,317,142. Of all the individual loan types, the Mortgages, New Auto, Member Business loans, and VISA had the largest increases. Total share balances decreased during 2022 by \$1,569,476. This was a decrease of 2.23% below the 2021 balances. At the end of 2022, the total share balance was \$68,917,681.

Regular Certificate accounts, IRA Accounts and Draft accounts and had the largest increases during 2022.

Delinquency moved higher during 2022. At year-end, the delinquent ratio was 2.08%. In 2022, the allowance for the loan loss account was adjusted by \$371,682.

Net charge-offs were higher at \$268,815 for 2022.

Total income continued to be strong and stable during 2022. We continue to work on keeping expenses as low as possible and maintaining income levels to support our operating expenses.

At year-end \$991,695.01 in net income was added to the capital base of the credit union, which helped to maintain our net capital at 7.53% as the assets of the credit union were decreasing.

At year-end our total membership was at 12,491. During the year we added 774 new members and closed 1,187 resulting in a net membership loss of 413 for 2022.

Total assets at year-end were \$76,338,730.

Respectfully submitted,
Mike Losneck
Treasurer

LOAN DEPARTMENT REPORT

During 2022, the Loan Department received 1,373 new requests for credit in the amount of \$24,623,548. Of these requests, 842 were approved for a total dollar amount of \$17,794,814. There were 531 declined for a total dollar amount of \$6,828,734. This is an approval rate of 72.2%. Of the total dollar amount approved, \$15,966,173 or 89.7% were secured by collateral. Of these collateralized loans, \$8,450,163 or 52.9% were secured by a first or second mortgage. Of the total dollar amount of loans declined, \$5,979,341 or 87.5% were secured by collateral and \$849,393 was unsecured.

INCOME AND EXPENSES

	2021	2022
Interest Income		
Interest Income on Loans	2,492,228	2,613,612
Interest Income on Investments	304,973	371,112
Other Income	872,780	852,703
Total Income	3,669,981	3,837,427
Dividend Expense	188,607	210,948
Net Interest Income	3,481,374	3,626,479
Less provision for loan losses	361,569	(96,476)
Net interest income after provision for loan losses	3,119,805	3,722,955
Operating Expenses		
Compensation	1,051,516	987,489
Employee Benefits	233,316	182,022
Travel & Conference	2,647	2,846
Association Dues	21,393	21,605
Office Occupancy Costs	91,580	65,923
Office Operation Costs	296,912	358,298
Depreciation	12,843	13,273
ATM Program Costs	52,578	46,618
Checking Program Costs	5,732	7,969
Debit Card Program Costs	167,707	168,066
IRA Program Costs	3,004	200
Training Expense	3,142	6,676
Marketing Expense	19,902	29,868
Loan Servicing Expense	207,652	202,344
VISA Program Costs	112,287	96,659
Lending Center Costs	2,240	17,789
Mortgage Services Program	92,128	109,451
Outside Service Expense	298,531	336,426
Exam/Audit Expense	14,411	15,999
Cash Over/Short	726	4,090
Annual Meeting Expense	6,077	6,000
Miscellaneous Expense	33,468	51,583
Total Operating Expenses	2,729,792	2,731,260
Non Operating Income (Expense)	—	—
Net Profit	390,013	991,695

BALANCE SHEET

	2021	2022
ASSETS		
TOTAL LOANS	\$48,417,143	54,317,142
Allowance for loan loss	(854,332)	(482,649)
Net Loans	47,562,811	53,834,493
RECEIVABLES	273	207
CASH	773,797	1,270,055
INVESTMENTS		
Overnight Investments	6,138,632	314,852
Certificates of Deposit	18,941,706	16,027,255
Investments available for sale	824,832	920,458
Corporate One Capitalization	395,227	395,227
NCUA Share Insurance Fund	696,084	703,927
Net Investments	26,996,481	18,361,719
OTHER ASSETS		
Fixed Assets	442,062	415,594.64
Prepaid Expenses	360,025	437,291
Accrued Loan Income	74,909	48,095
Accrued Investment Income	35,984	38,274
Other Assets	1,859,906	1,933,002
TOTAL OTHER ASSETS	2,772,886	2,872,256
TOTAL ASSETS	78,106,248	76,338,730
LIABILITIES		
Accounts Payable	633,367	1,572,683
Accrued Expenses	87,251	102,389
TOTAL LIABILITIES	720,618	1,675,072
EQUITY		
MEMBER SHARES		
Regular Shares	33,332,181	30,539,206
Checking Accounts	11,202,542	11,249,413
Money Market Savings	10,781,645	10,220,774
Share Certificates	8,390,382	10,330,897
IRA Accounts	5,453,654	5,200,413
All Other Accounts	1,326,752	1,376,978
TOTAL MEMBER SHARES	70,487,156	68,917,681
NET WORTH		
Regular Reserves	1,474,204	1,474,204
Undivided Earnings	5,791,981	6,783,676
Unrealized Value/Loss On Investments	(367,711)	(2,511,903)
TOTAL NET WORTH	6,898,474	5,745,977
TOTAL LIABILITIES AND EQUITY	78,106,248	76,338,730



Independent Auditor's Report

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

Opinion

We have audited the financial statements of Eaton Family Credit Union, Inc., which comprise the statements of financial condition as of June 30, 2022 and 2021, and the related statements of income and comprehensive income (loss), members' equity and cash flows for the years then ended, and the related notes to the financial statements.

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, 2022 and 2021, 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.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Eaton Family Credit Union, Inc. and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits.

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

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Eaton Family Credit Union, Inc.'s ability to continue as a going concern for 12 months beyond the issuance of the financial statements.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion.

Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.

Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

Adding insight... Not just numbers.

PO Box 570, Sunbury, OH 43074

Phone 866-965-2294 | 740-965-2294 | [website www.lilliecpa.com](http://www.lilliecpa.com)

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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 controls. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Eaton Family Credit Union, Inc.'s ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control related matters that we identified during the audit.

Lillie & Company LLC

Sunbury, Ohio
September 19, 2022

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 2022 and verify the balances of the member's accounts, and that adequate policies and procedures exist to protect EFCU recourses. 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, 2022, 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, 2022. The deadline to receive applications was December 1, 2022.

There were three open positions. The open positions were the result of terms ending for three incumbent board members, Marc Manburg, Doris Yee, Chris Jochum. The Nominating Committee received and reviewed two re-election statements from Marc Manburg, Doris Yee, and Chris Jochum. 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, we are asking for a motion to accept the Nominating Committee Report and approve the three director applications from Marc Manburg, Doris Yee, and Chris Jochum--each serving a three-year term.

Respectfully submitted,
Suresh Babu, Gina Jackson, Alex Shorter
Nominating Committee

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

Atlas Cinemas

Brick & Associates

Comparion Insurance Agency

Conmar Systems

Enterprise Car Sales

Euclid Police Department

Evie Probert

Judith M. Kowalski, Attorney at Law

Lillie & Company

Pat Briar

RBC Wealth Management

Shared Brancing Network

Starfish Computer Corporation

Vericast

Warwick Communications

Woodside Mortgage

Doris Yee

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

MATT Line: 216.920.2010
Toll Free: 800.513.9260



Euclid • Willoughby Hills
Searcy, AR • Lincoln, IL

216.920.2000 • 800.845.5446 • FAX 216.920.2030 • www.eatonfamilycu.com

LOAN SERVICES SUMMARY

Eaton Family Credit Union has a full-service loan program with a variety of options to fit the needs of each Member. Apply online, by phone or in a branch.

VISA CREDIT CARD

- No Annual Fees • No Cash Advance Fee
- 25 Day Grace Period
- Classic and Secured: Low Fixed Rate APR
- Platinum: Prime Rate + 3.9%
- Accepted Worldwide
- ScoreCard Rewards Program
- Use for Cash Advances at ATMs
- Use with the best Mobile Wallets

LINE OF CREDIT

- An Open-End Unsecured Line of Credit
- Lines from \$500
- Loan Advances may be Obtained in Person, by Mail or Telephone

SIGNATURE LOAN

- An Unsecured Loan for a Fixed Amount and Term
- Guaranteed by your Signature
- Minimum Loan \$250
- Maximum Repayment Period: 60 Months

SUMMER & HOLIDAY LOANS

- An Unsecured Loan for up to \$1,500
- Repayment Terms up to 12 months
- Low, Fixed Rate

OVERDRAFT LINE OF CREDIT

- Automatically Covers Overdrafts
- \$500-\$2,000 Line of Credit Available
- Overdrafts in Increments of \$50
- \$5 Transfer Fee
- No Overdraft Fee for Non-Sufficient Funds
- 15% Fixed Annual Percentage Rate on Balances
- Overdraft Balance is Separate
- Payment is 4% of Credit Line
- Automatic Loan Payment

STRETCH PAY

Credit Union Alternative to Payday Lending

- \$250 Credit Limit with a \$35 Annual Fee
- \$500 Credit Limit with a \$70 Annual Fee
- 30 Day Repayment Term at 18% APR

NEW AND USED VEHICLE LOANS

- Autos, Boats, Motorcycles, RVs and Trucks.
- New: EFCU will loan up to 100% of the cost to purchase.
- Used: EFCU will loan up to the retail value plus options and mileage. For vehicles 8 model years and older, EFCU will loan up to trade-in value only.

DEPRECIATION PROTECTION

Protects the equity in your vehicle if it were ever totaled or stolen and not recovered. Enroll anytime during the life of the loan without age or mileage restrictions. Provides a benefit payment up to \$10,000 at the time of total loss.

GAP PROTECTION

Protects your financial investment due to a total loss of your vehicle. GAP pays what your insurance company will not cover.

EXTENDED WARRANTY PROGRAM

Available when purchasing new and used vehicles. Call our office for a quote.

PAYMENT PROTECTION ON LOANS

Credit Life Insurance Coverage protects qualified borrowers for the outstanding loan balance in the event of death.

Credit Accident and Health Insurance Policy pays the primary borrower's loan payment until the borrower is able to return to work or the balance is paid in full.

HOME EQUITY LINE OF CREDIT

A larger, pre-approved line of credit with the following features:

- Borrow up to 80% LTV of the Home's Appraised Value Less Your First Mortgage
- Rate of Prime + 0%
- Rate Adjusted Semi-Annually
- Limited to Ohio Residents Only
- Property Must be Owner-Occupied
- No Closing Costs

CLOSED END HOME EQUITY LOAN

Based on 80% LTV of Home's Value

- Prime + 1% for up to 15 year term, closing costs may apply
- Prime + 2% for up to 15 year term, no closing costs

HOME IMPROVEMENT LOAN

Borrow up to 120% of value of property

- Up to 60 Months, Rates as low as Prime + 2%
- Up to 120 Months, Rates as low as Prime + 3%

MORTGAGE LOAN

Contact us for the most up-to-date information about rate and loan options.

SHARE SECURED & CERTIFICATE SECURED LOANS

- Loans Secured by funds in your Share Savings Account or CD
 - Variable Rate of 3% Above Regular Dividend Rate.
- Maximum Term is 120 Months.
- Share Secured Loans
 - Variable Rate of 3% Above Regular Dividend Rate. Maximum Term is 120 Months.
- Certificate Secured Loans
 - Variable Rate of 2% Above Certificate Rate.

BUSINESS LOAN

- Lines of Credit
 - Closed-End Loans to Purchase Capital Equipment, Real Estate and Vehicles
- Contact us for the most up-to-date information about rate and loan options.

Rates are based on Member's individual credit quality and are subject to change without notice. Fees may apply. Ask a Loan Officer or Member Service Representative for details.



MATT Line: 216.920.2010
Toll Free: 800.513.9260



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ACCOUNT AND SERVICES SUMMARY

SHARE SAVINGS

- \$5 Minimum Account Balance. \$250 Minimum to Earn Dividends
- Dividends Paid Quarterly Using the Daily Balance Method
- Interest Rate is Variable and May Change Quarterly
- ATM Card Available

ADVANTAGE CHECKING

- No Monthly Service Charge and No Transaction Fees
- No Minimum Balance Requirement
- Balances of \$1,000 or More Earn Dividends
- Unlimited Check Writing
- Overdraft Protection Available
 - Share Transfer
 - Overdraft Line of Credit
 - Member Courtesy
- Debit/ATM Card Access

ADVANTAGE PLUS CHECKING

All the Features of Advantage Checking
With Higher Monthly Dividends Paid

- \$1,500 Minimum Balance

SECOND CHANCE CHECKING

- Members not Eligible for Advantage Checking May Apply
- ATM or Debit Card is Available
- \$10 Monthly Fee and Direct Deposit is Required

MASTERCARD DEBIT CARD

- Funds are Automatically Deducted from your Checking Account
- No Check Writing • Receipt for Transactions
- Accepted Wherever MasterCard is Accepted
- Control your card with My Mobile Money Access, our free app
- Use with the best Mobile Wallets

ATM CARD

- 24-Hour Access to your Accounts
- World Wide Access
- 8 Free Transactions per Month with Direct Deposit, or Daily Balances of \$1,000 in Savings, or \$500 in Checking
- Access to Surcharge-Free ATMs
- Use to Withdraw Cash at ATMs

DIRECT DEPOSIT & PAYROLL DEDUCTION

- Funds are Automatically Deposited into Account
- Funds are Available Immediately
- Reduce Risk of Fraud and Theft

ONLINE SERVICES

- Free Home Banking
- Free Web Bill Pay
- Complete and Submit Loan Applications Online

MOBILE & TEXT BANKING

- Account Information Anywhere, Anytime Using a Cell Phone
- Deposit Checks Using Mobile Banking

SHARED BRANCHING

- Deposit, Withdraw, Make Payments and Get Account Information
- 5,000+ Branch Offices Nationwide
- Find a nearby location online at www.sharedbranching.com, use the free Shared Branching app or call 800.919.2872

MONEY MARKET SAVINGS ACCOUNT

- Minimum Deposit \$2,500. No Dividends Paid on Balances Below \$2,500
- Dividends Paid Monthly Using the Daily Balance Method
- 3 Free Withdrawals per Month
- Multi-Tiered Dividend Rates

INDIVIDUAL RETIREMENT ACCOUNT (IRA)

- Save for Retirement with an Insured Account
- May Provide Tax Advantages
- No Annual Fee with a \$2,500 Balance by Year End or If Contributions are Made by Direct Deposit or Payroll Deduction
- Roth / Traditional / Coverdell

FINANCIAL PLANNING SERVICES

- Life Insurance • Annuities • 401K Rollovers
- Long-Term Planning • And More!

OTHER PRODUCTS AND SERVICES

- Club Accounts
- VISA Gift Cards
- Term Share Certificates
- Youth Savings Accounts
- 24-Hour Member Anytime Touch-Tone Teller (MATT)
- Holiday Accounts
- Certificates of Deposit
- Notary Service
- Discount Amusement Park and Movie Tickets



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

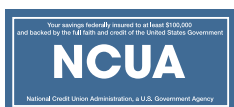
- Car, Boat & RV Loans (New & Used)
- Home Equity Loans
- Line-Of-Credit Loans
- Mortgage Loans
- GAP Protection/Extended Warranty Protection
- Depreciation Protection
- Lifestyle Loans
- VISA Credit Cards
- 24/7 Loan Line
- 24/7 Internet Loan Approval
- Stretch Pay Loans
- Business Loans
- Summer &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



Eaton Family
CREDIT UNION, INC.

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OFFICIAL FAMILY BOARD OF DIRECTORS

Chris Jochum, Chair

Robert Santoro, Vice Chair

Dwayne Petish, Secretary

Mike Losneck, Treasurer

Suresh Babu, Director

Gina Jackson, Director

Marc Manberg, Director

Evie Probert, Director

Alex Shorter, Director

Doris Yee, Director

Kristina Slunski Cicero, Recording Secretary

SUPERVISORY COMMITTEE

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Ralph Dinges

James Gehlbach

Eric Jackson

Fred Orenics

Tony Sanders

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Terri Daso

Brandon Dubose

Laura Harms

Susan Knight

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Latoya Netherly

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Chris Rivera

Terry Shingledecker

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Vesna Vladic

Shareaun Woods

Mirjana Zovkic

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Leah Renfro

SEARCY, ARKANSAS OFFICE

Taryn Barger

