



Eaton Family
CREDIT UNION, INC.

INVEST IN TOMORROW.

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EATON FAMILY CREDIT UNION

2023 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

Suresh Babu

Call Meeting to Order

Introductions

Mike Losneck

Reading & Approval of Last Annual Meeting Minutes

Treasurer's Report

Loan Department Report

Supervisory Committee Report

Nominating Committee Report

Staff Recognition

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 2023 was another year of solid performance and profitability despite the continued staffing challenges and historic 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. We have also dramatically increased the dividend rates we are paying to our Members.

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 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.

Sincerely,

Suresh Babu

Chairperson, Board of Directors

TREASURER'S REPORT

Eaton Family Credit Union had another strong year in 2023. During 2023, the loan portfolio increased by \$3,087,378. At the end of 2023, the total outstanding loan balance was \$57,404,520. Of all the individual loan types, the Used Auto, Member Business loans, HELOC loans and Used RVs had the largest increases. Total share balances decreased during 2023 by \$672,536. This was a decrease of 0.98% below the 2022 balances. At the end of 2023, the total share balance was \$68,245,145.

Regular Certificate accounts, IRA CD Accounts and Escrow accounts had the largest increases during 2023.

Delinquency moved higher during 2023. At year-end, the delinquent ratio was 2.27%. In 2023, the allowance for the loan loss account was adjusted by \$374,397.

Net charge-offs were higher at \$468,149 for 2023.

Total income continued to be strong and stable during 2023. We continue to work on keeping expenses as low as possible and maintaining income levels to support our operating expenses.

At year-end \$211,433.85 in net income was added to the capital base of the credit union, which helped to maintain our net capital at 7.74% as the assets of the credit union were increasing.

At year-end our total membership was at 12,262. During the year we added 869 new members and closed 1,092 resulting in a net membership loss of 223 for 2023.

Total assets at year-end were \$79,066,475.

Respectfully submitted,
Mike Losneck

LOAN DEPARTMENT REPORT

During 2023, the Loan Department received 1,531 new requests for credit in the amount of \$23,729,381. Of these requests, 833 were approved for a total dollar amount of \$14,924,746. There were also 698 declined for a total dollar amount of \$8,804,635. This is an approval rate of 62.9%. Of the total dollar amount approved, \$13,529,095 or 90.6% were secured by collateral. Of these collateralized loans, \$6,360,660 or 47.1% were secured by a first or second mortgage. Of the total dollar amount of loans declined, \$7,841,140 or 89.1% were secured by collateral and \$963,495 was unsecured.

INCOME AND EXPENSES

	2022	2023
Interest Income		
Interest Income on Loans	2,613,612	3,170,250
Interest Income on Investments	371,112	408,956
Other Income	852,703	866,509
Total Income	3,837,427	4,445,715
Dividend Expense	210,948	753,358
Net Interest Income	3,626,479	3,692,357
Less provision for loan losses	(96,476)	374,397
Net interest income after provision for loan losses	3,722,955	3,317,960
Operating Expenses		
Compensation	987,489	1,068,628
Employee Benefits	182,022	218,272
Travel & Conference	2,846	6,544
Association Dues	21,605	23,282
Office Occupancy Costs	65,923	73,826
Office Operation Costs	358,298	360,422
Depreciation	13,273	13,273
ATM Program Costs	46,618	27,904
Checking Program Costs	7,969	5,546
Debit Card Program Costs	168,066	181,694
IRA Program Costs	200	3,478
Training Expense	6,676	5,880
Marketing Expense	29,868	48,726
Loan Servicing Expense	202,344	222,078
VISA Program Costs	96,659	99,621
Lending Center Costs	17,789	27,148
Mortgage Services Program	109,451	114,600
Outside Service Expense	336,426	365,597
Exam/Audit Expense	15,999	16,798
Cash Over/Short	4,090	3,510
Annual Meeting Expense	6,000	6,000
Miscellaneous Expense	51,583	213,689
Total Operating Expenses	2,731,260	3,106,516
Non Operating Income (Expense)	—	—
Net Profit	991,695	211,444

BALANCE SHEET

	2022	2023
ASSETS		
TOTAL LOANS	\$54,317,142	57,404,520
Allowance for loan loss	(482,649)	(731,858)
Net Loans	53,834,493	56,672,662
RECEIVABLES	207	187
CASH	1,270,055	1,273,958
INVESTMENTS		
Overnight Investments	314,852	322,228
Certificates of Deposit	16,027,255	14,605,779
Investments available for sale	920,458	954,085
Corporate One Capitalization	395,227	395,277
NCUA Share Insurance Fund	703,927	728,277
Net Investments	18,361,719	17,055,596
OTHER ASSETS		
Fixed Assets	415,594.64	393,143
Prepaid Expenses	437,291	499,864
Accrued Loan Income	48,095	99,063
Accrued Investment Income	38,274	38,169
Other Assets	1,933,002	3,083,833
TOTAL OTHER ASSETS	2,872,256	4,114,072
TOTAL ASSETS	76,338,730	79,066,475
LIABILITIES		
Accounts Payable	1,572,683	4,601,992
Accrued Expenses	102,389	95,842
TOTAL LIABILITIES	1,675,072	4,697,834
EQUITY		
MEMBER SHARES		
Regular Shares	30,539,206	25,872,323
Checking Accounts	11,249,413	10,882,273
Money Market Savings	10,220,774	9,093,615
Share Certificates	10,330,897	16,050,398
IRA Accounts	5,200,413	5,138,476
All Other Accounts	1,376,978	1,208,060
TOTAL MEMBER SHARES	68,917,681	68,245,145
NET WORTH		
Regular Reserves	1,474,204	1,474,204
Undivided Earnings	6,783,676	6,652,159
Unrealized Value/Loss On Investments	(2,511,903)	(2,002,867)
TOTAL NET WORTH	5,745,977	6,123,496
TOTAL LIABILITIES AND EQUITY	76,338,730	79,066,475



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, 2023 and 2022, 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, 2023 and 2022, 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.

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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 25, 2023

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 2023 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, 2023, 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, 2023. The deadline to receive applications was December 1, 2023.

There were three open positions. The open positions were the result of terms ending for two incumbent board members, Dwayne Petish and Evie Probert. There was also one vacant position. The Nominating Committee received and reviewed re-election statements from Dwayne Petish and Evie Probert. The Nominating Committee has approved both 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 two director applications from Dwayne Petish and Evie Probert--each serving a three-year term.

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

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

Brick & Associates

Enterprise Car Sales

Euclid Police Department

Evie Probert

Fiserv

Judith M. Kowalski, Attorney at Law

Lawrence Simon & Company

Lillie & Company

Multi-Bank Securities (MBS)

Navatros

Pat Briar

RBC Wealth Management

Starfish Computer Corporation

Stifel Investment Services

United Solutions Company

Vericast / Harland Clarke

Warwick Communications

Weltman, Weinberg& Reis

Woodside Mortgage

Doris Yee

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

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: 216.260.0016



Euclid • Willoughby Hills
Searcy, AR • Lincoln, IL

216.920.2000 • FAX 216.920.2030 • www.eatonfamilycu.com

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
- Online Loan Application
- 24/7 Internet Loan Approval
- Stretch Pay Loans
- Business Loans
- Summer & Holiday Loans
- Payment Protection



Eaton Family
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OFFICIAL FAMILY BOARD OF DIRECTORS

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Michelle Fischer, Director
Chris Jochum, Director
Marc Manberg, Director
Evie Probert, Director
Doris Yee, Director
Kristina Slunski Cicero, Recording Secretary

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Ralph Dinges
James Gehlbach
Eric Jackson
Fred Orenics
Tony Sanders

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Cindy Grumbach	Anisha Sawyer
Robyn Kudley	Terry Shingledecker
Bridget Lewis	Antonia Slater
Michael Losneck	Kelly Slocum
Clarissa Lumpkin	Vesna Vlastic
India Pittman	Mirjana Zovkic

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Erika Pellinghelli

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Megan Daniel



