

Grow with Us

A close-up photograph of a person's hand holding a small, vibrant green seedling with two leaves and a small bud. The seedling is still in its soil, which is held in the palm of the hand. The background is a soft, out-of-focus green, suggesting an outdoor setting.

EATON FAMILY CREDIT UNION 2021 Annual Report

OUR MISSION is 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 Members,

Welcome to our third virtual Annual Meeting of Eaton Family Credit Union! The challenge for this past year has been easier on all of us including you, our Members. Our staff and volunteers were able to stay safe and healthy during this time, and we are grateful to our members for helping us to do that.

We continue to roll out strategies to enhance your access to mobile services and other products so we can continue to be your financial provider.

On behalf of all of us—the Board of Directors, Staff, Committees—we thank you for your continued support and participation as we strive to become an even stronger Credit Union.

We hope that 2022 will be a healthy and prosperous year for all of you!

Sincerely,

Evie Probert
Chairperson, Board of Directors

TREASURER'S REPORT

Eaton Family Credit Union had another strong year in 2021. During 2021, the loan portfolio increased by \$5,169,200. At the end of 2021, the total outstanding loan balance was \$48,417,143. Of all the individual loan types, the Mortgages, Member Business loans, and VISA had the largest increases. Total share balances increased during 2021 by \$6,452,623. This was an increase of 10.08% above the 2020 balances. At the end of 2021, the total share balance was \$70,487,156. Regular Share accounts, Money Market and Draft accounts had the largest increases during 2021.

Delinquency moved higher during 2021. At year-end, the delinquent ratio was 2.04%. In 2021, the allowance for the loan loss account was funded with an addition of \$361,569. Net charge-offs were lower at \$104,022 for 2021.

Total income continued to be strong and stable during 2021. We continue to work on keeping expenses as low as possible and maintaining income levels to support our operating expenses. At year-end \$390,013.37 in net income was added to the capital base of the credit union, which helped to maintain our net capital at 8.83% as the assets of the credit union were growing.

At year-end our total membership was at 12,813. During the year we added 724 new members and closed 1,238 resulting in a net membership loss of 514 for 2021.

Total assets at year-end were \$78,106,248.

Respectfully submitted,
Mike Losneck
Treasurer

LOAN DEPARTMENT REPORT

During 2021, the Loan Department received 1,365 new requests for credit in the amount of \$28,587,223. Of these requests, 807 were approved for a total dollar amount of \$20,665,463. There were 558 declined for a total dollar amount of \$7,921,760. This is an approval rate of 72.2%. Of the total dollar amount approved, \$19,636,873 or 95.2% were secured by collateral. Of these collateralized loans, \$8,326,492, or 42.4% were secured by a first or second mortgage. Of the total dollar amount of loans declined, \$7,401,888 or 93.4% were secured by collateral and \$519,872 was unsecured.

INCOME AND EXPENSES

	2020	2021
Interest Income		
Interest Income on Loans	2,379,475	2,492,228
Interest Income on Investments	396,838	304,973
Other Income	831,309	872,780
Total Income	3,607,622	3,669,981
Dividend Expense	343,436	188,607
Net Interest Income	3,264,187	3,481,374
Less provision for loan losses	387,223	361,569
Net interest income after provision for loan losses	2,876,964	3,119,805
Operating Expenses		
Compensation	1,116,777	1,051,516
Employee Benefits	240,362	233,316
Travel & Conference	2,587	2,647
Association Dues	20,884	21,393
Office Occupancy Costs	79,600	91,580
Office Operation Costs	316,908	296,912
Depreciation	13,913	12,843
ATM Program Costs	47,036	52,578
Checking Program Costs	4,062	5,732
Debit Card Program Costs	167,893	167,707
IRA Program Costs	3,195	3,004
Training Expense	1,556	3,142
Marketing Expense	16,079	19,902
Loan Servicing Expense	203,972	207,652
VISA Program Costs	94,952	112,287
Lending Center Costs	9,076	2,240
Mortgage Services Program	66,625	92,128
Outside Service Expense	289,258	298,531
Exam/Audit Expense	14,116	14,411
Cash Over/Short	418	726
Annual Meeting Expense	5,608	6,077
Miscellaneous Expense	35,159	33,468
Total Operating Expenses	2,750,036	2,729,792
Non Operating Income (Expense)	6,200	—
Net Profit	133,127	390,013

BALANCE SHEET

	2020	2021
ASSETS		
TOTAL LOANS	\$43,247,942	48,417,143
Allowance for loan loss	(596,784)	(854,332)
Net Loans	42,651,158	47,562,811
RECEIVABLES	273	273
CASH	1,443,784	773,797
INVESTMENTS		
Overnight Investments	4,144,138	6,138,632
Certificates of Deposit	19,567,523	18,941,706
Investments available for sale	298,572	824,832
Corporate One Capitalization	395,227	395,227
NCUA Share Insurance Fund	627,546	696,084
Net Investments	25,033,006	26,996,481
OTHER ASSETS		
Fixed Assets	394,525	442,062
Prepaid Expenses	332,392	360,025
Accrued Loan Income	78,638	74,909
Accrued Investment Income	39,508	35,984
Other Assets	1,795,696	1,859,906
TOTAL OTHER ASSETS	2,640,759	2,772,886
TOTAL ASSETS	71,768,980	78,106,248
LIABILITIES		
Accounts Payable	524,937	633,367
Accrued Expenses	72,498	87,251
TOTAL LIABILITIES	597,435	720,618
EQUITY		
MEMBER SHARES		
Regular Shares	29,090,097	33,332,181
Checking Accounts	10,323,015	11,202,542
Money Market Savings	9,627,726	10,781,645
Share Certificates	8,834,171	8,390,382
IRA Accounts	5,041,494	5,453,654
All Other Accounts	1,118,030	1,326,752
TOTAL MEMBER SHARES	64,034,534	70,487,156
NET WORTH		
Regular Reserves	1,474,204	1,474,204
Undivided Earnings	5,401,968	5,791,981
Unrealized Value/Loss On Investments	260,839	(367,711)
TOTAL NET WORTH	7,137,011	6,898,474
TOTAL LIABILITIES AND EQUITY	71,768,980	78,106,248



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, 2021 and 2020 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.

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, 2021 and 2020, 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 27, 2021

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 2021 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, 2021, 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, 2021. The deadline to receive applications was December 1, 2021.

There were three open positions. The open positions were the result of terms ending for three incumbent board members, Suresh Babu, Robert Carlson, Alex Shorter. The Nominating Committee received and reviewed two re-election statements from Suresh Babu and Alex Shorter. 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 two director applications from Suresh Babu, and Alex Shorter each serving a three-year term.

Respectfully submitted,
Dwayne Petish, Evie Probert, Robert Santoro
Nominating Committee

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

Atlas Cinemas

Comfort Control Systems

Electronic Merchant Systems

Enterprise Car Sales

Evie Probert

Judith M. Kowalski, Attorney at Law

Lawrence Simon & Co.

Lillie & Company

Ohio Credit Union League

Pat Briar

Pioneer Waterland & Dry Fun Park

Starfish Computer Corporation

Weltman, Weinberg & Reis Co., LPA

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
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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

Alex Shorter, Director

Doris Yee, Director

Kristina Slunski Cicero, Recording Secretary

SUPERVISORY COMMITTEE

Denise Gruden, Chair

Ralph Dinges

James Gehlbach

Eric Jackson

Fred Orenics

Tony Sanders

EUCLID OFFICE

Devaney Adamson

Bianca Daniels

Terri Daso

Kenyita Hunt

Robyn Kudley

Michael Losneck

Clarissa Lumpkin

Robin Motta

Lori Penny

Deborah Richards

Chris Rivera

Terry Shingledecker

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Diane Toth

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SEARCY, ARKANSAS OFFICE

Taryn Barger

LINCOLN, ILLINOIS OFFICE

Jaymee McAllister

Morgan Yentes

CORY UNITED METHODIST CHURCH

Kenyita Hunt

Clarissa Lumpkin