

2023 Letter from the Board Chairman

First off, on behalf of the Board of Directors and the credit union membership, I would like to thank Sharon Churchill, our long serving President and CEO, for her many years of dedicated service. Sharon recently retired and, like all too many, has gone to live in Florida where she and her husband will be able to enjoy the less hostile winter weather. We wish her many years of doing whatever her heart desires!

Which leads me to the next subject: welcoming our new President and CEO, Dave Wilde. Dave was selected after a nationwide search which netted over 90 well qualified applicants. Dave's extensive credit union management experience (over 25 years), and open and enthusiastic attitude, gave him the edge over all the other candidates. Dave comes to us from Sun Federal Credit Union, headquartered just outside Toledo, Ohio, where he was most recently the Vice President of Marketing, Business Development, and Wealth Management. I hope you all will congratulate him on his appointment and wish him a warm welcome.

Now on to more mundane matters: no Board of Directors election this year as we had only the incumbents applying for the four open positions. I would like to welcome back Kristina Beletic, Richard French, Eric Moore, and Stephanie Miller. Stephanie was appointed mid-term to the Director position previously held by AJ Singh. Unfortunately AJ found that his busy schedule as a medical school student and resident was not compatible with being a CFCU board member (go figure!). Stephanie will have to run again next year (when AJ's term was due to expire) if she wishes to continue to serve on the Board of Directors. I'd also like to thank AJ for the time he did serve as a Board Volunteer and welcome him to run again when, and if, his schedule allows.

As many of you may have noticed, there was a big upgrade to the software that runs the credit union. Believe me when I say that the changes you've seen are just a small fraction of what went on behind the scenes. This complete revamping of CFCU's operating infrastructure involved a huge effort on the part of the staff. They are to be commended for their hard work and commitment to getting it right. While there were, and continue to be, some minor glitches, we hope you'll agree that it was worth it to keep our systems as up-to-date, efficient, secure, and cost effective as possible.

In conclusion, I wish to thank you again for your membership in CFCU! We will continue to offer the breadth of products and services, and the commitment to customer service, that encourage you to choose CFCU as your primary financial institution.

Pete Bonacuse →
Chairperson

SENIOR LEADERSHIP TEAM

President/CEO: Ira David Wilde
Exec VP/CFO: Emily Bopp
CHRO: Penny Caver
CIO: Frank Chahulski
CMXO: Santina Dawson

BOARD OF DIRECTORS

Chairperson: Pete Bonacuse
Vice Chairperson: Eric J. Moore
Treasurer: Kristina Beletic
Secretary: Diane Bridges
Board of Directors:
William T. Ahonen
Tim Edmunds
Richard French
Roseann K. Lorenz
Stephanie Miller
Recording Secretary: Pat Kamholz

SUPERVISORY COMMITTEE

Committee Chair: Jimmy Davis **Committee Secretary:** Pete Romano
Committee Members: Angel Arroyo, David R. Hull **Internal Auditor:** Gavin Bowman

MANAGEMENT TEAM

Director of Operations: Brittany Becker
Director of Member Services: Johnathan Davis
Director of Collections: Julie Dunn
Director of Marketing: Tiphaney Grossestreuer
Director of Lending: Gretchen Hansen
Director of Risk & Compliance: Kenneth McIntyre
Director of Member Service Center: Deedra Miles-Yarbrough
Senior Manager, Branch Operations: Gerard Sanders
Branch Managers:
Matthew Burmeister
Donna Fuller
Shamia Holmes
Andrea McDade
Marta Muzyka
Karen Shoemaker
Application Support Manager: Jeffrey Booher
Controller: Kathryn Corbin
IT Manager: Timothy Kiewel
Lending Operations Manager: Zsuzsanna Sliman
Operations Manager: Breck Turner

OUR TEAM

Alexander, Christina	Clark, Robin	Kovalak, Janet	Pedley, Donald
Anderson, Idalia	Davis, Amanda	Kuzma, Sarah	Porter, Kimesha
Bacha, Constance	Dillingham, Gwendolyn	Laird, Maria	Prince, Lataosha
Barrile, Joseph	Dyke, Ashley	LaRue, Keith	Reid, Robert
Beall, Terry	Fuller, Tia/Simone	Lezark, Rhonda	Schorr, Kaitlyn
Belfi, Kelly	Gibson, Carolyn	Looney, Tina	Seda, Alyssa
Belk-Orr, Lela	Gillis, Donna	Lopez, Abizaac	Simmons, Jasmine
Brant, Joshua	Giurukis, Patricia	Martin, Linda	Swinney, Ramona
Bryant, Plummer	Golba, James	McBryer, Debra	Tancak, Susan
Burns, Theresa	Gregory II, Marlon	McCarthy, Meghan	Thomas, Shermaine
Butler-Boyd, Melissa	Hall, Ashley	Moran, Deanna	Upshaw, Jennifer
Caporossi, Ramona	Hannah, Anthony	Nickson, Aireona	Wiggins, SharRon
Caraballo, Jazmine	Jackson, Parthenia	Ochoa, Ryan	Williams, Kimberly
Carter, Andrea	Keyser, Cheryl	Ozimek, Jeanette	Williams, Whitney
Caver Myles, LaTasha	Kirkwood, Kassie	Pastor, Virginia	Willis, Janeka
		Pearsall, Shakita	Yarbrough, Shanise

BRANCH LOCATIONS

DOWNTOWN

AJC Federal Building
1240 E. 9th Street, #719
Cleveland, OH 44199
M-F: 8:00 AM - 3:30 PM 216-535-3290

INDEPENDENCE

4600 Rockside Road
Independence, OH 44131
M-TH: 8:30 AM - 4:00 PM
F: 8:30 AM - 6:00 PM SAT: 8:30 AM - 2:00 PM
216-535-3410

RICHMOND HEIGHTS

754 Richmond Road
Richmond Hts, OH 44143
M-TH: 8:30 AM - 4:00 PM
F: 8:30 AM - 6:00 PM
SAT: 8:30 AM - 2:00 PM 216-535-3800

NASA Employees Only

21000 Brookpark Road Building 15
Cleveland, OH 44135
M-F: 8:00 AM - 3:30 PM
216-535-3400

NORTH OLMSTED

28251 Lorain Road
North Olmsted, OH 44070
M-TH: 8:30 AM - 4:00 PM
F: 8:30 AM - 6:00 PM
SAT: 8:30 AM - 2:00 PM
216-535-3100

WADE PARK VAMC

10701 East Blvd., 1E210
Cleveland, OH 44106
M-F: 8:00 AM - 3:30 PM
216-535-3600

SHERWIN-WILLIAMS

101 Prospect Avenue, Lobby
Cleveland, OH 44115
M-F: 8:30 AM - 4:00 PM
216-535-3700

STRONGSVILLE

14244 Pearl Road
Strongsville, OH 44136
M-TH: 8:30 AM - 4:00 PM
F: 8:30 AM - 6:00 PM
SAT: 8:30 AM - 2:00 PM
216-535-3260

RTA HAYDEN Employees Only

1661 Hayden Avenue East Cleveland,
OH 44112 M, W, F: 9:30 AM - 4:00 PM
216-535-3280



Annual Report

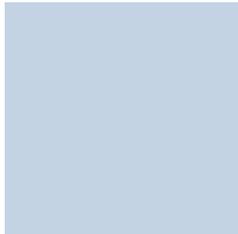
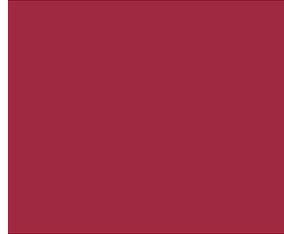
2023 →





2023 Annual Meeting: Agenda

1. Call the Meeting to Order at 9:30 a.m.
2. Secretary Ascertains a Quorum is Present
3. Chairman Entertains a Motion to:
 - a. Change the Order of Business
 - b. Dispense with the reading of the Annual Meeting minutes from the prior year
 - c. Approve the prior year's Annual Meeting minutes
4. Chairman's Introductions
5. President/CEO's Introductions
6. Supervisory Committee's Report
7. Chairman's Report
8. Treasurer's Report
9. Election Results
10. Open Forum Questions
11. Door Prize Give Away
12. Closing Remarks
13. Motion to Adjourn



2023 Treasurers Report

From a financial perspective, 2023 was another successful year for our credit union considering the impacts of the post-pandemic economy, including continued volatile interest rates and increased inflation. The still higher than average inflation caused members to save less than normal. At the end of 2023, member deposits had decreased to \$388M, an \$11.4M or 2.85% decrease from year-end 2022 and decreased by \$30M or 7.24% from year-end 2021. At year-end 2023, assets totaled over \$434M, reflecting a \$12.2M or 2.74% decrease from prior year. As interest rates steadied in 2023, members continued to search for competitive rates. Throughout 2023, CFCU raised interest rates to retain and attract additional deposits. CFCU members responded by shifting their deposits to term share certificates for a higher rate with a longer duration. By the end of 2023, term share certificates totaled \$67M, an increase of \$30M from prior year balances. Due to the shift of deposits, the cost of funds on assets increased from .26% to 1.50% year-over-year, as the total interest expense paid out to our member deposits as dividends totaled \$4.3M, a favorable increase of \$3.5M or a 461% increase from prior year for our members.

Although CFCU is a non-profit organization, net income needed to keep our cooperative running totaled \$1.9M, a decrease of \$764k from prior year. The decrease in net income was mainly attributable to the increased amount of dividends paid-out to our membership (as noted above), as well as an increase in salaries and benefits by \$862K for the year as employees worked diligently with longer hours on implementing the new core conversion. Total Interest income for the year equaled \$18.4M, a \$4.7M increase from prior year while Non-Interest income, including fee income, totaled \$2.94M, a \$64K decrease from prior year.

Due to the increased interest rates and tight housing market, CFCU experienced a decline in overall loan activity. CFCU processed a total of \$87.8M in loan volume in 2023. After \$29M of contractual retirements, \$40M of VISA payments, \$32M of loan pre-payments and \$5.4M of loan participation payments, this netted to a decreased loan portfolio balance of \$18.9M from prior year. Charge-offs for 2023 totaled \$962K or .34% of total loans, while recoveries totaled \$174K or .06% of total loans, resulting in a net charge-off of \$789K, a \$447K increase from prior year.

CFCU remains healthy with a net worth to assets ratio that favorably increased from 9.87% to 10.35% by year-end 2023, classifying our organization as well-capitalized by the NCUA (National Credit Union Association). While CFCU remains committed to continued safety and soundness, we strive to enhance the value of your membership and improve your financial wellbeing. We thank all of CFCU's loyal and supportive members and look forward to another great year as we focus on growing this great cooperative.

Respectfully Submitted,
Kristina A. Beletic, CPA →
 Treasurer



→ Balance Sheet 2023

Assets	2023	2022
Cash and Cash Equivalents	\$27,121,934	\$14,371,613
Deposits in Other Financial Institutions	-	1,250,000
Securities - Available-for-sale	110,925,659	115,520,253
Other Investments	979,818	1,311,418
Loans, Net	281,424,905	300,886,203
Accrued Interest Receivable	1,299,686	1,113,642
Premises and Equipment, Net	5,889,765	4,955,972
National Credit Union Share Insurance Fund (NCUSIF) Deposit	3,729,645	3,971,638
Other Assets	3,056,090	3,511,451
Total Assets	\$434,427,503	\$446,892,190
Liabilities		
Members Share and Savings Accounts	\$388,189,296	\$399,592,654
Borrowed Funds	7,300,694	11,053,104
Accrued Expenses and Other Liabilities	4,199,671	3,986,374
Total Liabilities	\$399,689,661	\$414,632,132
Members' Equity		
Undivided Earnings	\$44,738,682	\$43,862,475
Acquired Equity	201,651	201,651
Accumulated Other Comprehensive Income Gain/(Loss)	(10,202,491)	(11,804,068)
Total Member's Equity	34,737,842	32,260,058
Total Liabilities & Members' Equity	\$434,427,503	\$446,892,190

→ Consolidated Income Statement 2023

	2023	2022
Interest Income		
Loans	\$13,331,933	\$11,261,530
Securities, Interest Bearing Deposits and Cash Equivalents	5,062,819	2,461,868
Total Interest Income	\$18,394,752	\$13,723,398
Interest Expense		
Members' Share and Savings Accounts	\$4,266,812	\$760,530
Borrowed Funds	276,540	86,392
Total Interest Expense	4,543,352	846,922
Net Interest Income	\$13,851,400	\$12,876,476
Provision for Loan Losses	\$211,302	\$272,426
Net Interest Income After Provision for Loan Losses	13,640,098	12,604,050
Non-Interest Income		
Service Charges and Fees	\$1,392,028	\$1,459,685
Other Non-Interest Income	1,792,189	1,731,028
Net Gain on Sale of Assets	-	51,126
Total Non-Interest Income	\$3,184,217	\$3,241,839
Non-Interest Expense		
Employee Compensation and Benefits	\$7,756,949	\$6,892,438
Office Occupancy and Operations	2,447,517	2,570,258
Other Operating Expenses	4,662,132	3,661,359
Total Non-Interest Expense	\$14,866,598	\$13,124,055
Net Income	\$1,957,717	\$2,721,834