

**We're your credit union**  
for all who live, work, worship or attend school in Ashland, Coshocton, Delaware, Holmes, Knox, Licking, Morrow and Richland counties in Ohio



## Annual Meeting for CES Credit Union

Monday September 26, 2022 | 7:00pm | Virtual

### Agenda for the Annual Meeting

- Call to order
- Determination of a Quorum
- Election of members to Board of Directors (by Acclamation)
- Roll Call of Directors
- Reading of the Minutes of September 27, 2021 (Virtual) Meeting
- Meeting Reports:
  - Treasurer: George Warden
  - CEO: Sandy Coffing
  - Board of Directors: Jeff Wells
- Unfinished Business
- New Business
- Adjournment

### Minutes from CES Credit Union's Annual Meeting | September 27, 2021

CES Credit Union, Inc. held an Annual Meeting on September 27, 2021 at 7:00pm. This was the 69th Annual Meeting. Minutes of the meeting are as follows:

The Annual Meeting was held virtually.

1. Call to order.
2. There were 68 members present; well within the requirement for a quorum.
3. Candice Gallagher, Larry Hatton and Matthew Kurtz were the candidates for the Board of Directors that were elected by acclamation.
4. Jeff Wells introduced the Board of Directors.
5. By acclamation to dispense with the reading of the 2020 Minutes.
6. Treasurer, Matthew Kurtz, was unable to attend.  
Jeff Wells presented the treasurers report.
7. CEO, Sandy Coffing, presented her report.
8. Chairman of the Board, Jeff Wells, presented his report.
9. There was no unfinished business.
10. With no further business, the meeting was adjourned.

### The CES Credit Union Mission Statement:

CES Credit Union is dedicated to the financial success of our members and the communities we serve.

*On the cover: We celebrate the eight counties we serve in our primary market area.*

*Ashland County: Railroads outside of Loudonville on a rainy day*

*Coshocton County: Coshocton County Court House*

*Delaware County: Delaware County Fair historical marker*

*Holmes County: Field corn at harvest*

*Knox County: The illuminated railroad bridge at the viaduct in Mount Vernon. The blue*

*and green are CES Credit Union corporate colors*

*Licking County: It's Junior Showmanship time at the Hartford Fair in Croton*

*Morrow County: Storefronts in downtown Cardington*

*Richland County: Fall colors at sunset from Mt. Jeez at Malabar Farm State Park*

*Additional photos are: The CES Credit Union mascot at First Friday (courtesy: WNZR-FM),*

*Ohio's state wildflower, the trillium; harvesting soybeans in*

*Licking County; the Cooper fountain on Mount Vernon's city square*

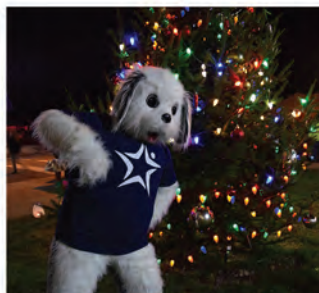


Some of the most important lessons are learned the "hard way". That's especially true when it comes to money.

CES Credit Union takes pride in offering financial education classes to all ages, especially young adults. When entering the workforce, this group needs to learn about savings, credit management and (way too often) scams and frauds.

Ohio Senate Bill 1 was signed into law on Oct. 28, 2021 by Gov. Mike DeWine. Beginning with the 2022-2023 freshmen class, students in Ohio public high schools will be required to pass at least one-half unit course in financial literacy in order to graduate. CES Credit Union works with schools to help meet this new requirement, and pass along some life and work experience along the way.

In these images, Karen Bell teaches a class on these topics to adults at CTEC of Licking County in Newark in August 2022. There is no cost for presentations to schools or groups.



You'll find CES Credit Union all throughout the communities we serve. From the very success full Shredding Day in Mount Vernon (with 8 tons of documents shredded) to the First Fridays celebrations downtown, you'll often see CES employees participating.

Our mascot, Cooper, is very popular too. Kids of all ages love to give our canine ambassador a big hug.

## Welcome from the Chair of the Board of Directors of CES Credit Union

September 26, 2022

To All CES Credit Union Members

I'd like to welcome you to our 2022 CES Credit Union Annual Report. I hope you had a good summer and were able to get out a little more than the last couple of years, but I must admit, fall is my favorite season of the year. After a hot sweltering summer, I look forward to the cool, clear, crisp air and blue sky that fall brings. I really enjoy the onset of football season, apples, changing leaf color, and of course, all that pumpkin flavored stuff. This is also the time to get in that last mini vacation, or day trip while you still can because as we all know too well, it serves as a warning that the nasty season that begins with a "W", is not far away.



This is also the time year we look back and let you know what your credit union has been up to over the past year. It never ceases to amaze me as to how much can change in a year. We've experienced significant growth in membership, and assets broke the \$200 Million mark. I assume that much of this is due to the volatility we've seen in the stock market with members looking for safe ways to protect their savings, but we've continued to see growth in loans as well.

Our growth has also been supported with the successful completion of the merger of the Coshocton Federal Credit Union, (CFCU), into CES in November of 2021. If you happen to find yourself in Coshocton, you might want to check out our new service center located there at 700 S. 2nd Street, right beside the Pizza Hut. Stop in and say "Hi" to Karen Wright and her staff.

Other highlights from the last year include:

- Introduction of "Digital Wallet" which will provide the ability for electronic payments through various app services.
- Expanded loan opportunities that now include RV's, Campers, Boats, and ATVs to accommodate those, like me, that enjoy the outdoors.
- Providing financial education efforts in schools supported by Ohio SB 1 that now requires it to be provided.
- Proud of our "70th Anniversary" achievement this year of serving our members. (Can't help but wonder what the next 70 years will bring.)

I look forward to continuing to serve our membership, and continued successes.

Sincerely Yours

Jeff Wells  
President of CES Credit Union Board of Directors

## The CES Credit Union Board of Directors:



Teresa Bemiller | Board Secretary | Knox County (OH) Commissioner | Mount Vernon, OH  
Jason Booth | County Administrator, Knox County | Mount Vernon, OH  
Kim Fearn | Retired, Siemens | Fredericktown, OH



Candice Gallagher | Fredericktown School Board and Retired Educator | Fredericktown, OH  
Larry Hatton | Retired, Director of Emergency Management  
and Homeland Security, Knox County | Mount Vernon, OH  
Michael Gray | Educator & Coach, River View Local Schools | Coshocton, OH



Margaret Ann Ruhl | Board Vice Chair | Retired, Ohio Senate  
& Ohio House of Representatives | Fredericktown, OH  
George Warden | Board Treasurer | Small Business Owner | Delaware, OH  
Jeff Wells | Board Chair | Retired, Siemens | Mount Vernon, OH

The Board of Directors Board ensures the finances of the credit union are handled properly; approves and monitors the annual budget; ensures compliance with applicable legislation; establishes and monitors financial policies and practices. This is a volunteer (uncompensated) position and is critical to the success of the financial cooperative.



## Asset and Liability Statement for Fiscal Year 2021-2022

(Fiscal Year runs from July 1 to June 30)

	June 2022	June 2021	June 2020	June 2019	June 2018
<b>ASSETS</b>					
Cash and Cash Equivalents	\$6,731,303	\$15,978,369	\$14,188,700	\$10,469,088	\$13,549,076
Investments	\$102,786,220	\$78,377,200	\$58,363,200	\$46,089,200	\$45,536,455
Loans to Members - less allowance for loan losses	\$94,738,690	\$89,590,284	\$84,386,817	\$84,209,520	\$81,010,081
Other Real Estate Owned	\$-	\$-	\$-	\$-	\$-
Property and Equipment - Net	\$2,105,839	\$2,146,664	\$2,260,574	\$2,317,210	\$2,429,567
Other Assets	\$7,360,778	\$7,130,049	\$4,812,106	\$4,707,647	\$2,766,787
<b>Total Assets</b>	<b>\$213,722,830</b>	<b>\$193,222,566</b>	<b>\$164,011,397</b>	<b>\$147,792,665</b>	<b>\$145,291,966</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>					
Member Share Accounts	\$193,127,300	\$173,913,768	\$146,163,545	\$131,900,003	\$131,468,663
Notes Payable	\$-	\$-	\$-	\$-	\$-
Accounts Payable and Accrued Liabilities	\$874,540	\$787,353	\$697,431	\$590,891	\$551,584
<b>Total Liabilities</b>	<b>\$194,001,840</b>	<b>\$174,701,121</b>	<b>\$146,860,976</b>	<b>\$132,490,894</b>	<b>\$132,020,247</b>
Statutory Reserve	\$2,102,834	\$2,102,834	\$2,102,834	\$2,102,834	\$2,102,834
Undivided Earnings	\$17,513,100	\$16,418,611	\$15,047,587	\$13,198,937	\$11,093,320
Unrealized Gain on Investments	\$-	\$-	\$-	\$-	\$75,565
<b>Total Members' Equity</b>	<b>\$19,720,990</b>	<b>\$18,521,445</b>	<b>\$17,150,421</b>	<b>\$15,301,771</b>	<b>\$13,271,719</b>
<b>Total Liabilities and Members' Equity</b>	<b>\$213,722,830</b>	<b>\$193,222,566</b>	<b>\$164,011,397</b>	<b>\$147,792,665</b>	<b>\$145,291,966</b>

Financial Disclosure: The June 30, 2022 financial statements presented with this annual report were prepared by the management of the credit union. The Board of Directors of CES Credit Union engages the services of Lillie and Company to perform an audit of the credit union's financial statements each year. The most recent audited financial statements as of June 30, 2022 are available upon request.

## Profit and Loss Statement for Fiscal Year 2021-2022

(Fiscal Year runs from July 1 to June 30)

	June 2022	June 2021	June 2020	June 2019	June 2018
<b>Gross Income</b>	<b>\$7,591,946</b>	<b>\$7,310,121</b>	<b>\$7,815,373</b>	<b>\$8,060,978</b>	<b>\$6,889,108</b>
Less: Expenses & Dividends	\$(6,497,457)	\$(5,939,097)	\$(5,966,723)	\$(5,957,767)	\$(5,434,986)
<b>Comprehensive Income</b>	<b>\$1,094,489</b>	<b>\$1,371,024</b>	<b>\$1,848,650</b>	<b>\$2,103,211</b>	<b>\$1,454,122</b>
<b>Total Interest Income</b>	<b>\$4,578,900</b>	<b>\$4,557,836</b>	<b>\$5,061,792</b>	<b>\$4,913,135</b>	<b>\$4,314,701</b>
<b>Total Dividends &amp; Interest Expense</b>	<b>\$(135,284)</b>	<b>\$(136,930)</b>	<b>\$(125,872)</b>	<b>\$(105,515)</b>	<b>\$(97,990)</b>
<b>Provision for Loan Loss</b>	<b>\$(85,068)</b>	<b>\$7,990</b>	<b>\$(158,604)</b>	<b>\$(337,776)</b>	<b>\$(210,904)</b>
<b>Non Interest Income</b>	<b>\$3,013,046</b>	<b>\$2,752,285</b>	<b>\$2,753,581</b>	<b>\$3,150,249</b>	<b>\$2,540,313</b>
<b>Non Interest Expense</b>	<b>\$(6,277,105)</b>	<b>\$(5,810,157)</b>	<b>\$(5,682,247)</b>	<b>\$(5,514,476)</b>	<b>\$(5,126,092)</b>
<b>Change in Unrealized Gain</b>	<b>\$-</b>	<b>\$-</b>	<b>\$-</b>	<b>\$(2,406)</b>	<b>\$34,094</b>
<b>Comprehensive Income</b>	<b>\$1,094,489</b>	<b>\$1,371,024</b>	<b>\$1,848,650</b>	<b>\$2,103,211</b>	<b>\$1,454,122</b>

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## Statistical Report for Fiscal Year 2021-2022

(Fiscal Year runs from July 1 to June 30)

	June 2022	June 2021	June 2020	June 2019	June 2018
<b>Total Members</b>	<b>16,592</b>	<b>15,944</b>	<b>15,751</b>	<b>15,817</b>	<b>15,784</b>
<b>Number of Member Loans Granted</b>	<b>2,167</b>	<b>2,209</b>	<b>1,688</b>	<b>2,298</b>	<b>2,516</b>
<b>Amount of Member Loans Granted</b>	<b>\$36,474,588</b>	<b>\$37,285,466</b>	<b>\$28,263,247</b>	<b>\$25,370,417</b>	<b>\$38,581,143</b>
<b>Dividends Paid to Members</b>	<b>\$135,285</b>	<b>\$136,836</b>	<b>\$125,872</b>	<b>\$105,517</b>	<b>\$97,990</b>
<b>Visa Debit Card Holders (Number)</b>	<b>9,961</b>	<b>9,718</b>	<b>9,247</b>	<b>9,072</b>	<b>8,960</b>
<b>Visa Credit Card Holders (Number)</b>	<b>4,170</b>	<b>4,196</b>	<b>3,951</b>	<b>3,249</b>	<b>3,195</b>

## A Quick Recap of 2021 to 2022...

Fiscal Year (FY) 2021-2022 (running July 1, 2021 to June 30, 2022) has been nearly a repeat of the prior fiscal year for CES Credit Union. The pandemic has lingered. Consumers found supply chain issues continuing to limit their choices, especially in trucks. CES Credit Union still had members borrowing, so loan demand remained positive. The housing market (and mortgage lending) in Central Ohio still remains tight, as demand significantly outpaces supply, driving up prices. Our members have continued to pay down their debt at a more rapid pace than we have seen prior to the pandemic's start in 2020. Throughout the pandemic, members found the drive-thrus, ATMs and electronic banking technology as easy-to-use alternatives to the traditional lobby visit, so the trend continues of less lobby traffic continues through 2022.

One noticeable and significant difference we're experiencing in our market area (the eight county region of Ashland, Coshocton, Delaware, Holmes, Knox, Licking, Morrow and Richland counties in Central, North Central and East Central Ohio) is both the housing and employment market is still very competitive and strong compared to many other regions. This was buoyed by a major announcement from semiconductor manufacturer Intel in January 2022 of their intent to place a large manufacturing center in Licking County. This \$20B investment from Intel is the largest private sector investment in Ohio history, creating (as Intel calls it) a "new epicenter for advanced chipmaking in the Midwest". While everyone is sorting out exactly what this means to our region, everyone agrees it will change our local and regional business climate and our way of life. CES Credit Union will evaluate and study how to best position the credit union for this growth.

As the pandemic wore on from 2020 into 2021 and even 2022, consumer spending is still down as there is a tendency for households to save during uncertain times. Our members' total shares (deposits) grew just over 11% in FY 2021-2022, down from nearly 19% the prior FY. Meanwhile, total net loans grew 5.8% during the same time (just under the 6% in the prior FY) and the number of loans granted (2,167) was about the same as the prior FY. The tight housing market, increased home prices and the lack of inventory of new vehicles (along with lingering supply chain issues) has hampered loan growth opportunities. CES Credit Union's Net Interest Income for FY 2021-2022 was similar to the prior FY.

Continued profitable operations helped CES keep a strong Net Worth-to-Asset Ratio (the primary measure of a credit union's financial strength, also known as the Capital Ratio) of 9.21 as of 6/30/2022, ending FY 2021-2022. While that is down from 9.57 as of 6/30/2021, the number is still strong considering the continued unprecedented growth in deposits through the pandemic. CES Credit Union's loan delinquency numbers remain very low compared to the industry thanks to sound lending and thorough follow-up from our Payment Solutions team despite the uptick in inflation.

Several projects were implemented (or started) in the Fiscal Year ending June 2022, including...

- Merger of Coshocton Federal Credit Union, and opening a new location in Coshocton in November 2021. (Coshocton County was added as a field of membership as of July 1, 2021).
- Added services including Digital Wallet and more methods of paying for goods and services electronically.
- Expanded lending programs to be more competitive in the lending market for campers, RVs, off-road vehicles and boats in response to changing consumers' preferences.

## Coshocton merger results in a new Service Center and a new market area



In November 2021, CES Credit Union officially opened the new service center in Coshocton County. This new center replaced the old Coshocton Federal Credit Union with the new Coshocton Service Center at 700 S. Second St., beside Pizza Hut and T-Mobile. The merger added Coshocton County to the CES field of membership, now at eight counties.



An official ribbon-cutting with the Coshocton Chamber of Commerce was held in April 2022. The new full-service location has a ground-level entrance and includes a full-service walk-up ATM, a lobby designed to serve multiple clients and two offices for confidentiality.

Our Coshocton Service Center Manager is Karen Wright, a long-time resident of Coshocton and who has worked in financial services in the area for several years. The Coshocton employees are from the area, and know the community. The growth so far in 2022 has well exceeded expectations, and we've been able to help with financial education opportunities at high schools in the market area.

## CES Credit Union

Corporate Mailing Address:  
PO Box 631  
Mount Vernon, Ohio 43050

## Service Center Locations:

### Coshocton, OH:

- 700 South Second St. | 740.623.0527

### Delaware, Ohio:

- 33 London Road | 740.363.8118

### Loudonville, Ohio:

- 3030 State Route 3 So. | 567.203.5443

### Mount Vernon, Ohio:

- 400 W Chestnut Street | 740.397.1136
- 1215 Yauger Road | 740.397.1136

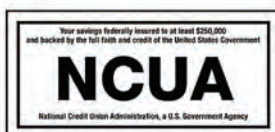
### Utica, Ohio:

- 8 N. Main St. - St. Rt. 13 | 740.892.3323

## Website & Phone

www.cescu.com  
740.397.1136 or 888.397.1136

CES Credit Union is  
federally insured by NCUA.



## ATM Locations:

### Coshocton:

- 700 S. Second St.

### Delaware:

- 33 London Road

### Fredericktown:

- Fredericktown Marathon, Zolman Rd.  
near St. Rt. 95 & Salem Av.

### Loudonville:

- 3030 State Route 3, by Mohican Gen. Store

### Mount Vernon:

- 400 West Chestnut Street
- 1215 Yauger Road
- Lannings' Market (inside), 1033 Newark Rd
- Knox Co. Service Center (lobby), 117 E. High
- Harcourt Road/SR 3 & US 36, Drive-Up  
(between GM of Mount Vernon &  
Mathews Chrysler/Jeep dealerships)
- Gault's Cleaners, by Kroger, 855 Coshocton Av.

### Newark:

- Red Oak Pub (inside), 250 Goose Pond Rd.  
off N. 21st St., by WalMart

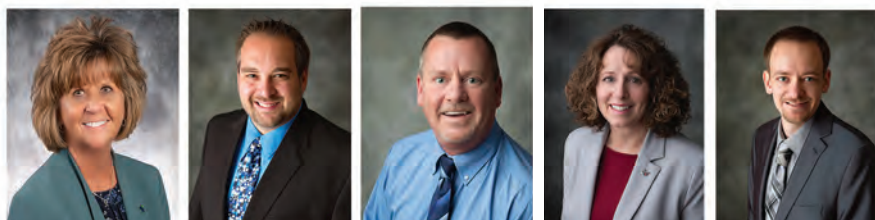
### Utica:

- 8 N. Main St., St. Rt. 13 by Post Office
- Velvet's Ye Olde Mill Restaurant  
(inside, during open hours, May-Oct.),  
11324 Mount Vernon Rd. NE, St. Rt. 13

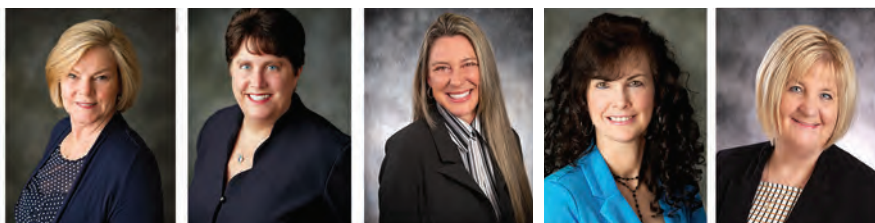




## The CES Credit Union Management Team:



**Sandy Coffing** | President, Chief Executive Officer  
**Mike Copley** | Chief Operations Officer  
**Tracy Morgan** | Chief Lending Officer  
**Karen Bell** | Chief Compliance Officer  
**Matthew Smith** | Chief Information Officer  
**Jamie Forster** | Chief Financial Officer (not pictured)



**Eydie Glasstetter** | Vice President, Human Resources  
**Tammy Lahmon** | Manager, Payment Solutions  
**Leslie Schutte** | Operations Manager  
**Colleen Kelly** | Service Center Manager,  
Chestnut St. (Mount Vernon)  
**Karen Wright** | Service Center Manager, Coshocton



**Lynette Piper** | Service Center Manager, Loudonville  
**Lisa Clark** | Service Center Manager, Delaware  
**Tina Cornella** | Service Center Manager, Utica  
**Sarah Bridges** | Training Manager  
**James McLaughlin** | Marketing Director

## Lending Team:



**Lisa Lahmon** | Senior Loan Officer,  
Yauger Road Service Center  
**Ben Menke** | Mortgage Lender  
**Colleen Myer** | Lender, Chestnut St. Service Center  
**Linda Yarman** | Lender, Yauger Road Service Center

## Thanks for your loyalty and cooperation!

Credit unions were built on the idea of helping people through tough times. That's why those factory workers pooled their resources in 1952 to help out some fellow workers that needed help. Now, 70 years later, that same credit union is helping members navigate through challenges and plan for future success. We had planned for a celebration of this anniversary, but earlier in 2022, when the pandemic continued affecting our communities and nation, we decided it was prudent to keep it low-key.

That being said, we're still tremendously proud of the legacy of this credit union. Starting in 1952 by some factory workers with lofty dreams and a cigar box with a little cash in Mount Vernon, the Cooper-Bessemer Employees Federal Credit Union served those Knox County workers. Now, CES Credit Union provides valuable financial services to not just Knox County, but all who live, work, worship or attend school in Knox County and every county surrounding Knox County. That's eight counties total.

We are still anxious to see what will develop in the former Cooper/Siemens campus in Mount Vernon (across Chestnut Street from our first CES service center). Ohio Mint, the first new tenant, is open and hiring. However, the Intel announcement in early 2021 of a \$20B investment just down the road in Licking County has everyone taking notice.

Meanwhile, just as always, all of us here at CES Credit Union are looking out for your best interest. We are consistently planning, training and communicating with the Board, management and employees about security and safety techniques, marketing trends, compliance concerns and technology updates. The last decade has seen amazing growth, and we will continue to do "the right things" that got us this far.

One of the interesting things the employees at CES Credit Union share with each other are real, down-to-earth success stories. It's typical to see emails or internal acknowledgement of a "shout out" to an employee who went above and beyond for a customer, co-worker or someone just needing assistance. Those small acts of kindness are often unnoticed in larger organizations. At CES Credit Union, those moments of empathy and understanding - served with a solution and a smile - are celebrated.

We always want to be the "hometown credit union" you know and trust. The Board and management is grateful to everyone for your patience, understanding and cooperation as we all work to keep safe and moving forward.