

ABBEY Credit Union Inc.

2022 ANNUAL REPORT

APRIL 27, 2023

SERVING OUR COMMUNITY FOR 86 YEARS



WWW.ABBEYCU.COM
937-898-7800

VANDALIA BRANCH
800 Falls Creek Dr.
Vandalia, OH 45377

TROY BRANCH
891 W. Market St.
Troy, OH 45373

WEST MILTON BRANCH
1165 South Miami St.
West Milton, OH 45383

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You make a difference as a Member of Abbey Credit Union. When our over 10,000 Member-owners give back to our community, we create positive change that reaches far beyond it.

April 27, 2023

WELCOME (5:40 p.m.):	Mike Thein
CALL TO ORDER:	Mike Thein
PRAYER & INTRODUCTION TO DEAN PIELEMEIER:	Blanca Criner
INTRODUCTION OF THE BOARD OF DIRECTORS:	Dean Pielemeier
CONFIRMATION OF A QUORUM:	Mike Thein Julie Trick
RESULTS OF ELECTION FOR 2 BOARD DIRECTORS:	Julie Trick
MINUTES (April 28, 2022):	Mike Thein
DIRECTORS' OATH OF OFFICE:	Heather Scaggs-Richardson
CHAIRMAN'S COMMENTS:	Mike Thein
TREASURER'S COMMENTS:	Steve Wilmoth
PRESIDENT & CEO'S COMMENTS:	Dean Pielemeier
OLD BUSINESS:	Mike Thein
NEW BUSINESS:	Mike Thein
ADJOURNMENT:	Mike Thein
RAFFLE:	Blanca Criner
CLOSING REMARKS:	Blanca Criner

(All Directors to stay for a brief Board Meeting)

Abbey Credit Union Mission Statement: "To help our members improve their economic well-being and quality of life by being competitive, convenient, and cutting edge."

Vision Statement: "Uniting members through old-fashioned community values; Abbey strives to earn trust from our members by professionally maintaining a leading-edge in technology and offering competitive financial institution services."

ABBEY CREDIT UNION, INC.
THE 85th ANNUAL MEETING
APRIL 28, 2022

- CALL TO ORDER:** The 85th Annual Business Meeting was called to order by the Chairman of the Board, Mike Thein, at 5:40 p.m. on April 28, 2022, at Abbey Credit Union's Troy Branch, 891 W. Market St., Troy, Ohio 45373.
- DIRECTORS PRESENT:** Mike Thein
Heather Scaggs-Richardson
Steve Wilmoth
Julie Trick
Michele Blake
- DIRECTORS ABSENT:** Latham Farley
Cheryl Saunders
- MANAGEMENT PRESENT:** Dean A. Pielemeier, President/CEO & Chief Relationship Officer
Teri Puthoff, Chief Financial Officer
Blanca Criner, Chief Marketing and Business Relations
- WELCOME:** Mike Thein, Chairman of the Board of Directors, opened the meeting by welcoming everyone to the 85th Annual Meeting and called the meeting to order.
- PRAYER:** Blanca Criner, Chief Marketing and Business Relations, gave the prayer. Then she introduced the President and CEO of Abbey Credit Union, Dean Pielemeier.
- INTRODUCTION OF THE BOARD OF DIRECTORS:** Mr. Pielemeier introduced the Board of Directors.
- CONFIRMATION OF A QUORUM:** Mike Thein asked the Secretary of the Board, Julie Trick, if Abbey had a Quorum. Julie Trick replied, "Yes, we have a sufficient number of Revocable Proxies to constitute a quorum."

- MINUTES:** Mike Thein asked for a motion to approve the “83rd Annual Meeting Minutes from April 15, 2021”, as printed. Motion was made by Mark Schmidt to accept the minutes as presented. Motion was seconded by Mike Beamish. Motion was carried.
- DIRECTORS’ OATH OF OFFICE:** Heather Scaggs-Richardson, Vice Chairman, administered the oath of office to the Board of Directors present. “I take an oath that I will, so far as the duty devolves upon me, diligently and honestly administer the affairs of the credit union, and will not knowingly violate, or willingly permit to be violated, any law applicable to such credit union.” All Board Members present replied, “I will.”
- CHAIRMAN’S COMMENTS:** Mike Thein, Chairman, thanked the membership for their continued dedication to Abbey, and said it was an honor to serve as Chairman of the Board at Abbey. “The Board of Directors and I would like to thank the Abbey Team for their efforts to consistently provide professional service to the Membership. Our Team, from the tellers to the CEO, work daily to carry out the Abbey mission – “to help our members improve their economic well-being and quality of life by being competitive, convenient, and cutting edge.
- “On behalf of the Board of Directors, I would like to express our sincere appreciation to the Membership and the staff for their continued support as we move forward the financial cooperative called Abbey Credit Union.”
- TREASURER’S COMMENTS:** Steve Wilmoth, Treasurer, said, “As a volunteer Board Member, I am pleased to report that in 2021 Abbey Credit Union experienced a solid financial year. The Credit Union ended 2021 with \$129,593,022 of assets, \$84,547,255 in loans and \$116,200,320 in member deposits.
- “Your Credit Union is considered a well-capitalized financial institution, by our Regulators, with \$9.2 million in capital.
- “Thank you for your continued support of Abbey.”
- PRESIDENT & CEO’S COMMENTS:** Dean Pielemeier, President and CEO gave the Year in Review:
- On December 22, 2021, Director Nancy Wood unexpectedly passed away. She had served on Abbey’s Board of Directors since April 29, 2008.

During 2021 Abbey continued adding products and services to enhance our members' financial well-being. The following were added or enhanced:

1. Offer local school affiliated debit cards, i.e., Vandalia-Butler, Troy Christian, Troy, and Tipp City.
2. Providing educational seminars and videos.

Looking Ahead:

The following items are planned for 2022:

1. West Milton
2. Non-Profits
3. Agape for Youth
4. Partners in Hope
5. Clothes That Work
6. Whole Truth Ministries
7. Pink Ribbon
8. Vandalia Food Pantry
9. Job Seekers
10. Aviatra Accelerators

Civic Groups:

1. Rotary
2. Optimist

Networking Groups:

1. Women in Business Network (WIBN)
2. People in Networking Group (PINGs)
3. Troy Board of Realtors
4. Dayton Area Board of Realtors
5. Business Network International (BNI)
6. Dayton Area Networking Group (DANG)
7. Women in Networking Group (WINGs)

OLD BUSINESS:

Mike Thein asked the membership if there was any old business to be discussed. There was none.

NEW BUSINESS:

Mike Thein asked the membership if there was any new business to be discussed. There was none.

ADJOURNMENT:

Mike Thein thanked everyone for attending the Annual Business Meeting and asked the Board of Directors to stay after the meeting for a brief "Special Board Meeting."

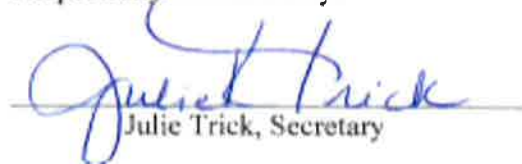
A motion was made by William Combs to adjourn the 85th Annual Business Meeting at 6:15 p.m. Motion was seconded by Larry Hence. Motion was carried.

RAFFLE:

Blanca Criner presided over the raffle drawing. The winners were:

Charles Vanchure,
Jennifer Schmidt-Phillips
Karen Braden
Rebecca Spencer
Alena Smith
Nini Fisher
Richard Verschoore
Terry Brower
Mason Thompson
Nicole Burns

Respectfully Submitted by:



Julie Trick, Secretary



Michael A. Thein, Chairman of Board

Abbey Credit Union, Inc.
Statements of Income and Comprehensive Income (Loss)
For the Years Ended December 31, 2022 and 2021

	2022	2021
Interest income		
Interest on loans	\$ 4,242,044	\$ 3,606,549
Interest on investments	<u>490,460</u>	<u>270,218</u>
Total interest income	4,732,504	3,876,767
Dividend and interest expense		
Dividend expense (Note 5)	386,453	397,476
Interest expense (Note 7)	<u>72,947</u>	<u>53,040</u>
Total dividend and interest expense	459,400	450,516
Net interest income	4,273,104	3,426,251
Provision for loan losses (Note 3)	<u>268,673</u>	<u>163,098</u>
Net interest income after provision for loan losses	4,004,431	3,263,153
Non-interest income (Note 11)	1,502,542	1,528,861
Non-interest expense (Note 11)	<u>4,887,205</u>	<u>4,177,843</u>
Net income	619,768	614,171
Change in unrealized gain (loss) on investments	<u>(2,189,234)</u>	<u>(327,321)</u>
Comprehensive income (loss)	\$ (1,569,466)	\$ 286,850

Abbey Credit Union, Inc.

Statements of Cash Flows

For the Years Ended December 31, 2022 and 2021

	2022	2021
Cash flows from operating activities		
Net income	\$ 619,768	\$ 614,171
Adjustments to reconcile net income to net cash provided by operating activities:		
Depreciation	236,837	186,181
Amortization of premium on investments - net	23,936	40,784
Provision for loan loss	268,673	163,098
Gain on sale of available for sale investments	(1,705)	(10,883)
Loss on valuation of equity securities	88,043	61,461
Gain on sale of equity securities	0	(129,928)
Gain on sale of mortgages held for sale	(33,299)	(121,899)
Loss on sale of property	0	131,932
Amortization of premiums on loan participations	135,454	99,717
Amortization of deferred loan fees	94,811	79,262
Change in interest receivable	(111,645)	(95,743)
Change in prepaid expenses	39,223	(174,482)
Change in accrued and other liabilities	94,539	65,396
Loans originated and held for sale	(1,675,168)	(4,796,403)
Proceeds from sale of loans held for sale	1,708,466	4,918,302
Total adjustments	868,165	416,795
Net cash provided by operating activities	1,487,933	1,030,966
Cash flows from investing activities		
Purchase of available for sale investments	(7,228,194)	(7,510,756)
Proceeds from available for sale investment maturities	2,920,895	4,334,127
Purchase of equity securities	(4,665)	(1,477,570)
Proceeds from sale of equity securities	0	1,518,474
Maturity of other investments – net of purchases	298,003	986,642
Proceeds from held to maturity investment maturities	1,240,000	990,000
Purchase of held to maturity investments	(1,836,000)	(1,987,000)
Purchase of fixed assets	(1,437,772)	(1,780,628)
Proceeds from sale of property	0	252,741
Loans made to members – net of repayments	(23,330,897)	(8,219,759)
Loan participation repayments – net of purchases	1,312,555	(5,524,821)
Change in insurance deposit	(224,558)	(228,052)
Change in other assets	(23,015)	(186,935)
Net cash used by investing activities	(28,313,648)	(18,833,537)
Cash flows from financing activities		
Proceeds from borrowed funds	5,000,000	0
Change in members shares	11,508,079	17,260,971
Net cash provided by financing activities	16,508,079	17,260,971
Net decrease in cash and cash equivalents	(10,317,636)	(541,600)
Cash and cash equivalents		
Beginning of year	16,295,907	16,837,507
End of year	\$ 5,978,271	\$ 16,295,907
Supplemental cash flow information		
Dividend paid on members' shares and interest paid on borrowed funds	\$ 443,692	\$ 450,504

Abbey Credit Union, Inc.
Statements of Financial Condition
December 31, 2022 and 2021

	ASSETS	
	2022	2021
Cash and cash equivalents (Note 6)	\$ 5,978,271	\$ 16,295,907
Investments (Note 2)		
Available for sale	16,982,057	14,887,928
Held to maturity	3,327,000	2,731,000
Other investments	4,272,251	4,570,254
Equity securities	326,083	409,460
Loans to members - less allowance for loan losses (Note 3)	105,645,595	84,126,191
Property and equipment - net (Note 4)	4,906,412	3,705,477
Other assets		
Accrued interest receivable - loans	616,169	522,861
Accrued interest receivable - investments	66,186	47,849
Prepaid expenses	259,922	299,145
Other assets	693,544	670,529
Share insurance deposits	1,550,979	1,326,421
Total other assets	<u>3,186,800</u>	<u>2,866,805</u>
Total assets	<u>\$ 144,624,469</u>	<u>\$ 129,593,022</u>

LIABILITIES AND MEMBERS' EQUITY

Members' share accounts (Note 5)	\$ 127,708,398	\$ 116,200,320
Accounts payable and accrued liabilities	370,851	276,311
Borrowings (Note 7)	<u>9,000,000</u>	<u>4,000,000</u>
Total liabilities	<u>137,079,249</u>	<u>120,476,631</u>
Members' equity - substantially restricted		
Statutory reserve	1,722,113	1,350,794
Undivided earnings	7,726,064	7,477,615
Unrealized loss on investments	(2,293,885)	(102,946)
Equity acquired through merger	390,928	390,928
Total members' equity	<u>7,545,220</u>	<u>9,116,391</u>
Total liabilities and members' equity	<u>\$ 144,624,469</u>	<u>\$ 129,593,022</u>

Board of Directors

Mike Thein – Chairman

Heather Scaggs-Richardson – Vice Chairman

Steve Wilmoth – Treasurer

Julie Trick – Secretary

Michele Blake – Director

James “Latham” Farley – Director

Cheryl Saunders – Director

Management

Dean Pielemeier – President/CEO & Chief Relationship Officer

Teri Puthoff – Chief Financial Officer

Blanca Criner – Chief Marketing and Business Relations

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