

Building  
your financial  
future



**People Helping People**

ohecu.com | 800-552-6328



YOUR DEPOSITS ARE  
INSURED TO \$250,000  
PER ACCOUNT.

THIS INSTITUTION IS NOT FEDERALLY INSURED.

MEMBERS' ACCOUNTS ARE NOT INSURED OR GUARANTEED BY  
ANY GOVERNMENT OR GOVERNMENT-SPONSORED AGENCY



We do business in accordance with  
the Federal Fair Housing Law and  
the Equal Credit Opportunity Act.

**ANNUAL**  
REPORT **2024**



## Who We Are

**The Ohio Educational Credit Union (OHecu)** is a full-service, not-for-profit financial institution. Our goal is to recognize and understand the unique financial needs of our individual members and fulfill those needs through a variety of diversified products and services.

The credit union founding principle of “people helping people” is what sets us apart from other financial institutions.

Credit unions have members—not customers. When you join OHecu, you become a member and have a share of ownership. OHecu and other credit unions exist to serve and benefit its members.

We offer the same products, services and conveniences you’d find at a typical bank—often with lower fees and better interest rates.

Most banks on the other hand are “for-profit” and therefore, their primary objective is to increase profits for its investors.

OHecu is chartered by the State of Ohio to provide members with the financial security, flexibility and convenience necessary in today’s busy and changing world with all member deposits insured by American Share Insurance up to \$250,000 per account.

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“ Building our members’ financial future through a full range of superior financial services, education and exceptional value. ”

- OHecu Mission Statement



# Our Story

OHecu serves a variety of individuals including students, alumni, employees and retirees from primary and secondary schools, universities, teaching hospitals and public and private trade schools throughout Ohio.

We also serve those employed by select businesses, manufacturers, community service organizations, home healthcare providers, daycare services and arts organizations. Ever mindful of our goal of establishing and enhancing our members' financial well-being, we cater to the individual needs of our members and their families.



Originally incorporated in May 1933 as The Cleveland Teachers Credit Union, OHecu has served our members based on the fundamental principle of a financial cooperative "People helping People." Initially, we provided services for employees and family members of the Cleveland Public School System. However, changes to our charter allowed us to offer membership to a wider range of diverse groups.



Everyone at OHecu brings with them a wealth of experience that helps form a forwardthinking team that provides for the quality services our members enjoy. We continue to invest in developing our employees and services to assist our members in building their financial futures.

## Deposits

- |                                      |                       |
|--------------------------------------|-----------------------|
| Select Checking                      | Regular Share Savings |
| Signature Checking                   | Money Market Accounts |
| Student Checking                     | Holiday Savings       |
| Individual Retirement Accounts (IRA) | Vacation Savings      |
| Term Certificates                    | Summer Reserve Pay    |

## % Loans

- |                             |                      |
|-----------------------------|----------------------|
| Auto Loans                  | Credit Cards         |
| Motorcycle Loans            | First Mortgage Loans |
| Boat & RV Loans             | Mortgage Refinancing |
| Home Equity Lines of Credit | Personal Loans       |

## Services

- |                                      |  |
|--------------------------------------|--|
| Member Service Center                | Budgeting Tools                          |
| Online Banking                       | Mobile Wallet                            |
| Mobile Banking                       | TONI The Touch-Tone Teller               |
| Bill Pay                             | ID Theft Monitoring & Resolution Service |
| Large Network of Surcharge-Free ATMs | Insurance Products                       |
| Shared Branching                     |  |

## President's Report

The Ohio Educational Credit Union (OHecu) is financially strong and committed to providing value-based services to the membership. The report of the Treasurer and Chief Executive Officer provides specific details on the continued strong financial performance of the Credit Union.

We are in our 92nd year and proud of OHecu's rich history based on the Credit Union's philosophy of "people helping people." This philosophy is very apparent in the makeup of the board and committees, which are composed of unpaid volunteers elected from the membership. Your Board of Directors is committed to meeting the needs of our membership today and positioning the Credit Union for the future. OHecu strives to meet the financial service needs of its individual members while staying true to the seven cooperative principles that are the founding basis for the organization. To learn more about OHecu's history and the cooperative principles that make us different please visit [www.OHecu.com](http://www.OHecu.com). The information is in the About Us section under the tab OHecu History.

Our Credit Union continues to grow and expand services to meet the needs of its diverse membership. We take pride in the exceptional value the Credit Union provides. The use of technology to enhance convenience for the membership is continuous. Mobile banking services available through the OHecu Apps for your smartphone allow you to access your Credit Union relationship wherever and whenever is convenient for you. New tools will be introduced in 2025 to further enhance the convenience available to the membership, such as contactless cards and digital card issuance.

Loan services have been a staple at OHecu for 92 years. Today, 75% of all member deposits are utilized by other members in the form of loans. While vehicle loans are immensely popular with the membership, during 2024 we saw a significant increase in the memberships utilization of the Fixed Rate Home Equity Loan. This portfolio has seen steady growth and continues to be in large demand. This is another example of how your Credit Union provided a product to meet our membership's specific financial needs.

The continued support of the membership has enabled OHecu to grow and meet the ever-expanding financial service needs of the membership. We are committed to continuing to provide personal service and the high-quality financial products that deliver exceptional value to the membership. On behalf of the Board of Directors, we thank you for the support you provide your Credit Union.

Respectfully submitted,

**Tony H. Smith, Sr.**  
President of the Board of Directors

## Report of the Treasurer and Chief Executive Officer

The Ohio Educational Credit Union (OHecu) experienced another successful year in 2024. Strong loan demand from the membership resulted in a net portfolio growth of \$1.8 million. The home equity product showed the most significant growth while first mortgages experienced a decline. This shift in product demand is the result of current market conditions as members are pursuing the updating of their existing homes over buying new. Total loan dollars issued in 2024, including advances on existing lines of credit, was \$48.5 million.

The loan portfolio remains well-diversified and well-positioned to manage interest rate risk. Loans outstanding to members consist of 62% new and used autos, 10% closed-end mortgages, 19% home equity lines-of-credit, 3% credit cards, and 6% in other consumer loans. Approximately 93% of the loan portfolio is collateralized loans. Earning assets represent 95% of all assets at the year-end 2024.

Net loan losses in 2024 increased \$94,300 from 2023. The increase was attributed to the private student loan portfolio. The net provision for loan loss expense in 2024 was \$49,800, which was comparable to 2023. The Credit Union continues to maintain adequate reserves to cover potential losses.

Member deposits represented \$132.7 million at year-end 2024. The mix of member deposits includes regular savings representing 53% of all deposits and term certificates representing 12%. The transaction account services, which include checking and money market accounts, represent 34% of all deposits and the remaining 1% is in IRA savings.

Member deposits that are not immediately used to fund loan demand are prudently invested in a well-diversified investment portfolio. The portfolio represents 21% of total assets and consists of interest-bearing deposits with insured financial institutions (7%), securities available for sale (31%), securities held to maturity (55%) and capital participation certificates (7%). Based on accounting treatment adopted by the Credit Union, the portfolio is recorded at market value each month. At the end of 2024, the investment valuation allowance adjustment totaled \$2.02 million.

Members' equity remains strong at 8.12%. This level of members' equity (Capital) classifies the Credit Union as "well capitalized" by the regulatory agencies that oversee its financial performance. Members' equity increased \$1.18 million during 2024.

Respectfully submitted,

**Mario Danese**, Treasurer  
**Jerome R. Valco**, Chief Executive Officer



## Credit Committee Report

The Credit Committee meets monthly to review credit applications that are outside of normal guidelines, evaluate loan portfolio performance and monitor lending practices to help ensure compliance with lending regulations and the Credit Union's loan policy. Loan applications that have been denied are shared with the Committee on a weekly basis. The Credit Committee also reviews all special lending products and makes appropriate recommendations to the Board of Directors.

Net outstanding loan balances increased during 2024 from \$97.9 million to \$99.7 million. New loan advances placed into the portfolio during the year were \$48.5 million. The Credit Union has been successful in managing a strong vehicle lending program. The portfolio contains 62% of new and used vehicle loans and leases.

The Credit Union maintains an adequate mix of fixed and variable interest rate real estate loans with 10% in closed-end mortgages, and 19% in home equity lines-of-credit. The remaining portion of the portfolio is 3% in credit card lending, and 6% in other consumer loans.

The loan portfolio continues to perform well with 99.7% of outstanding loan balances receiving regularly scheduled payments. The allowance for credit losses decreased by \$106,000 during the year. The loan loss reserves are being maintained at a level sufficient to meet any losses associated with non-performing loans. The Credit Union continues to work closely with the membership experiencing financial hardship.

Respectfully submitted,

Credit Committee  
**Mark Bates, Chairperson**

## Independent Auditor's Report

### To the Board of Directors & Audit Committee

We have audited the financial statements of The Ohio Educational Credit Union, which comprise the statements of financial condition as of December 31, 2024 and 2023, and the related statements of earnings, comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements.

### 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.

### Auditor's Responsibility

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to a 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. We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.

### Opinion

We have audited the financial statements of The Ohio Educational Credit Union, which comprise the statements of financial condition as of December 31, 2024 and 2023, and the related statements of earnings, comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the financial statements. In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of The Ohio Educational Credit Union as of December 31, 2024 and 2023, 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.

*Doeren Mayhew Assurance*  
 **DoerenMayhew**  
March 10, 2025  
Troy, Michigan

## Statements of Financial Condition

December 31, 2024 and 2023

<u>Assets</u>	<u>2024</u>	<u>2023</u>
Cash and due from financial institutions	\$ 1,262,247	\$ 780,952
Federal funds sold	7,578,606	8,922,026
Total cash and cash equivalents	8,840,853	9,702,978
Interest bearing deposits	2,250,000	1,250,000
Investment securities (note 2)		
Available-for-sale debt	9,532,021	10,949,214
Held-to-maturity debt	17,104,881	19,217,339
Loans to members, net of allowance for credit losses of \$930,772 and \$1,036,814 as of December 31, 2024 and 2023, respectively (note 3)	99,673,112	97,892,225
Accrued interest receivable	386,951	392,700
Property and equipment (note 4)	835,365	693,893
Right-of-use assets, operating leases (note 7)	2,051,095	2,423,602
Share insurance deposit	1,760,178	1,864,200
Capital share deposits	2,232,960	2,232,960
Other assets	1,299,228	1,037,792
Total assets	<u>\$ 145,966,644</u>	<u>\$ 147,656,903</u>
<u>Liabilities and Members' Equity</u>		
Liabilities		
Members' shares and savings accounts (note 6)	\$ 132,719,851	\$ 135,398,269
Lease liabilities, operating leases (note 7)	2,051,095	2,423,602
Accounts payable and other accrued liabilities	1,327,035	1,145,941
Total liabilities	136,097,981	138,967,812
Commitments and contingent liabilities (note 10)		
Members' equity - substantially restricted (note 8)		
Appropriated statutory	4,488,139	4,295,821
Undivided earnings	7,400,375	6,556,950
Accumulated other comprehensive loss	(2,019,851)	(2,163,680)
Total members' equity	9,868,663	8,689,091
Total liabilities and members' equity	<u>\$ 145,966,644</u>	<u>\$ 147,656,903</u>

## Statements of Operations

December 31, 2024 and 2023

	<u>2024</u>	<u>2023</u>
Interest income		
Loans receivable	\$ 5,176,349	\$ 4,937,154
Investments		
Federal funds sold	546,205	346,911
Non-negotiable certificates of deposit	120,618	10,427
Investment securities	721,098	682,903
Total investment interest income	1,387,921	1,040,241
Total interest income	6,564,270	5,977,395
Interest expense		
Interest and dividends on members' shares and savings accounts	606,192	309,851
Net interest income	5,958,078	5,667,544
Provision for credit losses	51,032	141,085
Net interest income after provision for credit losses	5,907,046	5,526,459
Non-interest income		
Service charges on deposits	1,369,560	1,451,780
Interchange income	553,128	592,311
Loan fees	163,822	194,141
Other	85,470	68,494
Total non-interest income	2,171,980	2,306,726
Non-interest expenses		
Compensation and benefits	3,018,405	2,920,947
Office operations	796,132	764,312
Data and product services	2,462,022	2,412,597
Occupancy	628,718	622,919
Member education and promotion	41,771	49,882
Professional fees	81,091	85,553
Other	15,144	7,273
Total non-interest expenses	7,043,283	6,863,483
Net income	<u>\$ 1,035,743</u>	<u>\$ 969,702</u>



## Statements of Members' Equity

December 31, 2024 and 2023

	Appropriated Statutory	Undivided Earnings	Accumulated Other Comprehensive Income (Loss)	Total
Members' equity - January 1, 2023	\$ 4,208,616	\$ 5,674,453	\$ (2,094,850)	\$ 7,788,219
Transfer	87,205	(87,205)	-	-
Comprehensive income (loss)	-	969,702	(68,830)	900,872
Members' equity - December 31, 2023	4,295,821	6,556,950	(2,163,680)	8,689,091
Transfer	192,318	(192,318)	-	-
Comprehensive income	-	1,035,743	143,829	1,179,572
Members' equity - December 31, 2024	<u>\$ 4,488,139</u>	<u>\$ 7,400,375</u>	<u>\$ (2,019,851)</u>	<u>\$ 9,868,663</u>

**"Coming together is a beginning.  
Keeping together is progress. Working  
together is success."**

**- Henry Ford.**

