



CEDAR POINT
FEDERAL CREDIT UNION®

ANNUAL REPORT

2023

A NOTE FROM LEADERSHIP

2023 was a year of planning and preparation for the entire credit union. The year was marked by significant strides in enhancing our services and infrastructure to better serve our valued members. Our employees led the charge alongside an industry-leading consulting firm.

TECHNOLOGY UPGRADE INITIATIVE

One of the key highlights of 2023 was our comprehensive Technology Upgrade initiative. Understanding the importance of staying ahead in the digital age, we have invested heavily in upgrading several of our systems and platforms. This upgrade, which was completed in February 2024, not only enhances the security and efficiency of our operations but also introduces improved digital services to better meet the evolving needs of our members. Some enhancements include an all-new core processing system, a new digital banking platform, and improvements to ancillary systems like document storage, member verifications and online applications.

IMPROVED MEMBER TOUCHPOINTS

Recognizing the importance of accessibility and convenience, we have expanded our call center hours and contracted with a third party to allow for after-hours support. We are also testing a chat feature for members who prefer that method. Our members have asked for greater flexibility in when and how they reach out for assistance, inquiries, and support, and we are committed to improving access. We are dedicated to delivering exceptional member service around the clock.

INSTALLATION OF NEW ATMs

In line with our commitment to convenience, we have installed new ATMs at several of our branches. These ATMs are equipped with advanced features to provide faster transactions and enhanced security.

LOOKING AHEAD

As we look forward to the remainder of 2024 and beyond, we remain focused on our mission to empower our members to achieve their financial goals. We will continue to explore opportunities for improvement, innovation, and expansion while upholding our core values of integrity, trust, and community.

The Board of Directors extends sincere gratitude to our members for your continued trust and loyalty. Your support drives us to strive for excellence in everything we do. We are confident that together, we will achieve even greater success in our bright future.



CHARLES ROACH
PRESIDENT & CEO



ROBERT A. CLEMENTS
CHAIRMAN



BOARD OF DIRECTORS

SERVING IN 2023



ROBERT A. CLEMENTS
Chairman



PATRICIA ROBRECHT
Vice Chairperson



WILLIAM R. HAYES
Treasurer



LISA MANN
Secretary



DR. ROBERT SCHALLER
Supervisory Chair
Incoming Membership Chair



FRANK EDMWONYI
Director



BRUCE K. JACKSON
Director



KELLY ROBERTSON-SLAGLE
Director



GENE W. TOWNSEND
Director
Incoming Supervisory Chair

SUPERVISORY COMMITTEE

DR. BOB SCHALLER	Chair
GENE W. TOWNSEND	Incoming Chair
BENJAMIN COOPER	Member
SPENCER DRAKE	Member
DON FRENCH	Member
DAVID GEORGE	Member

SUPERVISORY COMMITTEE REPORT

WHAT IS THE SUPERVISORY COMMITTEE?

The Supervisory Committee serves an independent and essential oversight function for Cedar Point Federal Credit Union Members. The Supervisory Committee is federally mandated and consists of at least three and at most five Credit Union Members appointed by the Board of Directors. The Committee is tasked with ensuring that the financial statements reasonably represent the financial state of the Credit Union and are accurate. In addition, the Committee ensures

that Management and the Board of Director's procedures and practices are safeguarding member's assets from fraud, conflict of interest, error, or negligence.

The Committee's secondary function is to act as a link between Members, management, and Directors and to investigate and remedy concerns or complaints raised by these parties or additional third parties. The Committee also has the authority to suspend any

Director or Board Officer and call a special meeting of the Members to consider any practices of the Credit Union that the Committee deems unsound, hazardous, or unauthorized.



GENE W. TOWNSEND
SUPERVISORY COMMITTEE CHAIR

COMMITTEE MEMBERS

In 2023, the Supervisory Committee was led by Dr. Robert Schaller, alongside committee members Ben Cooper, Spencer Drake, Don French, and David George. In October of 2023, Dr. Schaller was asked to lead our Membership committee, and the Supervisory Committee welcomed Gene Townsend as its new Chairperson.

Because of the nuances of this Annual Report and its dates of coverage, this report is overseen by the Supervisory Committee's incoming Chairperson. The committee would like to thank outgoing Chairperson Bob Schaller for his service and dedication. The committee also welcomed a new Internal Auditor, Stesha Meade, in 2024.

Our Supervisory Committee meets quarterly to review audit reports prepared by the Internal Auditor and hired external auditors for regulatory compliance purposes. All member complaints are also reviewed.

The committee will continue to work diligently in the coming year to ensure that Cedar Point remains a safe and sound institution, ready to meet your financial needs.

For issues that need the attention of the Supervisory Committee, please feel free to contact Supervisory Committee, Chairperson, in writing at 22745 Maple Rd, Lexington Park, MD 20653

OTHER RESPONSIBILITIES

- **Overseeing federal examinations by NCUA for credit union safety and soundness to ensure Cedar Point's protection of member data.**
- **Supervising the required annual opinion audit and verification of member accounts performed by a CPA auditing firm.**
- **Ongoing review of Cedar Point's Internal Auditor's multiple internal control and financial audits that are not reviewed by the outside audits.**
- **Reviewing management's corrective action to include reasonable timelines of action to be completed.**
- **Ensuring all officers, committees, and credit union employees comply with policies and regulations.**
- **Ensuring resolution of all member concerns and complaints.**

TREASURER'S REPORT

2023 was an exciting year for Cedar Point Federal Credit Union. Here are some data points we tracked throughout the year as a measure of our success:

- Outstanding loans to members increased by 7.9%, or \$33M. This increase in most part is attributable to New and Used Auto, Home Equity, and Member Business Loans.
- Member deposits increased by \$17M to \$707.9M.
- Cedar Point generated \$6.6M

in net income, contributing to our year-end Capital Ratio of 9.09%

- Membership grew by 3%, and we welcomed 1376 net new members.

This continued success and profitability are responsible for the improvements to the Credit Union's current infrastructure. The implementation of the new core has enhanced the member experience through reduced paperwork, shorter office visits, and greater member access to their accounts. The Credit

Union also continues to improve and enhance the cybersecurity infrastructure.

As Treasurer, I would like to thank all of you for your continued support of your Credit Union. We are here to serve your financial needs and look forward to doing so in the future.



WILLIAM R. HAYES
TREASURER

CPFS REPORT

I am pleased to report on the highlights of 2023 on behalf of Cedar Point Financial Services, Inc. (CPFS). For more than thirty years, CPFS has been a wholly owned subsidiary of Cedar Point Federal Credit Union (CPFCU).

CPFS's vision is to be the primary financial solution for CPFCU members' financial planning, market investment, and insurance needs. The CPFS mission is to enrich members' lives by offering financial management education through individual and group meetings, competitive investment and insurance options, cultivating exceptional financial partnerships, and creating meaningful experiences.

Our core values were intentionally developed to mirror the Credit Union's and include:

- Transparency through open communication, technology and education
- Empowering individuals to seek out financial solutions
- Accountability to our members, our community, and our team
- Motivation to make a difference in our members' lives

During 2023, we assisted members in navigating the first phases of the CPFCU technology enhancements and the changing economic environments. Our financial representatives met with over 1,100 members in person and virtually. We added over 150 brokerage investment accounts, bringing the total number of accounts managed to 3,229 and assets under management to over \$150 million. Life insurance grew more conservatively, with

annualized premiums increasing to over \$455 thousand.

Thank you for continuing to trust CPFS. As a trusted financial education and management resource, we continue to build upon our rich history, remain steadfast in our purpose, and are honored to assist CPFCU in fulfilling its vision to be the primary financial solution for all our members' unique needs.

We look forward to serving you and your loved ones for many years.



ROBERT A. RUSSELL
PRESIDENT, CEDAR POINT
FINANCIAL SERVICES, INC

FINANCIAL STATEMENTS

STATEMENT OF FINANCIAL CONDITION	2023	2022
ASSETS		
Cash and Cash Equivalents	86,984,973	51,278,791
Deposits in Other Financial Institutions	14,411,000	21,129,000
Securities - Available-for-Sale	127,136,021	162,718,056
Securities - Held-to-Maturity	56,216,265	57,255,016
Other Investments	2,767,252	2,485,301
Loans (Net)	447,419,894	414,475,313
Accrued Interest Receivable	1,664,101	1,493,983
Premises and Equipment (Net)	17,167,349	14,044,610
NCUSIF Deposit	6,910,346	7,122,426
Other Assets	11,399,382	11,810,145
TOTAL ASSETS	\$772,076,583	\$743,812,641
LIABILITIES AND MEMBERS' EQUITY		
LIABILITIES		
Members' Share and Savings Accounts	707,911,806	690,678,387
Accrued Expenses and Other Liabilities	8,281,921	8,295,180
TOTAL LIABILITIES	\$716,193,727	\$698,973,567
MEMBERS' EQUITY		
Undivided Earnings	70,188,027	63,604,597
Accumulated Other Comprehensive Loss	(14,305,171)	(18,765,523)
TOTAL MEMBERS' EQUITY	\$55,882,856	\$44,839,074
TOTAL LIABILITIES AND MEMBERS' EQUITY	\$772,076,583	\$743,812,641

STATEMENT OF INCOME	2023	2022
INTEREST INCOME		
Loans	18,651,637	13,956,787
Securities, Interest Bearing Deposits and Cash Equivalents	7,743,514	5,353,440
TOTAL INTEREST INCOME	\$26,395,151	\$19,310,227
INTEREST EXPENSE		
Members' Share and Savings Accounts	4,495,652	1,676,775
NET INTEREST INCOME	\$ 21,899,499	\$17,633,452
PROVISION FOR LOAN LOSSES	766,243	555,916
NET INTEREST INCOME AFTER PROVISION FOR LOAN LOSSES	\$21,133,256	\$17,077,536
NON-INTEREST INCOME		
Service Charges and Fees	3,335,286	3,069,250
Other Non-Interest Income	3,598,792	3,384,117
TOTAL NON-INTEREST INCOME	\$6,934,081	\$6,453,367
NON-INTEREST EXPENSE (GENERAL AND ADMINISTRATIVE)		
Employee Compensation and Benefits	11,135,831	10,050,803
Office Occupancy and Operations	7,871,596	6,715,215
Other Operating Expenses	2,476,480	2,124,630
TOTAL NON-INTEREST EXPENSE	\$21,483,907	\$18,890,648
NET INCOME	\$6,583,430	\$4,640,255
OTHER COMPREHENSIVE LOSS		
Unrealized Holding Loss Arising During the Period	3,860,520	(18,085,334)
Reclassification of Gain Included in Net Income	599,832	-
TOTAL OTHER COMPREHENSIVE INCOME (LOSS)	\$4,460,352	(\$18,085,334)
TOTAL COMPREHENSIVE INCOME (LOSS)	\$11,043,782	(\$13,445,079)



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FEDERAL CREDIT UNION®

301-863-7071 | cpfcu.com

22745 Maple Road, Lexington Park, MD 20653