

COMMONWEALTH
CREDIT UNION



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CREDIT UNION

2023 ANNUAL REPORT

660

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Volunteer BOARD OF DIRECTORS



Randy Fawns
Chairperson



Donnie Rodgers II
Vice Chairperson



Rob Ellis
Secretary / Treasurer



Karen Harbin
President / CEO, CPA



Kenny Blackwell
Board Member, CPA



Joe Brewer
Board Member



Jim Chadwell
Board Member, CPA



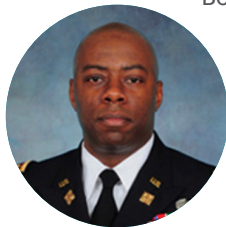
Mary Foster
Board Member



Regina Grubbs
Board Member, CPA



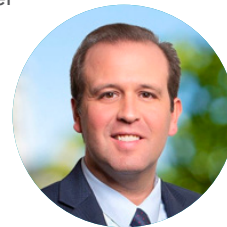
Kay Jones
Board Member



**Lt. Colonel
Douglas (Kelly) Smith**
Board Member



Jackie Duvall
Associate Board Member



Carmine Iaccarino
Associate Board Member

Who WE ARE

Your Friends, Neighbors, and Community Partners

We're not just your credit union. We're your friends, your family, and your next door neighbors. At Commonwealth Credit Union, "We CU Differently." What does that mean? It means that not only do We See You Differently, we also Credit Union Differently. Our differences are what make us special, and we think they should be celebrated. We believe we can better lives through our passion to serve, and we meet you wherever you are on this journey called life. We also believe in providing you with the tools and knowledge you need to live life to the fullest.

We are owned by members like you, and everything we do is focused on empowering you to do more with your finances. We're proud of our members and the multiple generations we have served. We're proud of our team, too. We're responsive to our CCU Family and the communities we serve and call home, seeking opportunities to help wherever we can.

We named ourselves Commonwealth to remind us of who we are here to serve. We're a team of 370+ employees strong, and continuing to grow so we can provide that extraordinary experience you've come to know and trust. We're equipped to support you through good times and bad. We keep up with the latest technology, but we never forget the value of that personal touch.

An award-winning culture. Empowerment through education. Employee benefits that are anything but ordinary. These are just some of the reasons Commonwealth Credit Union continues to push the boundaries of what a credit union should be.

Here, it's not about checking accounts, car loans, or mortgages. It's what's on the other side - the independence that comes with managing your own money, the adventure that comes with a road trip, and the memories made in the house you call home. All along the way, we'll do our best to make your experience as effortless as possible.

Today, Commonwealth Credit Union serves members from all over Kentucky, and all around the world, from all walks of life.



President's REPORT

Year after year, I am delighted to reflect on and share with you the accomplishments of your credit union. As President and CEO of Commonwealth Credit Union, I take great pleasure in our collective achievements, and I thank you for trusting us to be part of your financial journey. I'm proud of the difference we've made in your lives, your communities, and your financial well-being.

LOOKING BACK TO PREPARE FOR THE FUTURE

Settling into 2024, it's important that we celebrate another year of serving you and the towns and cities we call home. Our unwavering commitment to excellence ensured that Commonwealth Credit Union's service continued to exceed expectations, both in our branches, and throughout our digital channels. The trust we've earned from our members is invaluable, and our dedication to providing innovative technology and services that create exceptional experiences for our members remains steadfast.

PLANTING THE ROOTS OF COMMUNITY GROWTH

One word that consistently defines Commonwealth Credit Union is growth, and that was the overarching theme for 2023. We not only experienced significant share and loan growth, but we also expanded our footprint. Members enjoyed the opportunity to earn some of the highest dividend rates that we've seen in the last decade, and they continued to leverage our lending products to help them meet their needs and fulfill their dreams.

Growth also fueled our expansion strategy. We brought branches to new markets and additional branches to areas that have seen remarkable growth. That included breaking ground for a branch in Richmond, opening our official branch in Owenton, our first location in Nicholasville, and a second branch in Shelbyville. We are committed to expanding our reach in order to live our common purpose of bettering lives.

STANDING OUT FROM THE COMPETITION

Beyond adding new branches, we made impactful changes in one of our existing service areas. Specifically, we renovated our Georgetown West branch and added more team members to better serve your everyday needs. We believe that our people are what truly set us apart from the typical credit union experience. By doing so, we strive to continuously enhance the quality of service and community engagement that defines our credit union.

I'm pleased to announce that we received recognition on no fewer than ten occasions in 2023, earning awards and accolades ranging from Best Bank and Mortgage Provider to Best Places to Work in Kentucky to receiving national recognition through the Diamond Awards presented by America's Credit Unions (formerly CUNA) Marketing and Business Development Council.

THE ADVANTAGE OF A PEOPLE-FIRST APPROACH

Our commitment to excellence means that our service goes above and beyond – inside our branches and out into our communities. We will continue to test and evaluate our branches to incorporate innovative technologies and solutions. We guarantee to provide the most cutting-edge services without losing our personal touch. Providing you with an extraordinary experience is our goal.

SUPPORTING KENTUCKY'S FUTURE

I would be remiss if I didn't mention our commitment to financial education and our continued support for the the Kentucky Empowerment Commission's KFEC Money Academy. We're dedicated to providing financial education that empowers students to lead healthy financial lives. That's why we're powering this dynamic, online platform accessible to High Schools across the state. The program is designed to help Kentucky students graduate with a greater understanding of how to build a bright financial future.

Giving back to the community is a cornerstone of our Commonwealth Credit Union identity. We focus our giving in areas that influence the financial well-being of our members. Through a strategic, intentional approach to corporate giving and social responsibility, we support and partner with organizations that will use our funds to better the lives of those living or working in the counties in which we serve. The primary focus of our involvement in charitable activities is directly related to improving the lives of women, children, and families and the belief that Health is the First Step to Wealth.

At Commonwealth Credit Union, we do things differently. We view you through a unique lens and approach credit union services with a fresh perspective. Our diversity is our strength, and we celebrate it. We're dedicated to improving lives through our commitment to service. Wherever you are on life's journey, we're there to support you, meeting you at your current stage and accompanying you along the way. We will continue to provide an extraordinary experience to our current and prospective members. Thank you for allowing us to CU Differently.

Karen Harbin

President / CEO, CPA



Chair's REPORT

I am honored to serve you as the Chairperson of the Board of Directors at Commonwealth Credit Union. This report highlights our recent endeavors and outlines the promising course we are setting for the future. Amidst the ever-evolving financial landscape, our dedication to innovation, service excellence, and meaningful community contributions remains strong.

EXPANDING BOARD DIVERSITY AND EXPERTISE

First, let's talk about what's happening on the board itself. We continue to add and recruit Associate Board Members. This is a new strategy that we started in 2023 and will prepare us for future success. The addition of these board members, with their diverse backgrounds, will provide a different perspective to our conversations. They'll get the opportunity to contribute while also learning more about our industry.

GOALS CENTERED AROUND YOU

Our recent discussions at the board level have centered around our mission to expand who and how we serve. Our goal is to better lives through our passion to serve and improve the financial wellbeing of as many members as possible. We encourage you to help us on our mission by inviting your friends and family to join. The expansion of credit unions was built on word of mouth, and with your help, you can be part of our success in giving more people make the most of their hard-earned money.

INNOVATING FOR THE FUTURE

To uphold our strong legacy while adapting to the changing needs of our members, we support technology-driven solutions. This includes a comprehensive adjustment of our digital infrastructure, which includes streamlining processes, in order to enhance overall member experience. We strive to stay ahead of technological advancements, ensuring the continued success and growth of our credit union.

As we guide and shape the future of our credit union, we recognize the importance of amplifying our members' voices. To facilitate this, we are committed to creating more avenues for members to share their ideas. Beyond traditional methods like surveys and focus groups, we are exploring innovative ways to gather input, ensuring that members actively contribute to shaping the credit union's future.

CONTINUED COMMUNITY SUPPORT

As we embark on new initiatives, our commitment is that we provide more resources to a broader spectrum. Our vision includes expanding our footprint, reaching communities that currently lack access to our services, and making a more significant impact on the lives of those we serve.

Our dedication to giving back to the communities we serve is unwavering. We look forward to initiatives that will enhance the lives of our members and communities. One such initiative involved a monetary gift to Eastern Kentucky University, supporting their Banking and Finance Program. This program introduced a groundbreaking Cybersecurity Certificate, the first of its kind in the nation. The certificate aims to train professionals in the field, addressing the growing importance of cybersecurity in the financial sector.

Furthermore, we have contributed to Baptist Health Foundation Lexington for the construction of a new healthcare center in Hamburg. These funds will go toward the formation of a new educational center and atrium, which demonstrates our commitment to healthcare services and fostering educational opportunities within the community.

We also actively participated in the "31 Days to Amaze" campaign organized by Shriners Children's Lexington. Our involvement included providing both financial support and Christmas gift bags to children, reinforcing our dedication to making an impact in the lives of those in need.

MOVING FORWARD

The Commonwealth Credit Union Board is evolving to meet the challenges and opportunities of the current financial landscape. Our strategic decisions, technological advancements, community contributions, and member-centric approach are all aligned to propel us forward into a future where we can make an even greater difference in the lives of our members and the communities we serve.

Thank you for your continued dedication and support as a member of our CCU family.

Randy Fawns
Chairperson



BETTERING *Lives*

Corporate Giveback and Social Responsibility

Our charitable giving and corporate giving initiatives align with our mission to positively impact the communities we serve.

Giveback Initiatives

Staying true to our purpose of Bettering Lives, we focus our giving in areas that directly influence our members' financial "health" and well-being. In alignment with our branch and corporate mission, we positively impact the communities we serve through a strategic, intentional approach to charitable and corporate giving.

TEAM 1 GIVING

Team 1, our family of CCU employees, participates in giveback opportunities throughout the year, most of which are tied to branch and department activities. Dress Down Days, in which team members can pay \$2-\$5 to wear casual clothes and shoes or themed outfits, is a Team 1 favorite. The money collected from that day is then donated to a charity or other non-profit group in our service area. The Dress Down Contributions from 2023 totaled almost \$42,000. These types of activities are driven and supported directly by Team 1 members.

COMMUNITY GIVING

As an integral part of the communities we serve, we often receive direct solicited charitable giving requests. These formal requests are reviewed by the Community Giving Committee, tracked, and reported to the Board of Directors. The Community Giving Committee is comprised of Team 1 members from different areas within the organization and is directed by the Chief Brand and Advocacy Officer. The work of this committee in 2023 resulted in more than \$25,000 in community giving. We also awarded over \$30,000 in annual scholarships to high school seniors and college students to aid their higher education endeavors and prepare them for the future ahead.

MEMBER GIVEBACK

Commonwealth Credit Union provides products and services at a competitive cost for the benefit of our members. We are committed to giving back through direct product savings in accordance with the budget and as approved by the Board of Directors. Member Giveback occurs in the following areas:

- Limited offers to provide higher-than-market rates on savings products
- Limited offers to provide lower-than-market rates on loan products
- Special gifts and giveaways

Offers are also provided periodically throughout the year and marketed, providing members ample opportunity to participate. Offers may include:

- New Account Incentives
- New Checking Account Referral
- Mortgage and Lending Incentives
- Innovative Savings Programs
- New Member Referral Incentive
- Cash Back for Auto Refinances
- First-time Home Buyer Program
- Other specials and promotions

During our 2023 Member Appreciation Week, we gave back nearly \$5,000 in daily drawings. We offered specials for referring members, opening a business or personal checking account, and the opportunity to grow their money with a certificate. Thanks to our Skip-A-Payment Program, which allows members to focus on life instead of payments, we approved 3,440 requests totaling \$1,250,000 in skipped payments.

We're honored to announce that in 2023, we gave back over \$29,000,000 in Team 1 Giving, Community Giving, and Member Giveback in direct support of our members and communities.

Corporate Giving

Commonwealth Credit Union has always sought to empower the communities we call home. Our mission of bettering lives inspires us to support local charities and non-profit organizations to help make a positive difference. We donated more than \$907,125 through our Corporate Giving strategy.

AMERICAN HEART ASSOCIATION

Fighting stroke and heart disease, the #1 killer in America, is something that resonates with all of us. That's why we support the American Heart Association and continue to be a top fundraiser for the Central KY Heart Walk. The funds we help raise support research, provide education and advocate for policies that improve cardiovascular health, saving and improving lives in the bluegrass.

BAPTIST HEALTH LEXINGTON

When it comes to bettering lives, Baptist Health and Commonwealth Credit Union continue to honor our shared legacies of care and ongoing commitment to growth and improved health. When Baptist Health Hamburg opens in 2024, thanks in part to the philanthropic partnership with Commonwealth Credit Union, thousands of patients will receive more convenient care through expanded outpatient services. Together, we are investing in the future of healthcare and the future of Central Kentucky.



Baptist Health Gift Announcement



Make-A-Wish Cookies with Santa

MAKE-A-WISH

We are proud of our partnership with Make-A-Wish. Through events like Walk for Wishes, Cookies with Santa, and Wish Movie Day, we have the opportunity to spread joy and create lasting memories for wish children and their families. Together, we can make dreams come true and bring a little hope into the lives of those who need it most.

YMCA

Working together with the YMCA of Central Kentucky, we are bringing financial education and empowerment directly to those in need. Through our support of YMCA Black Achievers, youth gain a sense of self, raise their academic standards, build character, develop cultural competence skills, gain exposure to diverse career opportunities, engage in community service, and receive hands-on service learning and field experiences.



American Red Cross Sound The Alarm



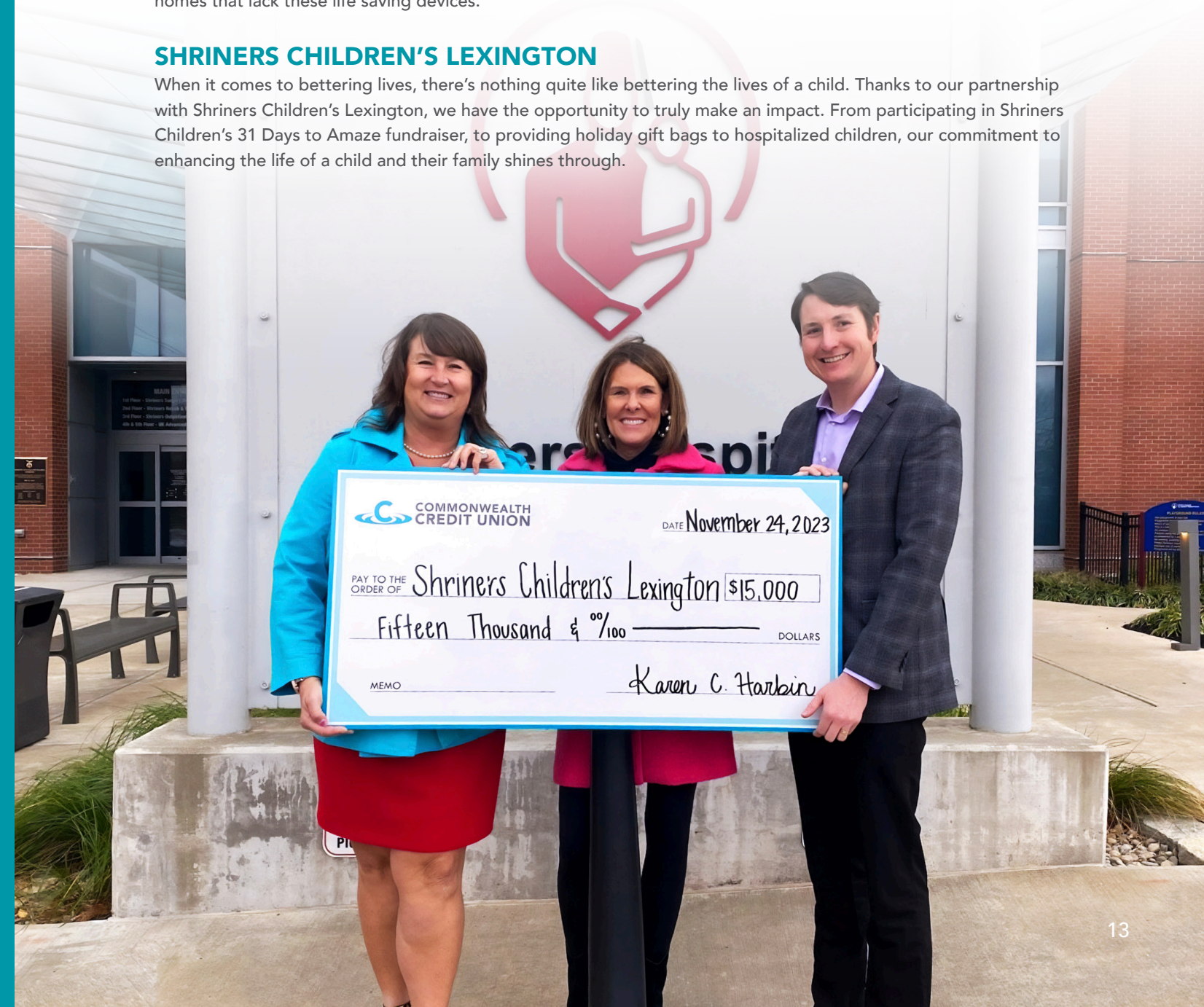
Shriners Children's Hospital's 31 Days to Amaze

AMERICAN RED CROSS

There is a comfort that comes from knowing we have heroes at the American Red Cross who are always at the ready, wherever disaster strikes. We're proud to play a part by hosting the "SOUND THE ALARM" event in both Frankfort and Georgetown. This event brings meaningful safety to families by installing free smoke alarms in homes that lack these life saving devices.

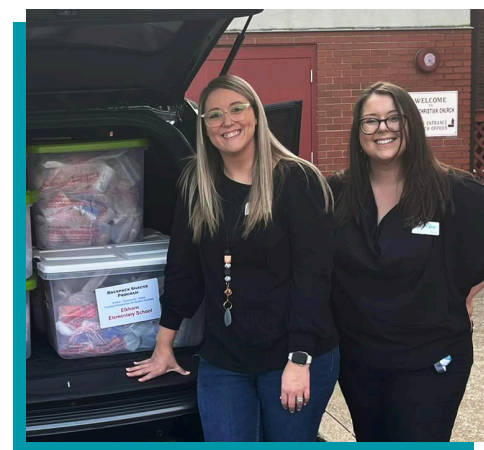
SHRINERS CHILDREN'S LEXINGTON

When it comes to bettering lives, there's nothing quite like bettering the lives of a child. Thanks to our partnership with Shriners Children's Lexington, we have the opportunity to truly make an impact. From participating in Shriners Children's 31 Days to Amaze fundraiser, to providing holiday gift bags to hospitalized children, our commitment to enhancing the life of a child and their family shines through.



COMMUNITY *Involvement*

WITH  COMMONWEALTH CREDIT UNION





Transforming EDUCATION

CCU'S MILLION-DOLLAR GIFT PIONEERS A NEW ERA OF FINANCIAL TECHNOLOGY & CYBERCRIME EDUCATION

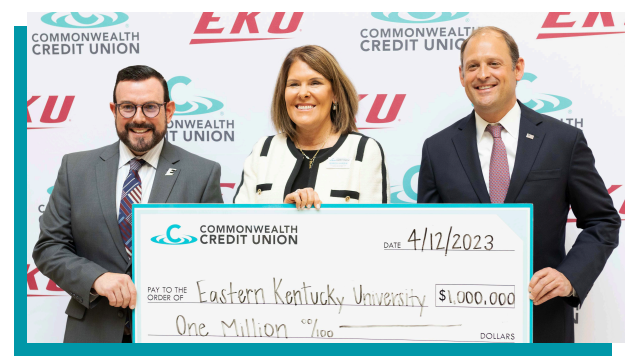
As fraud and cybercrimes targeting local financial institutions are on the rise across the country, the need for people in the financial industry who are capable of understanding the challenges of financial technology, financial forensics, and cybersecurity has never been more critical. To help address this need, Commonwealth Credit Union gave Eastern Kentucky University a \$1 million gift to support the Evans Banking and Financial Services program and the establishment of a new certificate program in Financial Technology and Cybercrime. This generous donation marks the inception of the nation's first-ever certificate program in Financial Technology and Cybercrime, setting a precedent for innovation in higher education.

The partnership between CCU and ECU heralds a new era in academic collaboration, where industry leaders and educational institutions converge to address contemporary challenges in finance and security. With the rapid evolution of technology shaping the financial landscape, the demand for skilled professionals adept in both financial technology and cybercrime prevention has never been more urgent.

"I'm honored to announce our \$1 million gift that will help equip the next generation of graduates as they enter the workforce," said Karen Harbin. "While this donation will help launch the Financial and Cybersecurity certification program, it's also an investment in keeping our best and brightest right here in Kentucky as they begin their careers. I've been where these students are, and as a proud ECU Alumna, this opportunity is one that is near and dear to my heart."



The groundbreaking certificate program, made possible by CCU's visionary contribution, is poised to empower students with a comprehensive understanding of financial technology and cybersecurity. By integrating theoretical knowledge with practical applications, the curriculum will equip graduates with the expertise to combat cyber threats while leveraging emerging technologies to enhance financial services.



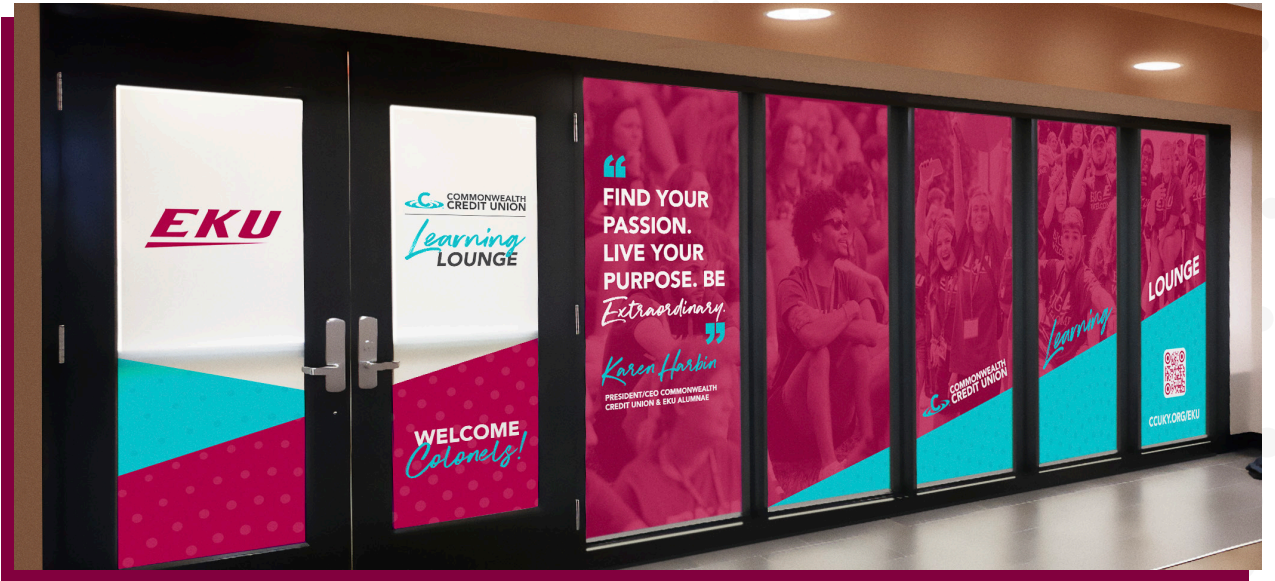
Dr. David McFadden, President of Eastern Kentucky University, emphasizes the transformative impact of the partnership. "We are excited to announce this transformative gift from Commonwealth Credit Union," said President McFadden. "Their generous investment will make a difference for generations of students and provide talented graduates to meet the workforce needs of the financial sector. ECU is proud to collaborate with CCU and offer innovative solutions in this critical field of study."

This gift enables ECU to spearhead innovative initiatives that can prepare their students for the challenges and opportunities of the digital age. By establishing the nation's first program of its kind, they, with the backing of CCU, reaffirm their commitment to academic excellence and industry relevance.

The ripple effects of CCU's philanthropic gesture extend far beyond the confines of Eastern Kentucky University. By catalyzing the creation of the nation's first Financial Technology and Cybercrime certificate program, CCU paves the way for other educational institutions to embrace innovation and adapt to the evolving demands of the digital economy.

As the realms of finance and technology continue to converge, the imperative for specialized education in financial technology and cybercrime becomes increasingly evident. Commonwealth Credit Union's visionary investment not only transforms the educational landscape, but also serves as a beacon of hope, illuminating a path towards a safer, more resilient future in finance and cybersecurity.

As a token of appreciation for the contribution from Commonwealth Credit Union, the Learning Commons at Eastern Kentucky University's Stratton Building is now known as the **Commonwealth Credit Union Learning Lounge**.



OUR HISTORY

- 2023**
Owenton, Nicholasville, & Shelbyville West Branches
- 2020**
Versailles Branch
- 2019**
Georgetown West Branch
- 2018**
LouChem Merger / Cane Run Rd. Branch, Harrodsburg Branch,
LMPOCU Merger / Market St. Branch
- 2016**
Shelbyville Branch
- 2014**
St. Matthews Branch
- 2013**
1ST Georgetown Branch (East location) & Hamburg Branch
- 2010**
Lawrenceburg Branch
- 2008**
Meijer Way Branch: Replaces 1ST Lexington Branch
- 2001**
Louisville Rd. Branch
- 1997**
Our first Lexington Branch
- 1996**
Sower Branch
- 1985**
High St. Branch
- 1951**
Commonwealth Credit Union was established

WHY DO YOU *Love* COMMONWEALTH CU?

I love that everything can be handled online and quickly. Everything is always right at your fingertips.

- Jessica S.

CCU employs a positive, talented, and spirited workforce that puts customers and their needs at the forefront of everything they do. I haven't had a banking need that CCU wasn't able and willing to accommodate. Truly a culture of professionalism unmatched by competitors.

- Michael T.

I love CCU because of the ease of service, the unique quality of having video tellers, the excellent banking service with the small community feel, and all of the accessible locations! Banking with CCU makes me feel like I'm also giving back to our state, a credit union where the members make up the common wealth of our Commonwealth.

- Calvin S.

All of our accounts and loans are with CCU. I love how prompt, quick, and efficient all branches are. We've financed a house, numerous cars, and all sorts of loans through Commonwealth and never had the first issue. They make banking a breeze, and treat you like family! We love our CCU!

- Rebecca L.

I love CCU for making banking transparent, accessible, and anxiety-free! No matter what, my CCU rep is always willing to explain anything I'm unfamiliar with or answer any questions. Money talks used to carry a lot of shame for me, but CCU is helping me get a handle on my debt and reframe my thinking around money.

- Maegan A.

We love CCU, They took interest in a young minority girl and gave her options to save for college.

- Mason N.

CCU has always been there for me and my family every step of the way, from college graduation and marriage to giving birth, turning 25, purchasing our first family vehicle, and planning for each baby born thereafter.

- Angel B.

My parents opened my first bank account with CCU nearly two decades ago. Since then, it's been the bank of many firsts - first savings account, first debit card, first time buying CDs... And every step of the way, the staff have been so warm and kind in helping me grow my own financial literacy alongside my wealth. Even as I've moved around the country, I've always kept my CCU accounts for this very reason. Thank you all for your support and everything else you do!

- Mary G.

If you have a Commonwealth CU story to tell, you can share it at [CCUKY.ORG/MYSTORY](https://www.ccu.org/mystory)

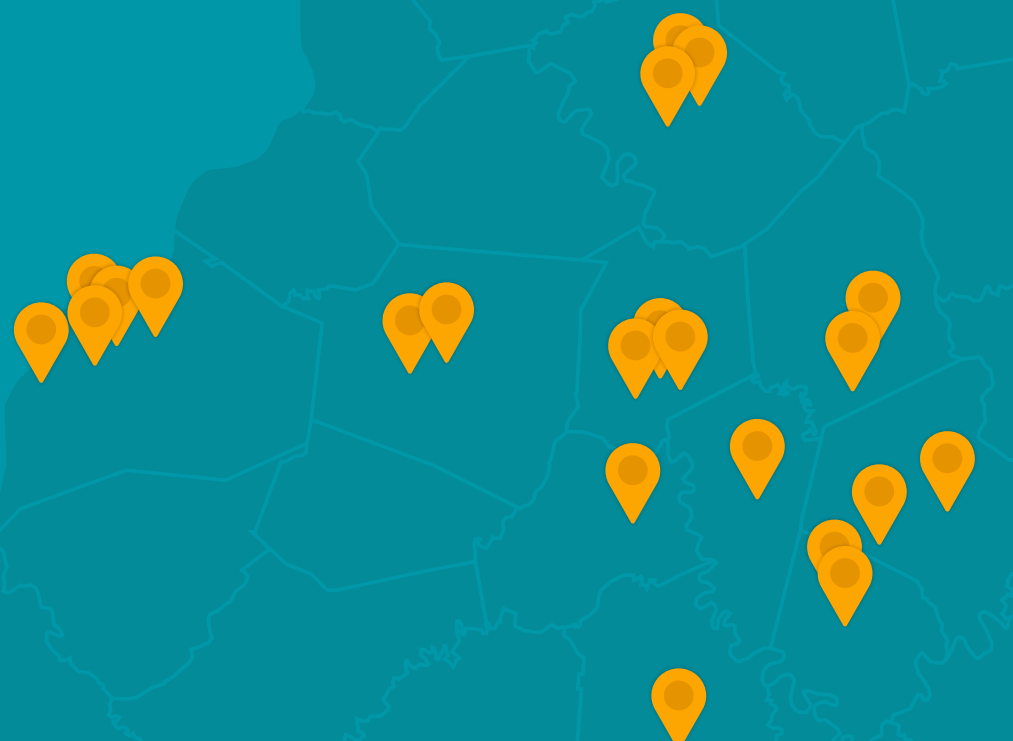
Expanding Our Presence

Our drive to provide an Extraordinary Experience extends beyond brick-and-mortar as we continually work to enhance your digital experience. From additional upgrades in digital banking to a new and innovative loan application process, we are committed to our position as a technology-forward company.

To provide members with added convenience and better access to their money, we opened three new locations, renovated another, and set the stage to open new branches within our service area. The communities of Owenton, Nicholasville, and Shelbyville West were all officially added to our family of locations. While our Georgetown West Branch was relatively new, it was redesigned to restore a more personalized experience. The belief that our current and potential members deserve the best regarding convenience and delivery channel options was the driving force behind this planned strategic growth.

This year, we will grow again, with the opening of our Richmond Branch. Adding new locations allows us to deepen our ties to the community and become more active, present, and involved. We are proud to serve the following counties:

- Anderson County
- Harrison County
- Owen County
- Bullitt County
- Henry County
- Powell County
- Bourbon County
- Jefferson County
- Scott County
- Boyle County
- Jessamine County
- Shelby County
- Clark County
- Lincoln County
- Spencer County
- Estill County
- Madison County
- Trimble County
- Fayette County
- Mercer County
- Woodford County
- Franklin County
- Nicholas County
- Garrard County
- Oldham County



Owenton, June 2023



Nicholasville, August 2023



Shelbyville West, November 2023



Coming Soon in 2024: Richmond



Treasurer's REPORT

As Treasurer for Commonwealth Credit Union I am pleased to report that the credit union had another outstanding year of growth and profitability. By focusing on serving members and communities, we remain committed to protecting your financial assets with an emphasis on loan and share growth and expense control.

Below is a recap of our 2023 financial results:

- Commonwealth continued having record asset growth, ending at \$2.2 billion in total assets, which was an increase of 9.1% from the previous year.
- As more members chose Commonwealth for their lending needs, total loans grew \$144.3 million, or 9.8%, to end 2023 at \$1.6 billion. The growth in loans was led by auto loans at \$106.3 million, or 24.1%, home equity loans at \$41.4 million, or 27.7%, commercial loans at \$30.9 million, or 35.3%, and unsecured personal loans at \$30.0 million, or 22.3%. The allowance for credit losses to total loans ended 2023 at 1.26%. The credit union adopted a new accounting standard at the beginning of 2023 which resulted in a change in the methodology that is referred to as the Current Expected Credit Losses, or CECL. The net charge-off and delinquency ratios ended 2023 at 0.40% and 0.51%, respectively.
- Total member deposits ended 2023 at \$1.9 billion and grew 9.4% for the year. Certificate balances grew by \$331.7 million, or 74.6%, checking balances grew \$4.1 million, or 1.3%, savings balances fell \$85.1 million, or -12.5% and money market balances fell \$84.5 million, or -30.1%.
- Commonwealth's net worth ratio, a key measure of financial stability and soundness, ended the year at 11.37%, which is far higher than the average credit union, making us one of the safest places in the nation for members / depositors.
- Commonwealth's net income for 2023 was \$17.8 Million, which translates to a return on average assets of 0.84%, which is comparable to the aggregate pool of credit unions in our asset size.
 - o The higher interest rate environment continued throughout 2023 as the Fed continued to raise rates to combat inflation and is reflected in the yield on average assets increasing to 4.49% for 2023 compared to 3.55% for 2022 while the interest expense to average assets increased to 1.30% for 2023 compared to 0.46% for 2022.
 - o The provision for credit losses increased from \$4.5 million in 2022 to \$9.5 million in 2023 as net loan charge-offs steadily climbed throughout the year.
 - o Non-interest income was up 44.8% over the prior year due primarily to the volatility in the equity markets resulting in gains in our investment accounts compared to losses in 2022.
 - o Non-interest expenses increased 12.7% due to increased salary and benefits costs, depreciation costs on fixed assets and cyber-security and technology investments.
- Dividends paid to our members in 2023 totaled \$25.0 Million.

Our credit union was able to continue to grow and invest in the future by updating technological and digital offerings for improved delivery systems to our members. In 2023, we continued to invest in vital infrastructure to secure our data systems and completed the construction of our permanent branch in Owenton along with opening two new branches in Nicholasville and Shelbyville.

As a member of Commonwealth Credit Union, you are also an owner and a valuable partner in our success. With that in mind, I join Randy Fawns, Chairman of the Board, and Karen Harbin, President and CEO, in personally thanking you for your continued support. Our entire team works hard to maintain Commonwealth's 5-star "Superior" rating from Bauer Financial, demonstrating the credit union's strength as a financial institution. As always, we are committed and proud to serve you.

Rob Ellis
Secretary/Treasurer

Financial REPORT

Balance Sheet (Year-End)

ASSETS	2023	2022
Cash & Overnight Balances	\$ 179,029,115	\$ 135,918,385
Investments	286,426,896	282,528,225
Net Loans to Members	1,613,607,543	1,469,262,627
Fixed Assets	50,730,644	51,715,834
Other Assets	80,492,276	86,020,029
Total Assets	\$ 2,210,286,474	\$ 2,025,445,100
LIABILITIES & EQUITY		
Member Shares	\$ 1,900,694,634	\$ 1,737,764,117
Borrowed Funds	60,000,000	60,000,000
Other Liabilities	40,742,051	41,741,565
Total Equity	208,849,789	185,939,418
Total Liabilities & Equity	\$ 2,210,286,474	\$ 2,025,445,100

Income Statement

	YTD 2023	YTD 2022
INTEREST INCOME		
Loan Interest	\$ 82,025,797	\$ 61,308,318
Investment Income	13,310,506	8,352,268
Total Interest Income	\$ 95,336,303	\$ 69,660,586
INTEREST EXPENSE		
Cost of Funds	\$ 24,975,919	\$ 8,128,892
Borrowing Expense	2,623,042	874,376
Total Interest Expense	27,598,961	9,003,268
Net Int Income before Prov	\$ 67,737,342	\$ 60,657,318
Provision for Loan Losses	9,483,459	4,461,818
Net Int Income after Prov	\$ 58,253,883	\$ 56,195,500
Non-Interest Income	34,053,573	23,513,545
Non-Interest Expense	74,458,261	66,045,470
Net Income	\$ 17,849,195	\$ 13,663,575



Supervisory COMMITTEE REPORT

The Supervisory Committee consists of five members appointed by the Board of Directors. The Committee's main duties are to oversee a comprehensive annual audit of the credit union and other audits as necessary. The Committee also performs a financial and management oversight role, independent of the Board of Directors, on behalf of the credit union membership.

The Supervisory Committee retained the services of Doeren Mayhew CPAs, an independent CPA firm specializing in credit union audits, to conduct the comprehensive annual audit as of December 31, 2023. The 2023 financial audit report may be reviewed upon request.

In addition to the annual audit, a team of internal auditors, who report directly to the Supervisory Committee, have developed a flexible three-year audit plan using appropriate risk-based methodology to conduct operational and compliance audits in specific areas as needed. During 2023, the Internal Audit staff completed and issued audit reports in numerous areas. The Internal Auditors' main responsibility is to assist the Committee in ensuring that internal controls are in place and operating as intended, member assets are being safeguarded, and credit union policies and procedures are followed.

We encourage members and credit union employees to express any concerns to the Supervisory Committee. The names of those expressing concerns will be held in the strictest confidence.

The Committee wishes to thank the Board of Directors and the staff of Commonwealth Credit Union for their assistance and cooperation in 2023.

Gary Forman
Supervisory Committee Chair

VOLUNTEER SUPERVISORY COMMITTEE



Gary Forman
Chair



LaTonya Bell
Vice Chair



Eric Satterly



Michelle Sutton
CPA



Alice Wilson
CPA

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