



MICHIGAN LEGACY CREDIT UNION

Building. Preserving. Sharing.
Your Legacy

71st Annual Meeting of the Owners, chartered in 1946

Since 1946 - Michigan based, Member Owned

2017 ANNUAL REPORT

A MESSAGE FROM THE BOARD CHAIR



On behalf of the Board and Staff, welcome to your 2018 Annual Meeting and Election. For over 70 years, the credit union has been committed to providing an outstanding owner/member experience...never forgetting who we serve.

The credit union finished the year with record loan growth and outstanding membership growth. The loan growth increased by \$16,608,080 and our net membership increased by 1,166 new owners. Loan growth occurred in virtually all areas of the loan portfolio including; unsecured, credit cards, new and used vehicles, mortgage loans, member business loans and indirect auto loans.

The credit union remains financially strong with net worth of 10.99% as of December 31, 2017. The Board has adopted several strategic initiatives to ensure Michigan Legacy Credit Union remains competitive and successful in achieving its cooperative values for our owners. Ultimately, it's all about YOU – the member/owner and providing you even more reasons to turn to the credit union for all of your financial needs. The Board and Staff are dedicated to following the cooperative principals, because the credit union belongs to you, the Owner! Instead of once a year patronage dividends, Michigan Legacy gives back to our owners 365 days a year in fee waivers exceeding \$1.2 million in 2017, that's the true cooperative value of ownership while maintaining competitive rates and services and service unmatched in today's marketplace.

Michigan Based, Member Owned since 1946

Dennis A. David

Board Chair

A MESSAGE FROM THE PRESIDENT & CEO



Welcome to the 71st annual meeting of Michigan Legacy Credit Union.

Over the last year, your Leadership Team and staff have continued to execute the Strategic & Business Plan, as approved by the Board of Directors. This includes continued education of staff to provide the highest level of service in the industry. In addition, the credit union continues to improve branch facilities to accommodate the service levels as outlined by the Board of Directors.

While executing these plans, over the last year the credit union experienced 22.63% loan growth and 23.6% net membership growth. I am very encouraged by the success of the business plan and our results.

Through our Cause Marketing and the generosity of our owners, the credit union was able to give back through our sharing the community legacy program a total of \$16,782.58, in 2017 to eight local charity programs. Bringing our total give back to the communities we serve \$59,278.06, since 2011.

Thank you to every owner for being part of your financial cooperative and sharing in the success. The staff is excited to launch new products and services in 2018.

It is our pleasure to serve you,

Carma S. Peters

President/CEO

TREASURER'S REPORT TO OWNERSHIP



Schmidt & Associates, Inc. Certified Accountants performed an annual audit for the fiscal year ending March 31, 2017, accompanied by an unqualified opinion letter dated July 13, 2017. A copy of the complete auditor's report is available for review upon request. An audit for the year ending March 31, 2018 is currently scheduled to be completed.

The calendar year ending December 31, 2017 (unaudited), assets increased from \$172,838,354 to \$180,552,156; loans increased from \$67,753,722; to \$74,538,618, and member shares increased from \$152,682,983 to \$161,633,555; and net income totaled (\$254,074). Regulatory net worth decreased slightly from 10.89% to 10.71% (NCUA defines 7.0% as well capitalized), this was expected and planned with the opening of the new Warren branch.

Included in this presentation are the unaudited balance sheet and income statement for the calendar year ending December 31, 2017.

It is a pleasure to provide the solid financial report to the owners of Michigan Legacy Credit Union.

Jeanette McComb

Treasurer

2017 ANNUAL MEETING MINUTES

70th Annual Meeting

Tuesday, April 18, 2017

Directors Present: Dennis David, Bruce Crossman, Ron Grobbel, Kevin Golden and Jeanette McComb, Sandie Ososkie, Nancy Weeks

Directors Absent: None

CALL TO ORDER – Dennis David The meeting was called to order at 5:07 p.m. There were 18 eligible members present at the meeting, Dennis David verified the presence of a quorum.

Minutes - Bruce made a motion to waive the reading of the minutes of the last annual meeting and approve the minutes, Sandie seconded, motion carried.

Financial Report - Kevin made a motion to waive the reading of the financial report and approve the financial report, Sandie seconded, motion carried.

Chairman's Report - Bruce made a motion to waive the reading of the Chairman's report and approve, Jeanette seconded, motion carried.

Treasurer's Report - Nancy made a motion to waive the reading of the Treasurer's report and approve the report, Bruce seconded, motion carried.

Old Business - Dennis acknowledged the staff and the hard work that has been done, Dennis commended them as they are the front face of the credit union. Dennis wanted to thank the staff all their hard work and dedication.

New Business - None presented.

Nominating Committee - Dennis David turned the meeting over to Bruce Crossman, the chair of the nominating committee. Bruce reported on the nominations of, Sandie Ososkie and Kevin Golden for the two seats up for election. Bruce made a motion to accept the nominees by acclamation for reelection, Nancy seconded, motion carried.

Motion to adjourn at 5:19 p.m. by Sandie, Kevin seconded, motion carried.

THE COOPERATIVE DIFFERENCE

FINANCIAL PRODUCTS YOU NEED, VALUE AND SERVICE YOU CAN TRUST

Home Loans

When you are financing the largest investment you will ever make, turn to the people you trust. Our staff is dedicated to communicate each step. One of our owners showed us his analysis of the super fast national lender, while the rate appeared lower, when factoring in all the higher costs we were able to save this young couple thousands in interest on their first home loan.

First Time Credit Borrowers

Your credit union gave more first time borrowers their first auto loan, credit card and unsecured loans. The credit union also embarked on an initiative to help those owners rejected by score only approval; our staff recognizes you are not just a score. Let us help you get back on your feet, or help you with your first loan. It's our specialty.

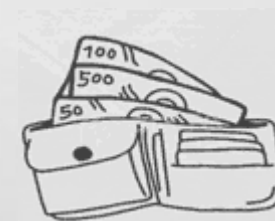
First Time Credit Borrowers

- New & Used Auto Loans
- Home Loans
- Credit Cards
- Signature Loans
- Boat, RV, Motorhome
- Home Equity Lines of Credit
- Ready Cash Line of Credit (Signature)
- Motorcycle
- ATV, Snowmobile, Tractor
- You need it we have it!

SERVICES DESIGNED TO BUILD YOUR FINANCIAL LEGACY SAVING YOU TIME AND MONEY

SERVICES DESIGNED TO SAVE YOU TIME AND MONEY

- Every call is answered by one of our staff, based right here in our offices
- Instant Chat service
- Apple Pay
- Text Banking/Mobile Banking
- Pay Anyone Anywhere and Anytime – offered through our bill pay service
- Instant Issue Debit/Credit Cards
 - Leave with your card in hand
- Wealth Management Services
- Certificates of Deposit – earn as much as 2.07% APY
- Individual Retirement Accounts
- Health Savings Accounts
- Gift Cards



BUILDING COMMUNITY LEGACY

GIVING BACK TO THE COMMUNITIES WE SERVE, THAT'S LEGACY SHARING

\$16,782.58

Donations to local charities near each branch in 2017

\$2,500

5 College Scholarships
Granted to owners

\$2,260.00

Support to local children's sports teams and school fundraisers

\$10,288.50

Financial Education Tools provided to local schools

\$31,831.08 Impacting our local communities in 2017

"Thank you so much for developing this program and sharing it with educators. The students enjoyed working through the scenarios and then applying what they learned during the game. I feel they really learned about financial decisions in a fun, interactive way. Thank you so much for caring about our children's education!"

Pam Carter, CARL T RENTON JR HIGH SCHOOL

Thanks Michigan Legacy for promoting financial literacy in your community!

FINANCIALS

STATEMENT OF FINANCIAL CONDITION

For the year ending December 31, 2017

ASSETS

Net Loans	\$	88,290,957
Cash		6,564,402
Total Investments		73,086,250
Other Assets		10,724,106

TOTAL ASSETS	\$	178,665,716
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LIABILITIES & EQUITY

LIABILITIES

Notes payable	\$	0
Other Liabilities		844,310
Members' Shares		159,533,044

TOTAL LIABILITIES	\$	160,377,354
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MEMBER'S EQUITY	\$	18,288,362
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TOTAL LIABILITIES & EQUITY	\$	178,665,716
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STATEMENT OF OPERATIONS

For the year ending December 31, 2017

INTEREST INCOME

Total Interest on Loans	\$ 4,547,047
Total Interest on Investments	1,471,625

TOTAL INTEREST INCOME	\$ 6,018,672
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INTEREST EXPENSE

Total Dividends on Owners' Shares	236,997
Other Interest Expense	3,065

TOTAL INTEREST EXPENSE	\$ 240,062
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NET INTEREST INCOME	5,778,610
Provision for Loan Losses	466,140

NET INTEREST INCOME AFTER PROVISION	5,312,470
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TOTAL NON-INTEREST INCOME	2,906,174
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NON-INTEREST EXPENSE

Salaries and Benefits	4,434,798
Other Expenses	3,671,762

TOTAL NON-INTEREST EXPENSE	\$ 8,100,136
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NET INCOME	\$ 112,084
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AGENDA

71st Annual Meeting
Tuesday, April 17, 2018

- I. Call to Order
- II. Verify Quorum
- III. Minutes: Tuesday, April 17, 2017
- IV. Approval of Financials
- V. Chairman's Report
- VI. Treasurer's Report
- VII. New Business
- VIII. Election of Directors
- IX. Old Business
- X. Adjournment



BOARD AND STAFF

Board of Directors

Dennis David, Chair
Bruce Crossman, Vice Chair
Sandra Ososkie, Secretary
Jeanette McComb, Treasurer
Kevin Golden
Ron Grobbel
Elizabeth Stucki

Associate Board

Suzanne Baydoun
Daniel DiBardino

Nominating Committee

Elizabeth Stucki
Kevin Golden

*Hard Work beats Talent, when
Talent doesn't work*
- Tim Notke

Executive Team

Carma S. Peters, President/CEO
Gary Leach, Executive Vice President/COO

Leadership Team

Chrissy Hudzinski, Vice President of Operations
Jessica Schaffner, Vice President of HR & Training
Jo Wood, Vice President of Collections
Pat Esper, Vice President of Card Services
Elizabeth Page, Vice President of IT & Facilities
Connie Jones, Vice President of Internal Auditing
Brian Hoskins, Assistant Vice President of Accounting

STAY UPDATED ON NEWS AND CURRENT FINANCIAL PROMOTIONS

www.michiganlegacycu.org



A hand holds a white Michigan Legacy Credit Union debit card. The card displays the name "MICHIGAN LEGACY CREDIT UNION", the card number "1234 4567 8910 0000", the expiration date "VALID THRU 12/20", the word "debit", and the Mastercard logo.

**Apply. Get Approved.
Take it home.**

**Get Your Instant Issue Credit/Debit Cards
Today at Michigan Legacy Credit Union**

NCUA