# MICHIGAN LEGACY CREDIT UNION

Building. Preserving. Sharing. Your Legacy

# **2018 ANNUAL REPORT**

72nd Annual Meeting of the Owners, chartered in 1946 Since 1946 - Michigan based, Member Owned

## A MESSAGE FROM THE BOARD CHAIR



On behalf of the Board and Staff, welcome to your 2019 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 \$11,168,424.00 and our net membership increased by 1,314 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 financial strong with net worth of 10.12% as of December 31, 2018. 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

Bruce Crossman

Acting Board Chair

## A MESSAGE FROM THE PRESIDENT & CEO



Welcome to the 72nd 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 13% loan growth and 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 \$19,046.18, in 2018 to local charity programs. Bringing our total give back to the communities we serve \$78,324.24, 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



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

The balance sheet ending March 31, 2018 (unaudited), assets increased from \$180,733,057 to \$186,273,340; loans increased from \$75,538,618; to \$75,766,118, and member shares increased from \$161,633,555 to \$168,180,644; and net income totaled (\$559,288). Regulatory net worth decreased slightly from 10.71% to 10.12% (NCUA defines 7.0% as well capitalized), this was entirely due to \$20,000,000 issued in brokered certificates offered at the end of 2018.

Included in this presentation are the unaudited balance sheet and income statement for the calendar year ending March 31, 2018.

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

Jeanette McComb

Treasurer

# **2018 ANNUAL MEETING MINUTES**

The meeting was called to order at 5:03 p.m.

CALL TO ORDER – Dennis David, Bruce Crossman was appointed acting Secretary in the absence of Sandra Ososkie

There were 18 eligible members present at the meeting, Carma Peters verified the presence of a quorum.

### Minutes

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

### **Financial Report**

Ron made a motion to waive the reading of the financial report, Bruce seconded, motion carried.

### Chairman's Report

Bruce made a motion to waive the reading of the Chairman's report, Kevin seconded, motion carried.

### Treasurer's Report

Bruce made a motion to waive the reading of the Treasurer's report, Kevin seconded, motion carried.

New Business None presented.

### 2018 Annual Report

#### Nominating Committee

Kevin Golden from the nominating committee, reported Jeanette McComb, Ron Grobbel and Bruce Crossman are up for election. Kevin reported nomination committee recommends the acceptance of the three nominees to fill the three vacant positions by acclamation, Dennis seconded, with no opposition motion carried.

### **Old Business**

Dennis directed his comments to the employees in attendance and stated they are the face of the credit union. Dennis further stated when the members come in they don't care about the Board, or the staff they come in for and trust, Dennis thanked them for helping the owners. Dennis went on to say the owners care about how you treat them and the service they receive and you all do an excellent job taking care of the membership. The hard work and dedication you deliver daily is so appreciated and he thanked them all.

Motion to adjourn at 5:09 p.m. by Jeanette, Kevin seconded, motion carried.

# **THANK YOU**



### Dennis David retires from Michigan Legacy Credit Union Board of Directors

Dennis began as a Supervisory Committee member of WySouth Federal Credit Union. Over the last 25 years, Dennis volunteered through five mergers, seven conversions, two field of membership expansions, two name changes and two construction projects. Dennis became Board chair in 2012 and served with dedication, compassion and humor.

Dennis we are excited for you to enjoy retirement and your grandchildren, the staff and Board thank you for your dedicated service and wish you all the best.

## **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 loan. 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

## \$19,046.18 \$7,000 \$2,738.00

Donations to local charities near each branch in 2018 7 College Scholarships Granted to owners Support to local children's sports teams and school fundraisers \$17,634.96

Financial Education Tools provided to local schools

## \$46,419.14 Impacting our local communities in 2018

"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, 2018

\$

99,459,381

29,242,487

64,501,930

11,482,551

ASSETS Net Loans Cash Total Investments Other Assets

**TOTAL ASSETS** \$ 204,686,349

### LIABILITIES & EQUITY

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MEMBER'S EQUITY	\$ 18,934,692
TOTAL LIABILITILES	\$ 185,751,656
Members' Shares	163,943,787
Brokered Certificates	20,962,000
Other Liabilities	844,870
Notes payable	\$ 0
LIABILITIES	

TOTAL LIABILITIES & EQUITY \$ 204,686,349



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STATEMENT OF OPERATIONS For the year ending December 31, 2018

### **INTEREST INCOME**

Total Interest on Loans Total Interest on Investments	\$ 5,525,442 1,492,953
TOTAL INTEREST INCOME	\$ 7,018,395
INTEREST EXPENSE Total Dividends on Owners' Shares Dividends on Brokered Certificates Other Interest Expense	300,753 100,991 4,194
TOTAL INTEREST EXPENSE	\$ 405,938
NET INTEREST INCOME Provision for Loan Losses NET INTEREST INCOME AFTER PROVISION TOTAL NON-INTEREST INCOME	6,612,457 969,603 5,642,854 3,296,588
NON-INTEREST EXPENSE Salaries and Benefits Other Expenses TOTAL NON-INTEREST EXPENSE NET INCOME	4,566,331 3,577,919 <b>\$ 8,100,136</b> <b>\$ 795,192</b>

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2018 Annual Report

For the independent auditor's report and opinion, please contact us at 248-334-0568

# AGENDA

72nd Annual Meeting Tuesday, April 23, 2019

I. Call to Order
II. Verify Quorum
III. Minutes: Tuesday, April 17, 2018
IV. Approval of Financials
V. Chairman's Report
VI. Treasurer's Report
VII. New Business
VIII. Election of Directors
IX. Old Business
X. Adjournment

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# **BOARD AND STAFF**

### **Board of Directors**

Bruce Crossman, Acting Chair Kevin Golden, Secretary Jeanette McComb, Treasurer Ron Grobbel Elizabeth Stucki Dan DiBardino John Wist

### Nominating Committee

Jeanette McComb Dan DiBardino

Hard Work beats Talent, when Talent doesn't work

- 7im 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 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

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### www.michiganlegacycu.org





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