

Building. Preserving. Sharing.
Your Legacy.



Flat Rock Garden City Highland Pontiac Warren Wyandotte

Agenda

70th Annual Meeting
Tuesday, April 18, 2017
at 5:00 p.m.

- I. Call to Order
- II. Verify Quorum
- III. Minutes: Tuesday,
April 19, 2016
- IV. Approval of Financials
- V. Chairman's Report
- VI. Treasurer's Report
- VII. New Business
- VIII. Election of Directors
- IX. Old Business
- X. Adjournment

The Nominating Committee has
selected the following individuals to be
on the ballot for the available positions:

Sandra Ososkie

Kevin Golden

Board of Directors

Dennis David
Chairman

Nancy Weeks
Vice Chairman

Bruce Crossman
Secretary

Jeanette McComb
Treasurer

Kevin Golden

Ron Grobbel

Sandra Ososkie

Executive Team

Carma S. Peters
President & Chief Executive Officer

Gary Leach
*Executive Vice President &
Chief Operations Officer*

Leadership Team

Pat Esper
Vice President of Card Services

Chrissy Hudzinski
Vice President of Operations

Connie Jones
Vice President of Internal Auditing

Jessica Schaffner
*Vice President of Human
Resources & Training*

Jo Wood
Vice President of Collections

Elizabeth Page
Vice President of Facilities/IT

Welcome to the 70th annual meeting of Michigan Legacy Credit Union.

This is an exciting year, our 70th Annual Meeting of the owners. One of the seven cooperative principals, is 70 years of Michigan based and member owned. Serving the communities, that are part of our legacy for 70 years.

Last year, our Board of Directors budgeted and Management committed to provide more staff education and training to better serve our owners.

2016 ended with large projects being completed. The Warren branch was built and open; we converted to a new bill pay that our data processor has invested in and now has a fraud deterrent tool; and all debit and credit cards now have EMV chips to help with fraud risks.

Thank you to every owner who provides valuable feedback, that help us improve our service to you. Staff are committed to helping you save time and money, to help you build, preserve and share your financial legacy.

Thank you to all the owners who share the benefits of the cooperative difference by spreading the word and referring your friends, family and coworkers.



It is our pleasure to serve you,

Carma S. Peters

President/CEO



On behalf of the Board and staff, welcome to your 2017 Annual Meeting and Election. For over 69 years the credit union has been meeting the financial needs of the owners and making a positive difference in the communities we serve. The Board and staff are very proud of our financial and community legacy.

This last year we opened our sixth fully owned branch in Warren, a beautiful facility that offers drive thru lanes, an ATM and considerably more space to transact business. In addition, we opened our second call center in Warren. Every call is now answered by a staff member ready to serve you, without a single phone menu or prompt. You the owners asked for this, and we delivered.

Throughout 2016, your credit union gave back over \$12,000, to local charities in the communities we serve. Over 180 filled backpacks were supplied to local schools in our communities, as well as food, hats, gloves and other donated needs. Your credit union and the staff are passionate about giving back to the very neighborhoods where we live, work and play. I would like to

personally thank each and every member who donated change from your transactions to help us with our efforts to give back. Thank you for sharing our commitment to people helping people, right here in our own neighborhoods.

As a financial cooperative, the difference is you the owners. The Board and staff are very proud of the fact that our fee income is one third of our peers. Over the past five years over \$1,000,000 each year is returned to our owners in fee waivers based on your participation with the credit union. That is the true philosophy of the credit union movement and we are proud of our efforts to remain true to the cooperative spirit credit unions were founded on.

Thank you for your commitment to your credit union and thinking of us first for all your financial needs.

Michigan based, member owned.

Sincerely,

Dennis A. David
Chairman of the Board

Schmidt & Associates, Inc. Certified Public Accountants performed an annual audit for the fiscal year ending March 31, 2016, an unqualified opinion letter dated July 13, 2016. A copy of the complete auditors' report is available for review upon request. An audit for the year ended March 31, 2017 is scheduled to be completed in a similar time-frame to 2016.

For the calendar year ending December 31, 2016 (unaudited), total assets increased from \$168,778,004 to \$172,445,147; loans increased from \$68,854,792 to \$71,682,877; member shares increased from \$141,365,103 to \$148,887,686; and net income totaled \$166,322. Regulatory net worth increased from 11.12% to 11.32% (the NCUA defines 7.0% as well capitalized).

With signs of an improving national and Michigan economy, the credit union remains financially strong with prospects for growing even stronger. Included in this booklet are the unaudited Balance Sheet and Income Statement for the calendar year ending December 31, 2016.

Sincerely yours,

Jeanette McComb

Treasurer



Michigan Legacy Credit Union
Combined Financial Statement
December 31, 2016

BALANCE SHEET

ASSETS

Loans	
Unsecured term/LOC	7,746,245
Credit Cards	5,717,370
New/Used Vehicle	20,307,921
Recreational Vehicle/Powersport	4,095,754
Other secured/subsidized loans	115,267
Residential mortgages	28,069,059
Member Business Loans	996,297
Indirect - Secured/Unsecured	5,771,465
Total Loans	72,819,377
Allowance For Loan/Share Losses	(1,136,500)

Net Loans **71,682,877**

Cash on hand & in bank	13,461,067
Investments	76,729,417
Fixed assets	6,352,874
Other assets	4,218,912

TOTAL ASSETS **172,445,147**

LIABILITIES & EQUITY

Liabilities

Accounts Payable	217,139
Accrued Interest & Dividends	0
Notes Payable	0
Other Liabilities	555,221
Member Savings	153,146,398

Total Liabilities **153,918,758**

Equity

Regular Reserves	2,544,491
Undivided Earnings	13,896,599
Equity acquired in merger	2,888,263
Unrealized Gain/Loss Securities	(734,813)
Net Income (Loss)	(68,150)
Total Equity	18,526,389

TOTAL LIABILITIES & EQUITY **172,445,147**

Net worth ratio (regulatory)	11.32%
No. of delinquent loans	73
Amount of delinquent loans	\$ 1,120,752.74

INCOME STATEMENT

	Current Month	Year to Date
INCOME		
Loan Interest	348,663	4,018,369
Investment	125,469	1,448,611
Fees	123,585	1,348,471
Other	121,525	1,189,735
	719,242	8,005,186
Total Income		

COST OF FUNDS

Dividends on Shares	15,082	179,349
Interest on Certificates	3,280	39,519
Interest - Borrowed Money	0	0

Total Cost of Funds **18,362** **218,868**

NET INTEREST INCOME **700,880** **7,786,318**

OPERATING EXPENSES

Employee Compensation	296,015	3,346,332
Empl. Taxes & Benefits	85,929	721,813
Travel, Education & Conf.	6,834	85,894
Association Dues	975	10,974
Office Occupancy	57,675	572,068
Office Operations	137,501	1,427,860
Advertising & Promotion	7,709	124,604
Loan Servicing	42,136	391,671
Professional Fee's	1,685	552,189
Insurance	0	0
Other Operating Expenses	2,901	81,388
Total Operating Expenses	639,360	7,314,793

Provision for Loan Loss **129,670** **282,347**

Total Operating Expenses **769,030** **7,597,140**

Asset Sale Gain (Loss)	0	(22,856)
Rental income (loss)	0	0
NCUSIF Stabilization Expense	0	0
Total Adjustments to Income	0	(22,856)

NET INCOME **(68,150)** **166,322**

NMLS# 493594





Flat Rock

22855 Gibraltar Rd, Flat Rock, MI 48134 / 734-379-9125

Lobby: M, T, Th, F: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5 p.m., Sat: Closed

Drive-Thru: M, T, Th: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5p.m., F: 9 a.m. – 6 p.m., Sat: 9 a.m. – 1 p.m.

Garden City

27621 Warren Rd, Garden City, MI 48135 / 734-458-2800

Lobby: M, T, Th, F: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5 p.m. Sat: Closed

Drive-Thru: M, T, Th: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5p.m., F: 9 a.m. – 6 p.m., Sat: 9 a.m. – 1 p.m.

Highland

290 N John Street, Highland, MI 48357 / 248-887-0666

Lobby: M, T, Th, F: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5 p.m. Sat: Closed

Drive-Thru: M, T, Th: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5p.m., F: 9 a.m. – 6 p.m., Sat: 9 a.m. – 1 p.m.

Pontiac

144 E Pike St, Pontiac, MI 48342 / 248-334-0568

Lobby: M, T, Th, F: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5 p.m. Sat: Closed

Warren

26256 Ryan Road, Warren, MI 48091 / 586-756-5010

Lobby: Mon, Tues, Thrs, Fri: 9 a.m. – 5 p.m., Wed: 10:30 a.m. - 5 p.m. Sat: Closed

Wyandotte

269 Oak St, Wyandotte, MI 48192 / 734-285-0600

Lobby: M, T, Th, F: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5 p.m. Sat: Closed

Drive-Thru: M, T, Th: 9 a.m. – 5 p.m., W: 10:30 a.m. - 5p.m., F: 9 a.m. – 6 p.m., Sat: 9 a.m. – 1 p.m.

www.michiganlegacycu.org

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