

2017 Annual Report

WE'RE
MORE
THAN
JUST A
PLACE
TO PUT
YOUR
MONEY.



MEMBERS FIRST
CREDIT UNION

find your happy.

BOARD OF DIRECTORS

Robert Cooper, *Chairman*
Kevin Brott, *Vice Chairman*
George Yost, *Secretary*
Robert Lancaster, *Treasurer*

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Dave Cronk, *Director*
Dave Thompson, *Director*
Doug Todd, *Director*

Elizabeth Christiansen, *Director*
Gary P. Schenk, *Director*
Joseph Ashcroft, *Director*
Sara Eklove, *Director*

MESSAGE FROM THE CHAIRMAN

Robert G. Cooper | Chairman, Board of Directors

2017 Highlights

We welcomed FEDCOM Credit Union members to the Members First Credit Union family in August 2017. Our credit union is now made up of approximately 60,000 members with over \$475 million in assets. This means your credit union is diversified and financially strong. We are serving you from eleven physical branches throughout the central Michigan and Grand Rapids area, as well as anywhere in Michigan through our online and electronic channels. Our statewide charter now allows anyone in Michigan to join the credit union and remember; once you are a member you are always a member regardless of whether you stay in Michigan or move across the country. Our promise to be trustworthy, caring and enthusiastic to help you succeed is stronger than ever.

We continue to see growth in our investment advisory program. Our advisor, Marc Livernois, is located in our main office in Midland and is available by appointment at any of our eleven branches. Marc has served over 300 members since starting with us nearly three years ago and he is available to help you with investment decisions, financial planning, retirement planning, and more.

Encouraging a Better Tomorrow in 2018

Our electronic branch services are more important than ever as our footprint expands across Michigan. For many members our website and mobile app is their primary method of doing business with us. More and more members each year use our online banking, bill pay, mobile check deposit, and online lending. We are currently working on a project to improve our online lending platform to provide an outstanding experience for you when you want to borrow money from your credit union. Watch for this exciting new platform to be launched mid-year, along with enhanced debit and credit card controls. Online new account and additional share opening services will also be available late in the year.

Serving our communities is a vital component of our mission. We do so primarily through our Community Difference Project which was created to impact peoples' lives via staff volunteerism, performing good deeds, or providing support for people in need. Thank you for allowing us to help build stronger communities.

As always, on behalf of our Board of Directors, our Supervisory Committee, and our employees; we thank you for your trust and loyalty. We truly appreciate you giving us the opportunity to Encourage a Better Tomorrow for you and for our communities.

STATEMENT OF INCOME AND EXPENSES

For the Years ended December 31, 2017 & 2016

	2017	2016		2017	2016
	Unaudited			Unaudited	
Interest Income			Operating Expenses		
Interest - Consumer Loans	\$ 12,324,729	\$ 10,978,512	Salaries & Benefits	11,078,206	9,182,065
Interest - Real Estate Loans	3,854,682	3,667,766	Training, Travel & Conference	652,616	654,608
Interest - Business Loans	<u>1,572,309</u>	<u>1,278,020</u>	Association Dues	29,840	26,232
Total Income From Loans	17,751,720	15,924,298	Office Occupancy & Operations	7,623,260	6,492,641
Income From Investments	<u>2,096,179</u>	<u>1,215,273</u>	Education & Promotion	820,667	868,951
Total Interest Income	<u>19,847,899</u>	<u>17,139,571</u>	Loan Servicing Expense	1,144,925	1,098,519
			Professional/Outside	674,507	392,370
Interest Expense			Misc Operating Expense	<u>73,677</u>	<u>86,307</u>
Dividends - Regular Shares	118,131	96,334	Total Operating Expense	<u>22,097,698</u>	<u>18,801,693</u>
Dividends - Share Drafts	45,424	44,127			
Dividends - High Yield Savings	48,586	31,908	Other Operating Income	<u>10,508,014</u>	<u>9,302,960</u>
Dividends - Super High Yield Savings	426,294	399,984	Net Before Non Operating Exp/Inc	<u>4,488,813</u>	<u>3,258,497</u>
Dividends - IRA Accounts	185,414	158,355	Non Operating Expense/Income	261,000	210,097
Dividends - Certificates	<u>720,175</u>	<u>591,668</u>	Net Income	<u>\$4,749,813</u>	<u>\$3,468,594</u>
Total Dividends	<u>1,544,024</u>	<u>1,322,376</u>			
Interest On Borrowed Funds	8	5	Statistics		
Total Interest Expense	<u>1,544,032</u>	<u>1,322,381</u>		2017	2016
Net Interest Income	18,303,867	15,817,190	Members	61,246	49,942
Loan Loss Provision	<u>2,225,370</u>	<u>3,059,960</u>	Loans	49,212	42,252
Net After Loss Provision	16,078,497	12,757,230	Delinquent Loans	775	670
			Delinquent Dollars	\$3,206,590	\$1,898,068

STATEMENT OF FINANCIAL CONDITION

As of December 31, 2017 & 2016

	2017	2016		2017	2016
	Unaudited			Unaudited	
Assets			Liabilities		
Consumer Loans	\$ 175,057,380	\$ 136,040,646	Accounts Payable &		
Real Estate Loans	83,659,328	79,550,860	Other Accrued Expenses	<u>5,672,440</u>	<u>2,655,860</u>
Business Loans	<u>36,435,394</u>	<u>29,892,727</u>	Total Liabilities	<u>5,672,440</u>	<u>2,655,860</u>
Total Loans To Members	295,152,102	245,484,233			
Allowance For Loan Loss	(2,871,085)	(3,049,670)	Equity		
Net Loans To Members	292,281,017	242,434,563	Share Savings	91,511,001	66,616,223
Cash & Cash Equivalents	24,828,036	20,241,326	Share Drafts	71,832,250	59,755,662
US Govt. Agencies	64,893,767	38,734,039	High Yield Savings	26,808,804	16,061,818
Alloya Corporate Credit Union	2,001,189	872,571	Super High Yield Savings	142,201,250	129,440,917
Bank & Credit Union CDs	58,130,616	63,213,806	IRA Accounts	23,704,629	18,700,207
Other Investments	<u>5,054,828</u>	<u>1,007,250</u>	Certificates Of Deposit	<u>61,335,653</u>	<u>55,385,736</u>
Total Cash & Investments	154,908,436	124,068,992	Total Member Shares	<u>417,393,587</u>	<u>345,960,563</u>
Land & Building Net	12,860,553	11,156,793	Reserves	3,196,853	3,196,853
Other Fixed Assets	3,311,923	3,392,743	Undivided Earnings	45,354,455	35,396,075
All Other Assets	<u>12,330,955</u>	<u>9,603,181</u>	Unrealized Gain/(Loss)	(674,263)	(21,673)
Total Other Assets	<u>28,503,431</u>	<u>24,152,717</u>	YTD Earnings	<u>4,749,812</u>	<u>3,468,594</u>
Total Assets	<u>\$475,692,884</u>	<u>\$390,656,272</u>	Total Member Capital	<u>52,626,857</u>	<u>42,039,849</u>
			Total Shares & Equity	<u>470,020,444</u>	<u>388,000,412</u>
			Total Liabilities & Equity	<u>\$475,692,884</u>	<u>\$390,656,272</u>



Members First Credit Union created the Community Difference Project to impact peoples' lives in positive ways. Whether it's to volunteer, perform a good deed, or provide support to people in need, we're here to encourage a better tomorrow for everyone in our community.

We are proud to share with you some of the statistics from the 2017 Members First Credit Union Community Difference Project including volunteer hours, monetary donations, sponsorships, and organizations impacted in Michigan.

COUNTIES IMPACTED BY VOLUNTEERING IN 2017:
Clare, Gladwin, Midland, Bay, Saginaw, Gratiot, Isabella, Kent, Allegan, Ottawa, Mecosta, Osceola

\$86,181.81	1,129	84	159
donated in 2017	staff volunteer hours in 2017	organizations staff volunteered with in 2017	organizations we donated to in 2017

WHAT DID THESE DONATIONS SUPPORT?

Education, Economic Development, and Community Involvement

BRANCH LOCATIONS

Wackerly Branch
600 W Wackerly St
Midland, MI 48640

Blue Grass Branch
4490 E Blue Grass Rd
Mt. Pleasant, MI 48858

Gladwin Branch
1291 W Cedar Ave
Gladwin, MI 48624

Kentwood Branch
4429 Breton Rd SE
Grand Rapids, MI 49508

Dartmouth Branch
400 Dartmouth Dr
Midland, MI 48640

Broadway Branch
4976 E Broadway Rd
Mt. Pleasant, MI 48858

Evart Branch
201 E 7th St
Evart, MI 49631

Jenison Branch
7565 Cottonwood Dr
Jenison, MI 49428

Clare Branch
650 W 5th St
Clare, MI 48617

Harrison Branch
3641 N Clare Ave
Harrison, MI 48625

Ann St Branch
150 Ann St NW
Grand Rapids, MI 49505



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