

Encouraging A Better Tomorrow

2022
ANNUAL REPORT



87th Annual Meeting Agenda

April 18, 2023 | 5:00 p.m.

Call to Order

Robert Cooper, Chairman of the Board

Approval of 2022 Annual Meeting Minutes

Chairman's Report

Robert Cooper, Chairman of the Board

Treasurer's Report

Tamara McGovern, Chief Financial Officer

Supervisory Committee Report

Joseph Kreuzsch, Chairman of Supervisory Committee

Elections

Carrie lafrate, Reporting Member of the Governance Committee

Candidates Up For Office

Board of Directors: Clare (Tom) Taylor Jr. & Joseph Kreuzsch

Supervisory Committee: None

Old Business

New Business

Adjournment of Business Meeting



Board of Directors

Robert Cooper	Chairman
Robert Lancaster	Vice Chairman
David Thompson	Treasurer
Jennifer Bush	Secretary
Clare (Tom) Taylor Jr.	Director
Doug Todd	Director (Retiring)
Gary Schenk	Director (Retiring)
Grant Murschel	Director
Kevin Brott	Director

Supervisory Committee

Joseph Kreusch	Chairperson
Greg Crawford	Secretary
Andrew Koehlinger	Committee Member
Neetesh Sahu	Committee Member

CEO & Senior Leadership Team



Carrie Iafrate
President
& CEO



Tamara McGovern
Chief Financial
Officer



Amy Garver
Chief Operations
Officer



Marcie Long
Chief Strategy
Officer



Nick Groulx
Vice President
of Channel
Delivery



Noelle Robinson
Vice President of
Culture & Employee
Development



John Pepmeier
Vice President
of Finance



Reid Lundeen
Vice President
of Lending



Bethany Dutcher
Vice President
of Marketing



Kelly Kammer
Vice President of
Risk Management

Leadership Team

Amanda Case, Float Branch Leader
Amanda Ludlum, Assistant Mortgage Operations Manager
Amanda Pomaville, Gladwin Branch Leader
Amy Schmidt, Wackerly Branch Leader
Angela Jansen, Clare Branch Leader
Angela Overmyer, Broadway Assistant Branch Manager
Anna Smith, Finance Director
Atasha Johnson, Branch Operation Director
Becky Trombley, Blue Grass Branch Leader
Cassandra Chasnis, Technology Director
Cassie Baker, Clare Assistant Branch Manger
Cecelia Viersen, Card Services Leader
Chesney Siegert, Data Intelligence Leader
Clint Holshoe, Controller
Diane Kerns, Contact Center Leader
Emily Lugo, Digital Services Leader
Everett Peterson II, Information Operations Leader
Gabrielle Hayes, Gladwin Assistant Branch Manager
Heather Karl, Assistant Consumer Loan Processor Manager
James Brown, Facilities Manager
Jamie Hoffman, Accounting Leader
Janel Dewey, Jenison Branch Leader

Jason Kole, Evert Branch Leader
Jayme Larose, Dartmouth Branch Leader
Jennifer Lewandowski, eBranch Leader
Katie Land, Consumer Lending Leader
Kimberly Gagné, Executive Assistant to C-Suite
Kristen Williamson, Community Relations Leader
Kristen Walters, Human Resources Director
Kyle Hartley, Strategic Project Leader
Lori Wagner, Internal Audit Manager
Melanie Duke, Branch Operation Director
Mellisa Sullivan, Kentwood Branch Leader
Nita Haas, Real Estate Lending Leader
Rebecca Lobsinger, Broadway Branch Leader
Renee Perry, Assistant Contact Center Manager
Savannah Cavanaugh, Harrison Branch Leader
Sharon Brown, Solutions Leader
Shawn Sundquist, Helpdesk Leader
Trina Cline, Human Resources Leader
Troy Thurston, Commercial Lending Leader
Tyler Roy, Commercial Credit & Administration Leader
William Lott, Compliance Director

86th Annual Meeting Minutes

April 19, 2022

The 86th Annual Meeting of Members First Credit Union was called to order by Chairman, Robert Cooper, at 5:02 pm on Tuesday April 19, 2022 by virtual meeting. There were 61 members present including Board of Directors and staff. A quorum was established.

The minutes of the previous 85th Annual Meeting were presented and reviewed for corrections. None being noted, the minutes of the 85th annual Meeting were accepted as written.

A **motion** was made by Tom Taylor and supported by Jenni Bush to approve the meeting notes from the previous year. **Motion carried.**

Chairman Cooper addressed the membership and outlined the major changes in the prior year:

2021 Highlights

- We processed tens of millions of dollars in stimulus payments, child tax credits, and PPP Business Loans.
- Members First Credit Union celebrated its 85th birthday. To celebrate, our team committed 85 random acts of kindness in our local communities on our birthday.
- This year we awarded \$10,000 in student scholarships and gifted many teachers \$500 VISA cards to get their classrooms started.
- Eric Brubaker announced his retirement and we welcomed Carrie lafrate as President & CEO.
- Pam Ayers' retirement after 33 years of loyalty will be in June 2022.

Mr. Cooper then introduced Tamara McGovern, CFO to present the Treasurer's Report.

Ms. McGovern presented key financial information for 2021. The credit union continues to grow and provide valued services to our members:

- Total member share balances went from \$583M in 2020 to \$658M in 2021.
- Our asset size expanded again in 2021 increasing from \$657M in 2020 to nearly \$737M at years end.

Upon the completion of the Treasurer's Report, Ms. McGovern introduced Joe Kreuzsch, Chairman of the Supervisory Committee. Mr. Kreuzsch presented the committee's report.

Mr. Kreuzsch introduced the Supervisory Committee to those in attendance at the meeting.

- The committee hired Doreen Mayhew in 2021 to conduct an in-depth audit. The June 30, 2021 report showed the financial statements fairly represent the financial position of Members First Credit Union and conform with Generally Accepted Accounting Principles of the United States of America.
- As of March 31, 2021, the Department of Insurance and Financial Services examination results confirmed that Members First Credit Union continues to be financially sound as well.
- The committee can confidently report that Members First Credit Union continues to be financially strong and well managed with sound policies and programs.
- Gratitude was extended to the volunteers and staff for an ongoing commitment to improving internal controls and strengthening the credit union.

Mr. Kreusch then introduced Carrie lafrate, President & CEO who acted as the reporting member of the Governance Committee.

- Ms. lafrate introduced and thanked the other members of the Governance Committee, Kevin Brott, Robert Lancaster, Gary Schenk and Doug Todd. Anna Marie Zieleniski, Amy Garver.
- Nominees for the Board positions are: Robert Cooper, Kevin Brott, and Robert Lancaster. No positions to be reelected on the Supervisory Committee.
- As there were no other nominations, Ms. lafrate asked for a motion for a unanimous ballot.

A **motion** was made by Joe Kreusch and supported by Tom Taylor for all candidates presented for both the Board of Directors and Supervisory Committee. **Motion carried.**

Ms. lafrate concluded the nominating committee report and Mr. Cooper resumed the meeting.

Mr. Cooper noted that there was no old business listed on the agenda and asked the membership if there was any new business to be brought before the membership.

Mr. Cooper noted that there was no new business.

Mr. Cooper thanked the membership as well as the staff for their efforts throughout this challenging year.

The annual meeting was adjourned at 5:18 p.m.

Respectfully submitted,

Robert Cooper, Chairman
Jenni Bush, Secretary



TRUSTWORTHY

We deliver excellence through knowledge.

We can be depended upon to do the right thing.

We believe in exceeding expectations.



CARING

We are committed to encouragement and the power of positivity.

We respect all people, without judgment.

We give the best of ourselves when we join together.



ENTHUSIASTIC

We are hardworking, passionate people.

We encourage maximizing happiness and fun.

We thrive by finding new ways to help.

Message from the Chairman

Robert G. Cooper | Chairman, Board of Directors

In 2022, we committed to a strategic plan of vibrancy. Bold steps and themes that would enhance our communities and member and employees' lives. We knew that through a year of rising rates and inflation, you would need us to engage in new ways to thrive together.

I am thankful to report to you that we did just that! Early in the year, as gas prices rose, you took advantage of our loan payment deferral program and got quick cash when you needed it as we adjusted to offering the \$1,000 Whatever Loan year-round. Our team members loved being out in our communities, gifting over \$5,000 in gas cards to you.

Our team also took on the initiative to become Certified Credit Union Financial Counselors to ensure elevated skills and knowledge to guide members to sound financial decisions. Especially when so many face uncertain economic times, our team finds purpose in serving you. They connected with over 131 organizations through our Community Difference Project, sharing their time and monetary giving.

With a focus on providing phenomenal experiences, we enhanced our digital services with CardSWAP and ClickSWITCH. Quick, automated online features that help you in switching direct deposits and new credit or debit card information. Coupled with the thousands of you utilizing the new digital financial tools and SavvyMoney credit reporting, we are enhancing your own knowledge and personal interaction with your finances.

Your engagement with your credit union created a record year in loan growth! We have also reached new heights with over 61,000 members and over \$750 million in assets. Over 4,000 surveys were returned, read, and acted upon through our Voice of Member program. Thank you for giving us the opportunity and your feedback to ensure we can respond to your needs. You also voted us Best of the Best Loan Experience again! The coveted Best of the Best awarded is given each year to credit unions that have consistently provided exceptional member service, as reported by their own members.

As a Community Development Financial Institution, we've received multiple grants that have allowed us to invest even more in building thriving communities. Our concentration is on local Community Center services, getting people and families into housing, and literacy. I encourage you to make use of our Free Little Libraries at each branch; empowering children and adults the opportunity to discover a personally relevant book to read that is not limited by time, space, or privilege.

To ensure your credit union stays vibrant, the Board worked with the Leadership team to produce a new 18-month strategic plan that will carry us into the future. You can expect elevated, inclusive products and services, optimized lending experiences, accessible communication channels, and an enriched brand.

In the cooperative structure of credit unions, your savings becomes another member's loan. Refer your family, friends, neighbors, and local businesses to us. Together, we cooperate in financial wellbeing for all. Our team is proud to have served you in 2022.



What Our Members Say

“

Friendly staff is hard to find anywhere these days, but when I walk in here it is a different story. They always have the most sincere smiles and I love seeing them! I can't imagine anyone walking out of here not feeling better about their day than when they walked in! If you need help banking I'd suggest getting it here rather than from a company pushing digital ways to get serviced faster, nothing beats a real person helping you make real decisions that can impact your whole life and they have never had anything but my best interests in mind!”

Anthony S.
Member of Members First Credit Union

“

The member service is amazing. They jump through obstacles to help their members and I am very grateful. I no longer live in the area but will bank here for life. Thank you for being so kind, helpful, and understanding. I appreciate all of you.”

Kelly M.
Member of Members First Credit Union

“

Quick and easy as always. I have been with MFCU for many years and would recommend them to everybody because they treat me like family and it doesn't get any better than that!

Rodney B.
Member of Members First Credit Union

Statement of Financial Condition

As of December 31, 2022 & 2021

	2022	Unaudited	2021
Assets			
Consumer Loans	\$ 353,247,387		\$ 234,852,973
Real Estate Loans	145,800,042		143,350,482
Business Loans	<u>55,090,230</u>		<u>40,936,176</u>
Total Loans To Members	554,137,659		419,139,631
Allowance For Loan Loss	<u>(4,061,164)</u>		<u>(2,853,155)</u>
Net Loans To Members	550,076,495		416,286,476
Cash & Cash Equivalents	58,676,718		89,124,652
U.S. Govt. Agencies	147,257,173		172,862,965
Alloya Corporate Credit Union	134,907		654,066
Certificates of Deposit	-		500,000
Other Investments	<u>25,962,640</u>		<u>26,381,815</u>
Total Cash & Investments	232,031,438		289,523,498
Land & Building Net	12,007,733		12,240,865
Other Fixed Assets	1,105,319		1,595,396
All Other Assets	<u>19,150,688</u>		<u>17,235,169</u>
Total Other Assets	32,263,740		31,071,430
Total Assets	<u>\$814,371,674</u>		<u>\$736,881,404</u>
Liabilities & Equity			
Accounts Payable & Other Accrued Expenses	79,826,289		8,843,321
Share Savings	167,702,363		166,451,166
Share Drafts	142,561,567		135,802,891
High Yield Savings	39,905,276		41,074,952
Super High Yield Savings	227,916,480		216,122,756
IRA Accounts	26,789,416		24,815,930
Certificates Of Deposit	<u>73,202,942</u>		<u>74,058,710</u>
Total Member Shares	678,078,043		658,326,405
Reserves	3,196,853		3,196,853
Undivided Earnings	68,046,927		61,767,907
Unrealized Gain/(Loss)	(19,275,771)		(1,240,600)
Net Income	4,499,333		5,987,518
Total Member Equity	56,467,342		69,711,678
Total Shares & Equity	<u>734,545,385</u>		<u>728,038,083</u>
Total Liabilities & Equity	<u>\$814,371,674</u>		<u>\$736,881,404</u>



AUTO LOANS
6,455



RV LOANS
683



1ST & 2ND MORTGAGES
230



PERSONAL LOANS
5,443



WHATEVER LOANS
5,297

2022 RESULTS

Statement of Income and Expenses

For the years ended December 31, 2022 & 2021

	2022	Unaudited	2021
Interest Income			
Interest - Consumer Loans	\$ 17,099,386		\$ 14,500,106
Interest - Real Estate Loans	5,594,007		5,219,492
Interest - Business Loans	<u>2,089,989</u>		<u>1,726,137</u>
Total Income From Loans	24,783,383		21,445,735
Income From Investments	<u>3,756,657</u>		<u>2,829,848</u>
Total Interest Income	<u>28,540,040</u>		<u>24,275,583</u>
Interest Expense			
Dividends - Regular Shares	345,654		176,609
Dividends - Share Drafts	96,705		35,245
Dividends - High Yield Savings	103,191		46,595
Dividends - Super High Yield Savings	1,076,310		385,821
Dividends - IRA Accounts	180,660		211,645
Dividends - Certificates	743,175		1,083,419
Interest on Borrowed Funds	<u>262,960</u>		<u>6</u>
Total Interest Expense	<u>2,808,655</u>		<u>1,939,340</u>
Net Interest Income	25,731,385		22,336,243
Loan Loss Provision	<u>3,504,676</u>		<u>395,744</u>
Net After Loss Provision	<u>22,226,709</u>		<u>21,940,499</u>
Operating Expenses			
Salaries & Benefits	18,462,462		16,551,787
Training, Travel & Conference	458,394		389,348
Association Dues	51,979		39,157
Office Occupancy & Operations	10,036,268		9,505,771
Education & Promotion	1,479,095		943,213
Loan Servicing Expense	1,971,046		1,775,501
Professional Services	984,927		479,961
Misc Operating Expense	<u>162,806</u>		<u>243,120</u>
Total Operating Expense	<u>33,606,977</u>		<u>29,927,858</u>
Other Operating Income	<u>15,991,652</u>		<u>13,552,797</u>
Net Before Non Operating Exp/Inc	<u>4,611,384</u>		<u>5,565,438</u>
Non Operating Expense/Income	179,451		422,080
Net Income	<u>\$4,790,835</u>		<u>\$5,987,518</u>

STATISTICS

	2022	2021
Members	61,434	59,714
Loans	55,047	46,018
Loans Closed	16,487	15,762
Loans Closed Dollars	\$183,566,864	\$173,699,224
Delinquent Loans	407	208
Delinquent Dollars	\$3,133,377	\$1,704,769



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 2022 Members First Credit Union Community Difference Project including volunteer hours, monetary donations, sponsorships, and organizations impacted in Michigan. Although it was a hard year for our communities, our team still was hard at work focusing on how to help those in need.



\$108,000+
donated in 2022



130+
organizations staff
volunteered with in 2022



1,340+
staff volunteer
hours in 2022



131+
organizations we
donated to in 2022

WHAT DID THESE DONATIONS SUPPORT?

10 Education, Economic Development, and Community Involvement



Community Difference Project 2022 Highlights

Over **\$27,000** was pledged by the credit union and our team members to various United Way organizations across Michigan.

100 community members were gifted **\$50** gas gift cards by our team members in April when gas prices began to rise.

Our Family Day at the Wild Pumpkin in Beaverton had record numbers: our team provided **over 85 dozen doughnuts** and **34 gallons of cider** to **1,062** visitors.

Our credit union **launched Little Free Libraries** at all **11** branch locations, providing access to books for community members.

Members First raises \$10,000 annually for scholarships for students pursuing a higher level of education. In 2022, **four** students received **\$2,500** each through our Swinging for Scholarships golf outing!

COMMUNITY
DIFFERENCE PROJECT





**Main Office
Wackerly Branch**
600 W Wackerly St
Midland, MI 48640

Dartmouth Branch
400 Dartmouth Dr
Midland, MI 48640

Clare Branch
650 W 5th St
Clare, MI 48617

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

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

Harrison Branch
3641 N Clare Ave
Harrison, MI 48625

Gladwin Branch
1291 W Cedar Ave
Gladwin, MI 48624

Evert Branch
201 E 7th St
Evert, MI 49631

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

Kentwood Branch
4429 Breton Rd SE
Grand Rapids, MI 49508

Jenison Branch
195 Chicago Dr
Jenison, MI 49428



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