



# 2021

## ANNUAL REPORT

# AGENDA FOR THURSDAY, APRIL 21, 2022

**Welcome**

Harold Foster

**Invocation**

Mark Baldwin, Chaplain UAW Local 652

**Introduction of LAFCU's Board of Directors and Committee Members**

Patrick Spyke

**Years of Service Recognition**

Patrick Spyke

**Call To Order**

Harold Foster

**Election of Officers**

Tom Martinson

**Approval of Minutes: April 29, 2021**

Harold Foster

**Annual Meeting Reports**

Harold Foster

**Old Business**

Harold Foster

**New Business**

Harold Foster

**Adjournment**

Harold Foster

“While promoting the credit union philosophy, we are committed to providing financial services for the changing needs of our members and helping them obtain financial security.”

# PRESIDENT’S REPORT

LAFCU’s commitment to serving our members remained strong throughout 2021. Finding more ways to navigate banking virtually was also a priority with a mobile banking enhancement, making it easier for members to take care of almost all of their banking without having to come into a branch. A new digital experience was launched to provide members the tools to setup online and mobile banking. Members were able to securely receive their account numbers in order to set up direct deposit and add their LAFCU debit card to online retailer accounts such as Amazon. LAFCU had another year of record loan growth, as well as low interest rates on Mortgages and high interest rates on Certificates of Deposit. The Credit Union continues to offer its low-income designation program, LAFCU Serves, to provide products, services, and education to those who are unbanked and underbanked in the communities LAFCU serves.

The Board of Directors, along with the LAFCU Team, remain focused on meeting our members’ financial needs and providing low cost, high-quality products designed to help them succeed. We also continue to help the community with education, volunteerism, and sponsorships that benefit the statewide communities we serve.

Comments and suggestions are encouraged to help us continue to provide a high level of service that our members deserve, and which we pride ourselves in delivering.

I would like to personally thank my fellow Board members, committee members, and all of the LAFCU Team for their commitment and dedication to the LAFCU membership.

It continues to be an honor to serve you.

**Harold Foster, President**

**BOARD OF DIRECTORS**

Harold Foster, President  
Mel Place, Vice President  
Thomas Martinson, Treasurer  
Tommie Culpepper, Secretary  
Jere Auvenshine, Director  
Randy Freeman, Director  
Paulette Warren, Director

**EMERITUS BOARD**

Bob Zimmerman  
Sabrina Todd

# CREDIT COMMITTEE REPORT

LAFCU is committed to meeting the lending needs of its members. The Credit Committee works closely with the lending staff to ensure the Credit Union continues to provide member focused products that align with the credit union philosophy of “people helping people.” This focus includes staying on top of lending trends to ensure LAFCU is competitive in the marketplace, in addition to being proactive to economic developments to be sure the Credit Union has timely products and empathic policies to support our members who may be experiencing financial difficulty.

As part of our oversight, our committee regularly reviews denied loan applications to make sure every effort and consideration was given to meet our members borrowing needs. We also evaluate approved loans and monthly reports to ensure that LAFCU remains a financially sound institution, which is dedicated to meeting the needs of its diverse membership.

On behalf of the Credit Committee, we would like to thank the Board of Directors, and the LAFCU Team for all their efforts and support, and also would like to thank the members of LAFCU for the opportunity to serve them.

**Diann Vsetula, Chairperson**

**CREDIT COMMITTEE**  
Diann Vsetula, Chairperson  
Belinda Hodge, Vice-Chairperson  
John A. Lewis, Member  
Sammiestine Goodman, Alternate Member

# SUPERVISORY COMMITTEE REPORT

The Supervisory Committee directs the Audit Coordinator to schedule audits, provide requested documentation to the audit firm, ensure management responds to recommendations made by the auditors, and provide updates to the Supervisory Committee. The Supervisory Committee contracts Doeren Mayhew CPAs and Advisors to perform various audits and reviews to ensure LAFCU operates in a safe and sound manner and that LAFCU is in compliance with state and federal laws. Doeren Mayhew compares regulations to Board of Director policies and management procedures to ensure employees are operating within established parameters and adhere to internal controls.

The Supervisory Committee contracted Andrews Hooper Pavlik PLC to perform an independent audit of LAFCU’s financial statements for the 2021 year end. Members can obtain a copy of the financial statements by calling 517-622-6520.

On behalf of the Supervisory Committee, I would like to thank LAFCU’s Board of Directors and the LAFCU Team for their cooperation and for a job well done in 2021. We look forward to serving the membership in 2022 and to the continued growth and prosperity of LAFCU.

**Melvin C. Coleman, Chairperson**

**SUPERVISORY COMMITTEE**  
Melvin C. Coleman, Chairperson  
Merritta Proctor, Member  
Pam Starkweather, Member  
Ben Frantz, Member  
Brian Tribell, Audit Coordinator

## TREASURER'S REPORT

LAFCU provides low-cost financial products and services to meet the needs of our members at every stage of life. Whether it's through innovative service delivery like our drive-thru teller machines, banking from home services including Online Banking and Mobile Banking, or second to none products like our Jumbo CDs; LAFCU is committed to providing convenient solutions that allow our members to achieve financial security. We continuously strive to reduce operating expenses while providing the excellent member service you have come to expect.

### 2021 HIGHLIGHTS

- 11.29% net worth ratio, well capitalized (highest classification attainable as determined by the National Credit Union Administration)
- \$379,540,129 loans disbursed

Thank you for the opportunity to serve you. We look forward to continuing to provide you with state-of-the-art financial solutions designed for your success.

**Thomas Martinson, Treasurer**

**11.29%**  
Net Worth  
Ratio

**\$379,540,129**  
Loans  
Disbursed

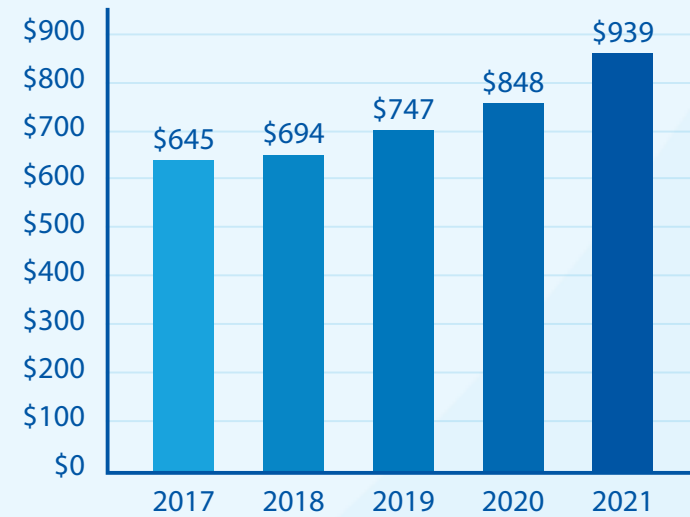
## STATEMENT OF EARNINGS

Interest Income	Dec. 31, 2021	Dec. 31, 2020
Loans Receivable	30,793,463	\$ 29,039,726
Investments Securities and Deposits	1,289,673	1,389,581
<b>Total Interest Income</b>	<b>32,083,136</b>	<b>30,429,307</b>
Interest Expense		
Interest and Dividends on Members' Shares and Term Share Accounts	3,851,459	4,736,206
Interest and Borrowed Money	143,099	305,542
<b>Total Interest Expense</b>	<b>3,994,558</b>	<b>5,041,748</b>
<b>Net Interest Income</b>	<b>28,088,578</b>	<b>25,387,559</b>
Provision for Loan Loss		
Net Interest Income after Provision for Loan Losses	25,389,778	21,807,159
Non-Interest Income		
Non-Operating Gains (Losses)	461,372	(99,029)
Fees and Charges	14,144,757	14,303,278
<b>Total Non-Interest Income</b>	<b>14,606,129</b>	<b>14,204,249</b>
Non-Interest Expenses		
Compensation and Benefits	14,859,065	15,141,321
Office Operations	8,407,265	7,859,801
Office Occupancy	1,747,960	1,777,299
Other Operating Expenses	5,058,925	4,577,761
<b>Total Non-Interest Expenses</b>	<b>30,073,216</b>	<b>29,356,182</b>
<b>Net Earnings</b>	<b>9,922,691</b>	<b>\$ 6,655,226</b>

## STATEMENT OF FINANCIAL CONDITION

Assets	Dec. 31, 2021	Dec. 31, 2020
Cash	\$ 43,728,490	\$ 26,927,023
Interest Earning Deposits	66,779,525	126,188,436
<b>Investment Securities</b>		
Available-for-Sale	120,636,841	35,905,995
Held-to-Maturity	496,000	11,692,000
Debt Securities	---	---
Loans to Members, net of Allowance for Loan Loss	657,493,086	599,523,933
Accrued Interest Receivable	2,068,428	1,903,537
Net Property and Equipment	20,165,655	19,867,609
NCUSIF Deposit	7,617,131	6,862,719
Other Assets	19,779,473	19,541,841
<b>Total Assets</b>	<b>\$ 938,764,629</b>	<b>\$ 848,413,094</b>

### TOTAL ASSET TRENDS (IN MILLIONS)



## LIABILITIES AND MEMBERS' EQUITY

Liabilities	Dec. 31, 2021	Dec. 31, 2020
Members' Share and Term Share Accounts	822,911,375	\$ 734,191,982
Certificates of Deposit - Other Credit Unions	---	3,223,000
Accounts Payable and Other Liabilities	12,979,378	17,463,510
<b>Total Liabilities</b>	<b>835,890,754</b>	<b>754,878,493</b>
Commitments and Contingent Liabilities	0	0
Members' Equity - Substantially Restricted	102,873,875	93,534,602
<b>Total Liabilities and Members' Equity</b>	<b>938,764,629</b>	<b>\$ 848,413,094</b>

### MEMBER SHARES TRENDS (IN MILLIONS)



# MINUTES OF THE 85TH ANNUAL MEETING

The meeting was held virtually via WebEx, due to the COVID-19 pandemic. The meeting was called to order by Harold Foster, Board President at 5:04 pm.

The invocation was given by UAW Local 652 Chaplin, Mark Baldwin. Mr. Foster welcomed everyone to the meeting. Harold introduced Patrick Spyke, Chief Executive Officer.

Pat introduced the members of the Official Family:

## Board of Directors

Harold Foster—35 years

Mel Place—35 years

Tom Martinson—34 years

Tommie Culpepper-35 years

Jere Auvenshine—19 years

Paulette Warren—27 years

Randy Freeman—10 years

Sabrina Todd Emeritus Board Member, 3 years

Robert Zimmerman, Emeritus Board Member, 3 years

## Supervisory Committee

Melvin Coleman—23 years

Merritta Proctor—12 years

Pam Starkweather—4 years

Ben Frantz—1 year

## Credit Committee

Diann Vsetula—21 years

Belinda Hodge—19 years

John A. Lewis—19 years

Sami Goodman—9 years

Pat thanked each volunteer for their years of service and dedication. He recognized Harold Foster, Mel Place and Tommie Culpepper for 35 years of service as a LAFCU volunteer. He also recognized Randy Freeman for his 10 years of service as a LAFCU volunteer.

Pat thanked the Membership for choosing LAFCU and allowing us to be Your Credit Union for Life. Pat recognized our award-winning team for their commitment and hard work in the midst of a global pandemic. He explained that as everyone was in times of uncertainty, LAFCU was not only able to keep serving our Members, but we were able to keep our staff and Membership safe while doing it. We had 90% of our workforce working from home. We upgraded our Online and Mobile Banking platforms to enable Members to do more without having to visit a branch. Pat stated that we assisted our Members that were not able to work during the pandemic by providing Assistance Loans and allowing Skip-A-Pays on current loans. We provided over \$13M in Covid relief and assisted our business accounts with obtaining government PPP Loans to help them get through. Despite all of the challenges everyone faced in 2020, LAFCU remained financially sound and dedicated to meeting the needs of our Membership. Pat turned the meeting back over to Harold Foster. Harold thanked all of the volunteers on the Board of Directors, Supervisory Committee and the Credit Committee for all of the time they give this organization. He also thanked the Membership for their support.

**Call to Order/Quorum/Approval of Agenda:** Mr. Foster called the official 85th Annual Business Meeting to order at 5:20pm. Mr. Foster asked the Board if there was a quorum present. Randy Freeman confirmed that a quorum was present.

Harold asked for a motion to approve the Agenda that was posted in the Annual Meeting Booklet. Randy Freeman motioned to approve the agenda and it was supported by Mel Place. Motion carried without objection.

**Election of Officers:** Mr. Foster introduced Randy Freeman, Chairperson of the Nominating Committee. Mr. Freeman stated that in accordance with LAFCU's bylaws, notice was given to the membership in the Winter of 2020 newsletter, providing the opportunity for members to submit a request to the Nominating Committee to be placed on the ballot for the Board of Directors or the Credit Committee, or to place their names on the ballot by petition by March 1, 2021. No petitions were received. The Nominating Committee submitted the following Board of Director candidates to the Board of Directors to fill the two expiring terms: Mr. Harold Foster, Mr. Melvin Place and Mr. Tommie Culpepper. These candidates were unopposed and thus each was elected by acclamation of the Board of Directors to serve a 3-year term. The Nominating Committee also submitted the following Credit Committee candidates to the Board of Directors to fill two Credit Committee expiring terms: Mrs. Diann Vsetula and Ms. Belinda Hodge. These candidates were unopposed and thus were elected by acclamation of the Board of Directors to serve a 3-year term. Mr. Freeman congratulated Mr. Harold Foster, Mr. Melvin Place and Mr. Tommie Culpepper for being reelected to the Board of Directors and Mrs. Diann Vsetula and Ms. Belinda Hodge for being reelected to the Credit Committee. This concludes the Nominating Committee Report. Randy Freeman motioned to approve the Nominating Committee Report and Mel Place supported it. Motion carried without objection.

**Approval of the Minutes:** A motion was received by Randy Freeman and supported by Merritta Proctor to approve the minutes of the 84th Annual Meeting held on July 30, 2020 as printed in the Annual Meeting Booklet. Motion carried without objection.

**Board of Directors' Report:** The Board of Directors' Report was prepared by President Harold Foster and is printed in the Annual Meeting Booklet. Mr. Foster asked if there were any questions

regarding this report. Hearing none, a motion was made by Randy Freeman and supported by Tom Martinson to approve the Board of Directors' Report as printed. Motion carried without objection.

**Treasurer's Report:** The Treasurer's Report was submitted by Mr. Tom Martinson and is printed in the Annual Meeting Booklet. Mr. Foster asked if there were any questions. Hearing none, a motion was made by Mel Place and supported by Randy Freeman to approve the Treasurer's Report as printed. Motion carried without objection.

**Credit Committee Report:** The Credit Committee Report was prepared by Mrs. Diann Vsetula, Chairperson and is printed in the Annual Meeting Booklet. Mr. Foster asked if there were any questions. A motion was made by Tommie Culpepper and supported by Mel Place to approve the Credit Committee Report as printed. Motion carried without objection.

**Supervisory Committee Report:** The Supervisory Committee Report was submitted by Mr. Melvin Coleman, Chairperson and is printed in the Annual Meeting Booklet. Mr. Foster asked if there were any questions. A motion was made by Randy Freeman and supported by Tommie Culpepper to approve the Supervisory Committee Report as printed. Motion carried without objection.

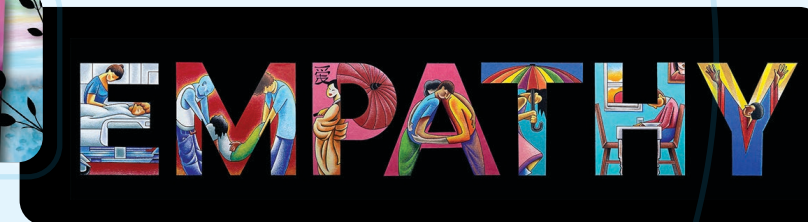
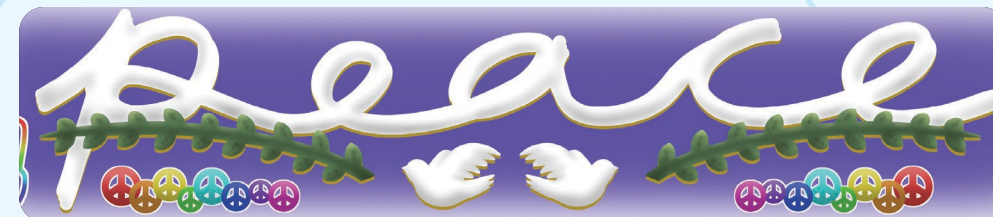
**Old Business:** Mr. Foster asked if there was any old business to come before this body. There was none. Mel Place motioned to approve and Tom Martinson supported that no Old Business was brought before the body. Motion carried without objection.

**New Business:** Mr. Foster asked if there was any new business to come before the body. There was none. Tommie Culpepper motioned to approve and Mel place supported that no New Business was brought before the body. Motion carried without objection.

**Adjournment:** It was motioned by Randy Freeman and supported by Paulette Warren to adjourn the Annual Business Meeting at 5:32pm. Motion carried without objection.



LAFCU nurtures an environment of respect; honoring Diversity, Equity and Inclusion by celebrating the strengths of our humanity. We're greater together when we're equal.



"Act with Love & Equality" is part of LAFCU's Diversity, Equity and Inclusion Art Initiative. This initiative was created to bring together Michigan artists and showcase their artwork using 10 words related to love & equality.



**250** COMMUNITY  
SPONSORSHIPS



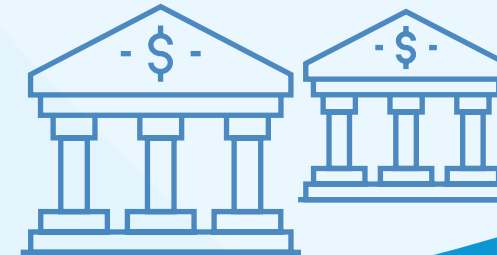
**69,000** MEMBERS

**939 MILLION**  
IN ASSETS



**8,500** SOCIAL MEDIA FOLLOWERS

**10** BRANCHES



**MAKING A DIFFERENCE IN THE COMMUNITY SINCE 1936**



# 2021 RECOGNITION

**CREDIT UNION JOURNAL**  
**BEST CREDIT UNIONS**  
**TO WORK FOR**

**CUNA DIAMOND GOLD AWARD**  
Crisis Management, Never Waste a Crisis

**MCUL DORA MAXWELL AWARD, 2ND PLACE**  
Listen & Learn Program

**CU LINK BANKING BUILT FOR PEOPLE VIDEO**  
**FINALIST**  
Jan Maier: LAFCU for Life for Me!

**CORP! MAGAZINE MOST VALUABLE**  
**PROFESSIONAL (MVP)**  
Patrick Spyke, CEO

**lafcu.com**

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