



# 2020

## ANNUAL REPORT

# AGENDA FOR APRIL 29, 2021

## **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**

Randy Freeman

## **Approval of Minutes: July 30, 2020**

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 stayed strong through the Pandemic in 2020. We were able to deploy 90% of our workforce to work from their homes, valuing the safety of our staff and members. Business hours and staff remained consistent during the worldwide pandemic. We were able to continue to serve members at all of our locations through Drive-thru Tellers and ATM machines in our branch drive-thrus. We provided \$13,468,564 in COVID relief to our membership. Under our "Here to Help" initiative, we provided Assistance Loans, opportunities for members to skip their payment, and support in a variety of ways to help those in need. This helped ease the financial burden, as many experienced financial hardships this past year.

Despite the many challenges the pandemic has brought, LAFCU was able to bring our membership new and updated platforms for their banking needs; the Credit Union launched a new website, making account accessibility and navigation much easier. Finding more ways to navigate banking virtually was also a major benefit, making it easier for members to take care of almost all of their banking without having to come into a branch. 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 also 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

In 2020, LAFCU continued its commitment 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 2020 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 2020. We look forward to serving the membership in 2021 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  
Jamie Antcliff, Audit Coordinator

# TREASURER'S REPORT

LAFUCU provides low-cost financial products and services to meet the needs of our members at every life stage. Whether it's through innovative service delivery like our drive-thru teller machines, bank from home services including Online Banking and Mobile Banking, or second to none products like our Jumbo CDs; LAFUCU is committed to providing convenient solutions that allow our members to achieve financial security. We remain committed to monitoring our operating expenses without compromising the excellent member service you have come to expect.

## 2020 HIGHLIGHTS

- 11.32% net worth ratio, well capitalized (highest classification attainable as determined by the National Credit Union Administration)
- \$292,446,942 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**

**11.32%**  
Net Worth  
Ratio

**\$292,446,942**  
Loans  
Disbursed

# STATEMENT OF EARNINGS

<b>Interest Income</b>	Dec. 31, 2020	Dec. 31, 2019
Loans Receivable	\$ 29,039,726	\$ 26,001,249
Investments Securities and Deposits	1,389,581	3,013,421
<b>Total Interest Income</b>	<b>30,429,307</b>	<b>29,014,670</b>
<b>Interest Expense</b>		
Interest and Dividends on Members' Shares and Term Share Accounts	4,736,206	4,760,431
Interest and Borrowed Money	305,542	327,245
<b>Total Interest Expense</b>	<b>5,041,748</b>	<b>5,087,676</b>
<b>Net Interest Income</b>	<b>25,387,559</b>	<b>23,926,994</b>
<b>Provision for Loan Loss</b>	<b>3,580,400</b>	<b>1,883,786</b>
Net Interest Income after Provision for Loan Losses	21,807,159	22,043,208
<b>Non-Interest Income</b>		
Non-Operating Gains (Losses)	(99,029)	2,549,523
Fees and Charges	14,303,278	11,913,885
<b>Total Non-Interest Income</b>	<b>14,204,249</b>	<b>14,463,408</b>
<b>Non-Interest Expenses</b>		
Compensation and Benefits	15,141,321	15,134,378
Office Operations	7,859,801	7,035,770
Office Occupancy	1,777,299	1,827,096
Other Operating Expenses	4,577,761	4,460,202
<b>Total Non-Interest Expenses</b>	<b>29,356,182</b>	<b>28,457,446</b>
<b>Net Earnings</b>	<b>\$ 6,655,226</b>	<b>\$ 8,049,170</b>

# STATEMENT OF FINANCIAL CONDITION

<b>Assets</b>	Dec. 31, 2020	Dec. 31, 2019
Cash	\$ 26,927,023	\$ 41,040,921
Interest Earning Deposits	126,188,436	24,092,000
<b>Investment Securities</b>		
Available-for-Sale	35,905,995	48,138,522
Held-to-Maturity	11,692,000	
Debt Securities		18,631,815
Loans to Members, net of Allowance for Loan Loss	599,523,933	569,977,989
Accrued Interest Receivable	1,903,537	1,928,131
Net Property and Equipment	19,867,609	20,696,489
NCUSIF Deposit	6,862,719	6,059,027
Other Assets	19,541,841	15,993,884
<b>Total Assets</b>	<b>\$ 848,413,094</b>	<b>\$ 746,558,778</b>

## TOTAL ASSET TRENDS (IN MILLIONS)



# LIABILITIES AND MEMBERS' EQUITY

Liabilities	Dec. 31, 2020	Dec. 31, 2019
Members' Share and Term Share Accounts	\$ 734,191,982	\$ 628,996,355
Certificates of Deposit - Other Credit Unions	3,223,000	8,310,000
Accounts Payable and Other Liabilities	17,463,510	21,388,032
<b>Total Liabilities</b>	<b>754,878,493</b>	<b>658,694,387</b>
Commitments and Contingent Liabilities	0	0
Members' Equity - Substantially Restricted	93,534,602	87,864,391
<b>Total Liabilities and Members' Equity</b>	<b>\$ 848,413,094</b>	<b>\$ 746,558,778</b>

## MEMBER SHARES TRENDS (IN MILLIONS)



# MINUTES OF THE 84TH 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 5:06 pm.

The invocation was given by John A. Lewis of the Credit Committee.

Mr. Foster welcomed everyone to the meeting. Harold introduced Ben Frantz, the newest member of the Supervisory Committee. Harold introduced Patrick Spyke, Chief Executive Officer.

Pat introduced the members of the Official Family:

## Board of Directors

Mr. & Mrs. Harold Foster—33 years

Mr. & Mrs. Mel Place—34 years

Mr. & Mrs. Tom Martinson—33 years

Mr. & Mrs. Tommie Culpepper—34 years

Mr. & Mrs. Jere Auvenshine—18 years

Mr. & Mrs. Samuel Warren (Paulette)—26 years

Mr. & Mrs. Randy Freeman—9 years

Mr. & Mrs. Michael Todd (Sabrina) Emeritus Board Member, 2 years

Mr. & Mrs. Robert Zimmerman, Emeritus Board Member, 2 years

## Supervisory Committee

Mr. & Mrs. Melvin Coleman—22 years

Ms. Faye Kraus—24 years

Mr. & Mrs. Robert Proctor (Merritta)—12 years

Ms. Pam Starkweather—4 years

## Credit Committee

Mr. & Mrs. Wende Vsetula (Diann)—20 years

Ms. Belinda Hodge—18 years

Mr. & Mrs. John A. Lewis—18 years

Mr. & Mrs. Ezell Goodman (Sammie)—8 years

Pat thanked each volunteer for their years of service and dedication. He recognized Diann Vsetula for her 20th year as a Credit Committee Volunteer.

Pat thanked the Membership for choosing LAFCU and allowing us to be Your Credit Union for Life.

Pat recognized our award-winning staff for their commitment and hard work.

In October of 2019, General Motors went on strike and we provided Strike Loans for our Members.

We completed our ITM conversion in all of our branch drive-thrus.

Our Assets grew by \$73M and our loans grew to \$574M in 2019.

He 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 84th Annual Business Meeting to order at 5:18 pm. Mr. Foster appointed Mel Coleman as parliamentarian. Mel confirmed that a quorum was present.

Harold asked for a motion to approve the Agenda that was posted in the Annual Meeting Booklet.

Mel Place motioned to approve the agenda and it was supported by Randy Freeman. Motion carried (7-0).

**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 January 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, 2020. No petitions were received.

On March 20, 2020 the Nominating Committee submitted the following Board of Director candidates to the Board of Directors to fill the two expiring terms: Mrs. Paulette Warren and Mr. Tom Martinson. These candidates were unopposed and thus each was elected by acclamation of the Board of Directors to serve a 3-year term.

On March 20, 2018 the Nominating Committee submitted the following Credit Committee candidate to the Board of Directors to fill one Credit Committee expiring term: Mr. Martin Butler. This candidate was unopposed and thus was elected by acclamation of the Board of Directors to serve a 3-year term.

Mr. Freeman congratulated Mrs. Paulette Warren and Mr. Tom Martinson for being reelected to the Board of Directors and Mr. Martin Butler for being reelected to the Credit Committee. This concludes the Nominating Committee Report.

Mel Place motioned to approve the Nominating Committee Report and Tommie Culpepper supported it. Motion carried (7-0).

**Approval of the Minutes:** A motion was received by Randy Freeman and supported by Paulette Warren to approve the minutes of the 83rd Annual Meeting held on April 25, 2019 as printed in the Annual Meeting Booklet. Motion carried (7-0).

**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 Tommie Culpepper to approve the Board of Directors' Report as printed. Motion carried (7-0).

**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 Tom Martinson and supported by Freeman to approve the Treasurer's Report as printed. Motion carried (7-0).

**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 Randy Freeman and supported by Paulette Warren to approve the Credit Committee Report as printed. Motion carried (7-0).

**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 Mel Place and supported by Jere Auvenshine to approve the Supervisory Committee Report as printed. Motion carried (7-0).

**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 Tommie Culpepper supported that no Old Business brought before the body. Motion carried (7-0).

**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 (7-0).

Harold Foster expressed his gratitude for all that has been done and is being done to continue to serve our Members. Thank you for attending.

**Adjournment:** It was motioned by Mel Place and supported by Jere Auvenshine to adjourn the Annual Business Meeting at 5:36 pm. Motion carried (7-0).



"I love banking with LAFCU because they make me feel like a neighbor, not a number."

**YVETTE**

"Customer service is wonderful. What more do you need than someone who is nice to you." **PAT**

"I have been a member for a long time. The service is always top notch, but the people that work there are the greatest people that I have ever known, even the new ones that start there is nice and caring. And like I said, the service is number one."

**CURLEE**

"Small town feel with a large opportunity of services! My whole family uses LAFCU! Keep up the great work."

**FRANI**

"I love you guys because you care! When the pandemic hit I didn't know what I was going to do. I contemplated reaching out to you for help, but before I could call you, you emailed me offering your help! As I see it, that says it all. That says, we care! Thank you LAFCU!" **TONI**

"I love the simplicity of banking. Whether it be online, through the drive thru, or in person. The people of LAFCU are very friendly. I would not want to bank anywhere else!"

**NICOLE**

"Great customer service. Everyone is always really nice, helpful, and in great spirits. You don't look at a person as a number. You give trust when it comes to loans." **RYAN**



"Great customer service and have always been treated very well. Love the employees, everyone is so friendly and treat us like family. Been banking with you for over 25 years!"

**HELEN**

"LAFUCU believes in our community and supporting our members!" **LORI**

"They have my back."

**LLOYD**

"I love that I can do all my banking no matter where I am."

**KELLY**

"I have been with LAFUCU for over 50 years. They have always had the best rates, customer service, and great tellers." **JACK**

"Your staff are friendly and efficient. I always get a call back when I leave a message and your employees always make certain to answer my questions. You outshine other banking institutions!"

**AUDREY**

"LAFUCU was there for me to help with my first car loan! Great customer service and great rates. I've never had a bad experience!"

**HEATHER**

"First of all, great customer service, friendly people, loyal, on time service, when I needed something they're always there to help me! For the first credit union that helped me when I needed a loan for my family, when times were hard!" **JESUS**

# 2020 RECOGNITION

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

**CUNA DIAMOND AWARD**  
Crisis Management, COVID-19 Response

**MAC AWARDS**  
Employee-Led In-Service Day  
Here to Help PR Campaign  
Jumbo CD TV Commercial

**MICHIGAN CREDIT UNION LEAGUE**  
Professional of the Year, Patrick Spyke

**lafcu.com**

517.622.6600



**LAFCU**  
— YOUR CREDIT UNION FOR LIFE —

NMLS #562117  
Federally Insured by NCUA