



2023
ANNUAL REPORT

AGENDA FOR THURSDAY, APRIL 25, 2024

Welcome

Randy Freeman

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

Randy Freeman

Election of Officers

Paulette Warren

Approval of Minutes: April 27, 2023

Randy Freeman

Annual Meeting Reports

Randy Freeman

Old Business

Randy Freeman

New Business

Randy Freeman

Adjournment

Randy Freeman

“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 dedication in providing our members with the best financial security remained strong in 2023. We continued to see member growth including access for members to take care of their finances digitally 24/7 through Mobile Banking, Online Banking, and by texting us. Members can also visit in-person at any of our 10 branches.

This year marked some new organizational growth and developments. We saw an increase in our credit card portfolio by 14%, a substantial mortgage growth by 11.19%, and remarkable share/deposit growth of 6.46%. This year we introduced a chat bot who we refer to as our newest employee Cole (named after our first member Arley Cole), who has assisted our members through our Online Chat and Texting Platforms. We also introduced the Secured Credit Card as a helpful way for our members to build or re-build credit.

We continue to embrace and celebrate an inclusive environment through ongoing DEI initiatives. 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.

Randy Freeman, President

BOARD OF DIRECTORS

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

EMERITUS BOARD

Bob Zimmerman
Sabrina Todd

CREDIT COMMITTEE REPORT

LAFCU remains committed to meeting the lending needs of its members. The Credit Committee and lending staff work closely to ensure the Credit Union continues to provide member focused products and services that align with the credit union philosophy of “people helping people.” This focus includes remaining aware of lending trends to ensure LAFCU is competitive in the marketplace; in addition to being proactive to economic changes, the Credit Union has timely products and empathetic policies to support our members who may be experiencing financial difficulty.

As part of our oversight, our committee regularly reviews denied loan applications to ensure 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 focused on meeting the needs of our 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



SUPERVISORY COMMITTEE REPORT

The Supervisory Committee contracts Doeren Mayhew CPAs and Advisors to perform numerous audits to ensure LAFCU operates in a safe and sound manner and that LAFCU is compliant with state and federal laws. Doeren Mayhew reviews regulations to Board of Director policies and management procedures to ensure employees are operating within established parameters and follow the internal controls.

The Supervisory Committee contracted Andrews Hooper Pavlik PLC to perform an independent audit of LAFCU’s financial statements for the 2023 year end. Under the purview of the Supervisory Committee, all staff and volunteers complete annual compliance and regulatory training. 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 2023.

We look forward to serving our membership in 2024 and to the continued development and success of LAFCU.

Melvin C. Coleman, Chairperson

SUPERVISORY COMMITTEE
Melvin C. Coleman, Chairperson
Merritta Proctor, Member
Pam Starkweather, Member
Benjamin Frantz, Member

TREASURER'S REPORT

LAFUCU continues to provide low-cost financial products and services to meet the needs of our members at every stage of life. Continuing to deliver service to our membership in various ways including our branches and drive-thru's, over the phone, through Online and Mobile Banking and our newest channel Cole, our texting platform. It is our commitment to provide convenient banking solutions that are accessible when and where you need them most. With our many products and services, LAFUCU also takes pride in assisting our members in achieving their own financial security. All while providing the exceptional member service you have come to expect and continually striving to be good financial stewards.

2023 HIGHLIGHTS

- Reached the milestone of having over \$1 Billion in total assets
- Ended with year-to-date net income of \$8.2 million
- 11.31% net worth ratio, indicating being a well-capitalized credit union (the highest classification attainable as determined by the National Credit Union Administration)
- Disbursed \$243 million in loans
- Increased Certificate of Deposit rates and gave back over \$9 million to our members
- Achieved an ROA of .82%

Thomas Martinson, Treasurer

11.31%
Net Worth
Ratio

\$243,611,268
Loans
Disbursed

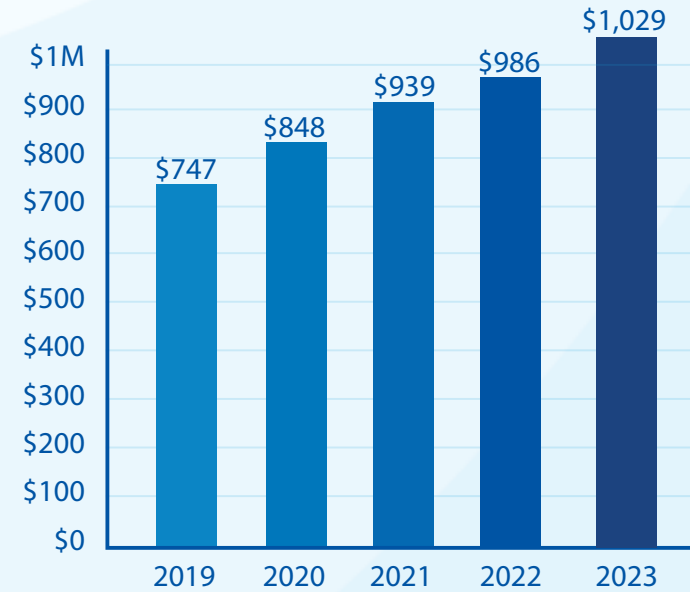
STATEMENT OF EARNINGS

	December 31, 2023	December 31, 2022
Interest Income		
Loans Receivable	43,192,020	35,296,397
Investments, Securities, and Deposits	4,720,052	2,711,605
Total Interest Income	47,912,072	38,008,002
Interest Expense		
Interest and Dividends on Members' Shares and Term Share Account:	10,332,618	3,602,403
Interest and Borrowed Money	678,836	516,002
Total Interest Expense	11,011,455	4,118,405
Net Interest Income	36,900,617	33,889,598
Provision for Loan Loss	6,494,769	5,009,700
Net Interest Income after Provision for Loan Losses	30,405,848	28,879,898
Non-Interest Income		
Non-Operating Gains (Losses)	549,172	(2,466,186)
Fees and Charges	16,147,018	16,092,108
Total Non-Interest Income	16,696,190	13,625,922
Non-Interest Expenses		
Compensation and Benefits	18,287,751	16,146,673
Office Operations	5,621,963	4,775,753
Office Occupancy	2,125,324	2,051,659
Other Operating Expenses	12,781,874	11,288,613
Total Non-Interest Expenses	38,816,911	34,262,699
Net Earnings	8,285,126	8,243,121

STATEMENT OF FINANCIAL CONDITION

Assets	Dec. 31, 2023	Dec. 31, 2022
Cash	21,584,928	26,597,227
Interest Earning Deposits	44,572,111	9,948,391
Investment Securities		
Available-for-Sale	107,353,994	114,806,735
Held-to-Maturity	-	-
Debt Securities	-	-
Loans to Members, net of Allowance for Loan Loss	801,348,312	783,475,782
Accrued Interest Receivable	3,390,022	2,561,628
Net Property and Equipment	22,752,566	22,319,253
NCUSIF Deposit	8,044,723	7,508,495
Other Assets	20,369,784	19,044,864
Total Assets	1,029,416,440	986,262,375

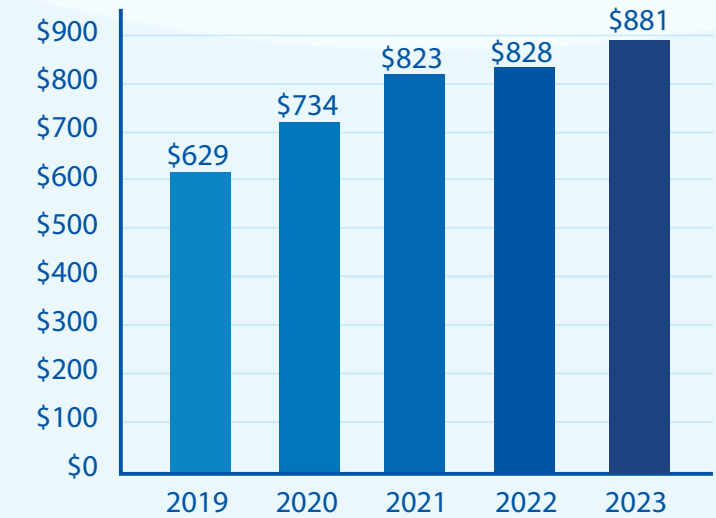
TOTAL ASSET TRENDS (IN MILLIONS)



LIABILITIES AND MEMBERS' EQUITY

Liabilities	Dec. 31, 2023	Dec. 31, 2022
Members' Share and Term Share Accounts	\$881,402,249	\$827,887,833
Certificates of Deposit - Other Credit Unions	---	---
Accounts Payable and Other Liabilities	42,709,952	55,942,365
Total Liabilities	924,112,201	883,830,198
Commitments and Contingent Liabilities	0	0
Members' Equity - Substantially Restricted	105,304,239	102,432,177
Total Liabilities and Members' Equity	\$1,029,416,440	\$986,262,375

MEMBER SHARES TRENDS (IN MILLIONS)



MINUTES OF THE 87TH ANNUAL MEETING

The meeting was held virtually via Webex. The meeting began with an invocation at 5:01pm. Randy Freeman, Board President introduced Credit Committee Member, John Lewis. Mr. Freeman welcomed everyone to the 87th Annual Meeting. Mr. Freeman introduced Patrick Spyke, Chief Executive Officer.

Patrick introduced the members of the Official Family:

Board of Directors

Randy Freeman, Board President—12 years

Mel Place, Vice President—37 years

Tom Martinson, Treasurer—36 years

Tommie Culpepper, Secretary—37 years

Jere Auvenshine, Director—21 years

Melvin Coleman, Director—25 years

Paulette Warren, Director—29 years

Harold Foster, Director—37 years (Passed away February, 2023)

Sabrina Todd, Emeritus Board Member—5 years

Robert Zimmerman, Emeritus Board Member—5 years

Supervisory Committee

Melvin Coleman, Chair—25 years

Merritta Proctor—15 years

Pam Starkweather—6 years

Benjamin Frantz—2 years

Credit Committee

Diann Vsetula, Chair—23 years

Belinda Hodge—21 years

John A. Lewis—21 years

Sami Goodman, Alternate—11 years

Patrick thanked each volunteer for their years of service and

dedication. He recognized Merritta Proctor for 15 years of service and he recognized Melvin Coleman for 25 years of service as a LAFCU volunteer. Patrick thanked the Membership for choosing LAFCU and because of them, LAFCU had another amazing year. 87 Years. "This is the institution the auto-workers built. Be very proud. We would not exist without our Members. We would not exist without our volunteers' dedication and time without pay or compensation. We would not exist without our LAFCU Team. To the families of our volunteers and staff, thank you for sharing them with us. We acknowledge and appreciate the sacrifices that the families make so this work can be done." Patrick spoke in regards to the passing of LAFCU's long-time Board President and Director, Harold Foster who passed away in February, 2023. "He was an amazing man and is deeply missed." There is a tribute to Harold in the Annual Report. 2022 was a very strong year for LAFCU. We lent our Members \$361M. We tripled our ATM fleet and now deliver ATM services in every Quality Dairy store across mid-Michigan. We remodeled our West Lansing Membership area and continue to drive value by offering competitive rates in both our savings and lending products, while providing a common-sense approach to financial independence for our Membership. LAFCU is one of the few institutions that offer a premium Jumbo CD starting at \$10K. Other institutions start theirs at \$100K. Patrick thanked everyone for attending. Patrick turned the meeting back over to Randy Freeman. Mr. Freeman 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. Freeman called the official 87th Annual Business Meeting to order at 5:08pm. Mr. Freeman appointed John Lewis Parliamentarian and asked if there was a quorum present. Mr. Lewis confirmed that a quorum was present. Mr. Freeman asked for a motion to approve the Agenda that was posted in the Annual Meeting Booklet. Tom Martinson

motioned to approve the agenda and it was supported by Tommie Culpepper. Motion carried without objection.

Election of Officers: Mr. Freeman introduced Jere Auvenshine, Chairperson of the Nominating Committee. Mr. Auvenshine stated that in accordance with LAFCU's bylaws, notice was given to the membership in the Winter of 2022 newsletter, announcing the date for the Annual Membership Meeting and the candidates nominated for the Board of Directors and the Credit Committee. The newsletter provided the opportunity for members to request that additional names be placed on the ballot. No petitions were received. Regarding the Board of Directors, the Nominating Committee submitted the following Board of Director candidates for election for a three (3) year term: Tom Martinson and Paulette Warren. When only one person is nominated for each vacancy, the General Manager certifies that fact to the Secretary, who then casts a unanimous ballot for the election of the person(s) nominated. These candidates, Tom Martinson and Paulette Warren were unopposed and therefore, each was elected by acclamation of the Board of Directors to serve a three (3) year term. Mr. Auvenshine stated that the Nominating Committee did not have any Credit Committee Officers up for election in 2023. On behalf of the Membership, Mr. Auvenshine congratulated Tom Martinson and Paulette Warren for being elected to the Board of Directors. This concludes the Nominating Committee Report. Randy Freeman motioned to approve the Nominating Committee Report and Tommie Culpepper supported it. Motion carried without objection.

Approval of the Minutes: A motion was received by Jere Auvenshine and supported by Tommie Culpepper to approve the minutes of the 86th Annual Meeting held on April 21, 2022 as printed in the Annual Meeting Booklet. Motion carried without objection.

Board of Directors' Report: The Board of Directors' Report was prepared by President Randy Freeman and is printed in the Annual Meeting Booklet. Mr. Freeman asked if there were any questions regarding this report. Hearing none, a motion was made by Tommie Culpepper 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. Freeman asked if there were any questions. Hearing none, a motion was made by Tommie Culpepper and supported by Jere Auvenshine 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. Freeman asked if there were any questions. Hearing none, a motion was made by Tom Martinson and supported by Paulette Warren 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. Freeman asked if there were any questions. Hearing none, a motion was made by Jere Auvenshine and supported by Tommie Culpepper to approve the Supervisory Committee Report as printed. Motion carried without objection.

Old Business: Mr. Freeman asked if there was any old business to come before this body. There was none. Melvin Coleman motioned to approve that no Old Business was brought before the body. Paulette Warren supported it. Motion carried without objection.

New Business: Mr. Freeman asked if there was any new business to come before the body. There was none. Mel Place motioned to approve that no New Business was brought before the body. Jere Auvenshine supported it. Motion carried without objection.

Adjournment: Mel Place motioned to adjourn the 87th Annual Meeting at 5:24pm. Jere Auvenshine supported it. Motion carried without objection.

WE ARE THE FUTURE. WE ARE LAFCU. A YEAR OF "FIRSTS".

IN 2023 WE UNVEILED OUR FIRST MULTICULTURAL DAY, "I AM LAFCU" DEI ONBOARDING VIDEO, LAFCU'S INNOVATION FOR EDUCATION GRANT. WE WELCOMED OUR NEWEST EMPLOYEE, COLE, NAMED AFTER OUR FIRST MEMBER, ARLEY COLE. BRIDGING THE GAP BETWEEN TRADITION AND INNOVATION, OUR AI CHATBOT ALLOWS MEMBERS TO ASK QUESTIONS AND GET ANSWERS IMMEDIATELY!



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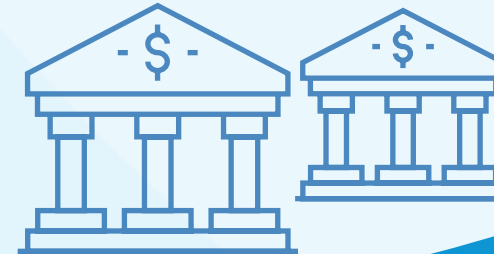
74,000+ MEMBERS

1 BILLION IN ASSETS



9,500 SOCIAL MEDIA FOLLOWERS

10 BRANCHES



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CREDIT UNION JOURNAL BEST CREDIT UNIONS TO WORK FOR

MCUL

Young Professional of the Year — Ryan Larson

Innovation Award — Shields Up!

CRAINS DETROIT

Notable Marketing Leader in Michigan — Kelli Ellsworth Etchison

Notable DEI Leader in Michigan — Kelli Ellsworth Etchison

CORP! MAGAZINE

Distinguished Service Award DEI — Kelli Ellsworth Etchison

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