



Annual Report

65th Annual Meeting of the Membership

Put the UNITY in CommUNITY





MINUTES OF THE 64TH ANNUAL MEETING
MARCH 16, 2019
LENAWEE COUNTY FAIR & EVENT GROUNDS

Roll Call:

- The Annual Meeting was called to order by Chairman Mark Spohr at 4:33 P.M.
- Directors present: Mark Spohr-CCUB, Dave Miller, Troy Bevier, Joe Murphy, Dick Egli-CCUB, Monica Caro
- Excused: Chris Lane
- Others present: Randy Smith, CEO/President; Mike Servoss, EVP of Administration; Roy Cadieux, EVP Operations; Robert Schrock, VP Loans; Jeff Brehmer, VP Administration; Suzanne Miller, AVP Marketing - Recording Secretary

Introduction of Nominees and Voting Instructions:

Dave Miller, Nominating Committee Chairman, introduced the nominees and read their ballot information. The Credit Union bylaws on elections were explained.

Call for Ballots:

When it was determined that all eligible members had voted, the ballots were collected and given to Mike Servoss and Jeff Brehmer to be counted.

Showing of a new TLC Community Credit Union Video:

"For the Love of...Our Community and Greater Opportunity", produced by Nate Clark, was shown. It highlighted various staff and how they strive to serve our membership.

Chairman's Report:

- Mark began by thanking the members for their business and trust in the credit union
- TLC was able to open new locations in Clinton and Dundee, implementing new technology to improve membership satisfaction and operational efficiency
- Mark reminded attendees that TLC has a 5-county charter; Lenawee, Monroe, Jackson, Hillsdale and Washtenaw
- TLC was once again recognized by DepositAccounts.com for being one of the top 200 healthiest Credit Unions in the nation
- Mark recognized TLC's work in the community both with monetary donations and staff involvement

Motion to Accept Minutes from Last Year:

Chairman, Mark Spohr called for a motion to accept minutes from the Annual Meeting held in 2018:

Motion was made by:
1st Vickie Felton
2nd Ron Wimple
Motion carried.

Presidents Report:

CEO Randy Smith gave the President's, Treasurer's, and Credit Committee reports as well as recognized employee Years of Service

- Randy discussed that TLC is one of the few credit unions that still does a large annual meeting. A member from the audience thanked him.
- The PFI requirements were explained, stating that 52% of our membership meet our definition of PFI.

- TLC ended the year with a capital ratio of 14.55%. To be a well-capitalized credit union, federal regulations call for a minimum of 7.00%.
- TLC is approaching a "Half Billion" in assets. The organization works hard to balance income while supporting growth initiatives.
- Randy recognized 14 employees who met years of service milestones (5, 10, 15 & 20 years of service).

Credit Committee:

Randy Smith gave the report. In 2018, the Credit Union was able to make loans to members totaling \$97,367,748. Member Business Loan Department made loans totaling \$2,339,347. The Mortgage Department made mortgages and home equity loans totaling \$35,776,988. Our Consumer Loan Officers made loans to members totaling \$44,565,842. Our loan charge offs were down significantly thanks to their hard work.

Supervisory Committee Report:

- Monica Caro gave the Supervisory Report for Chairman, Tim Simpson
- The committee consists of Tim Simpson, Mark Bruggeman and Matt Hammond
- Monica discussed the responsibilities of the Supervisory Committee as outlined in the report
- The committee ensures that at least once every calendar year an internal audit is performed
- At least once per calendar year our regulator (Department of Financial Services) performs an extensive credit union examination
- TLCCU members should feel confident that member assets are being used properly, financial records are reported accurately and that no major findings or regulatory breaches have occurred

Old Business: None

New Business: None

Election results:

Nominating Committee Chairman Dave Miller gave the election results as follows: Troy Bevier and Dick Egli were elected to the two open board positions with 239 and 197 votes respectively. Terrie Hall received 134 votes.

Motion to destroy the voting ballots:

Motion to destroy voting ballots made by:
1st Darlene Court
2nd Steven Bressler
Motion carried.

Motion to adjourn:

Motion to adjourn made by:
1st Ken Bicker
2nd Robert Adkins
Motion carried.

Meeting Adjourned at 5:21 P.M.



PRESIDENT'S REPORT

2019 was another very dynamic, exciting and extremely successful year for TLC Community Credit Union. Our Dundee and Clinton offices are making a difference in their respective communities by providing low cost high value financial services to the members that use those service centers. Our membership continues to grow at an above average pace when compared to credit unions nationally that are our asset size. Our staff's ability to grow, learn and provide financial products and service with expertise in a very complex business is exemplary.

When measuring the success of any business I think there are some pertinent questions that can be asked. Is the business well respected in the communities it serves? Is the business financially stable? Is the business a good employer? Is the business well positioned for future sustainable success? As the lead executive for your credit union I am very proud and pleased to answer all those questions with a resounding yes!

TLC Community Credit Union has grown to and maintained an asset level of over \$500,000,000 million dollars placing it in the top 10% of credit unions in the nation. As you can see in the condensed financial report, we had a great year in making loans available to our members – which is our reason for being. We also had a very successful year in new membership growth at over 3.25%.

Our income from operations was very strong which will increase our member equity position and allow us to reinvest retained earnings over time enabling us to continue providing more services, fund more loans and continue to improve technologies as our credit union and membership continue to grow.

Our operating expense ratio remained steady creating an extremely efficient and successful community credit union now with branches in Lenawee and Monroe counties while serving the counties of Lenawee, Monroe, Jackson, Hillsdale and Washtenaw. We are able to make access to your accounts at TLCCU available across the nation by remaining a participant in the CO-OP Financial Services Network.

Each year the board of directors that you elect to represent your interests meets with TLCCU's management team for a weekend of strategic planning meetings. We participate in several facilitated exercises designed to review where we have been and what successes we are proud of and what needs to be improved. We then review the numerical results and decide what the credit union needs to do to solidify its performance, to improve its performance and to position the organization for continued success and growth.

Our current strategic direction statement and three primary objectives in support of that strategic direction are below.

Our Strategic Direction

TLC Community CU will strengthen our leadership position as the premier locally owned financial institution in Lenawee County while maintaining a strong financial performance by:

1. Using technology to attract and maintain members, increase member satisfaction and operational efficiency
2. Maintaining a strong financial position
3. Increasing membership

Our strategies for growth, for improved technologies and for continued success for decades to come is a direct result of the strategic planning meetings and business planning process.

In prioritizing efforts, our focus this year will be to improve and strengthen our technology platform thus improving our online banking and bill pay systems, our mobile online banking system, and our ATM network. Our goal will be to provide greater member satisfaction, improved member experiences and ease of use.

In closing, I want to thank each one of our employees whose goal each day is to provide excellent personalized financial service to you. I also want to express gratitude for your elected volunteers who guide and advise with your best interests in mind. The biggest and most important appreciation is for you - our members... now over 52,000 members and growing, whose faith and trust in TLC Community Credit Union continues to strengthen each year.

I thank you for your business and for your support,

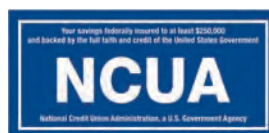
Randall L. Smith - CCUE
President and CEO
TLC Community Credit Union
"Community Owned – Always"





COMPARATIVE FINANCIAL REPORT

ASSETS	2019 (UNAUDITED)	2018
Outstanding Loans (Net)	\$281,965,994	\$266,079,342
Cash and Investments	\$225,637,567	\$199,859,286
Property and Equipment, Net	\$9,448,886	\$9,653,034
Other Assets	\$7,954,082	\$7,866,098
TOTAL ASSETS	\$525,006,529	\$483,457,760
LIABILITIES & MEMBER EQUITY		
LIABILITIES		
Accrued Interest & Dividends	\$302,516	\$227,064
Borrowed Funds	\$0	\$0
Other Liabilities	\$2,652,955	\$1,644,964
TOTAL LIABILITIES	\$2,955,471	\$1,872,028
MEMBER EQUITY		
Shares-Drafts-Clubs-Money Mkt	\$335,658,884	\$314,443,267
Certificate of Deposits/IRAs	\$106,695,089	\$96,784,885
Undivided Earnings and Reserves	\$79,697,085	\$70,357,580
TOTAL MEMBER EQUITY	\$522,051,058	\$481,585,732
TOTAL LIABILITIES & EQUITY	\$525,006,529	\$483,457,760
INCOME AND EXPENSES		
Gross Income	\$23,672,500	\$21,493,803
Less Dividends and Interest	\$2,626,562	\$1,911,791
Less Operating Expense	\$14,755,228	\$14,330,815
NET EARNINGS	\$6,290,710	\$5,251,197
INFORMATIONAL PURPOSES ONLY		
Total Net Worth	\$79,697,085	\$70,357,580
Net Worth Ratio	15.18%	14.55%





2020 NOTICE OF ACCLIMATION

Three individuals applied and were approved to run for three open seats on the board of directors. Mark Spohr, Dave Miller and Mark Bruggeman will be elected by acclamation on March 14, 2020.

2019 BOARD OF DIRECTORS/COMMITTEE MEMBERS

Chairman of the Board
Vice Chairman
Treasurer
Secretary
Director

Mark Spohr
David Miller
Joe Murphy
Richard Egli
Troy Bevier
Chris Lane
Mark Bruggeman
Terrie Hall
Vickie Felton

Supervisory Committee

SENIOR MANAGEMENT

President, Chief Executive Officer
Executive Vice President, Operations
Senior Vice President, Administration
Senior Vice President, Lending
Vice President - Branch Operations
Vice President - Indirect Lending & Call Center
Vice President - Information Technology
Vice President - Mortgage Lending

Randall Smith
Roy Cadieux
Jeff Brehmer
Robert Schrock
Lisa Williams
Lorie Easton
Paul Corazzol
Alycia Nichols

BRANCH LOCATIONS



Main Office
3030 S. Adrian Hwy.
Adrian, MI 49221



Tecumseh Office
1102 W. Chicago Blvd.
Tecumseh, MI 49286



Beecher Office
2522 W. Beecher St.
Adrian, MI 49221



Clinton Office
11839 Tecumseh-Clinton Hwy.
Clinton, MI 49236



North Adrian Office
1325 N. Main St, Ste. A
Adrian, MI 49221



Dundee Office
102 Cabela Blvd. E., Ste. D
Dundee, MI 48131



Blissfield Office
907 E. US 223
Blissfield, MI 49228