

Neighbors *Helping* **Neighbors.**



2022
Annual Report

TLC **Community
Credit Union**
Community Owned. *Always!*

MINUTES OF THE 67TH ANNUAL MEETING
MARCH 12, 2022
HELD VIRTUALLY

Roll Call:

- The Annual Meeting was called to order by Chairman Mark Spohr at 4:00 P.M.
- Mark welcomed the membership and thanked them for attending our virtual Annual Meeting
- Directors present: Mark Spohr-CCUB, Chris Lane, Troy Bevier, Joe Murphy, Dick Egli-CCUB, Mark Bruggeman, Meredith Francis
- Others present: Randy Smith - President & CEO, Jeff Brehmer - Executive Vice President of Administration, Suzanne Miller - Vice President of Marketing, Lillian Warren - Marketing Engagement Specialist
- Based on the number of verified members logged into the virtual Annual Meeting, a quorum was established

Motion to Accept Minutes from Last Year:

Chairman, Mark Spohr called for a motion to accept minutes from the 67th Annual Meeting held virtually in 2022.

Motion was made by:

- 1st Suzanne Miller
- 2nd Lillian Warren

Motion carried.

Introduction of Nominees and Voting Instructions:

Mark Bruggeman, Nominating Committee Chairman, introduced the members of the Nominating Committee. In addition to Mark Bruggeman, Chris Lane and Meredith Francis served on the committee. The Nominating Committee prepared to meet about the two available positions this year. Notice was sent to the membership encouraging interested members to apply for those open seats. Candidates Troy Bevier, Incumbent; Dick Egli, Incumbent; and Phillip Carolan, Nominee; were introduced by Chairman Mark Bruggeman. After the reading of each candidate's bio, members were asked to vote online.

Chairman's Report:

Chairman Mark Spohr gave the Director's Report

- Mark talked about the board and committee members and their responsibilities.
- He recognized and thanked them for their volunteer service to TLC Community Credit Union.
- He spoke about how ideas from staff and volunteers are considered and developed into a Strategic Plan. He thanked everyone involved for working together to successfully implement the plan.

- He spoke about the history of TLC and that after 67 years, the core value and philosophy is still the same; "People helping people."
- He thanked the membership for their patience with the on-line banking conversion as well as for their increased usage. He also touched on:
 - The Credit Union successes
 - The planning process and goals for the Credit Union
 - How proud we are to be able to give earnings back to the community in support of many local needs and projects
- Mark introduced the board
 - Volunteers
 - Richard Egli – Vice Chairman
 - Joe Murphy - Treasurer
 - Chris Lane – Secretary
 - Troy Bevier
 - Mark Bruggeman
 - Meredith Francis
 - Supervisory Committee
 - Dana Carver - Chairman
 - Vicki Felton
 - Lisa Weddle

Supervisory Committee Report:

Mark Spohr, Chairman of the Board, gave the report which was prepared by Supervisory Committee Chairman, Dana Carver.

- The Committee for 2021 consisted of Dana Carver, Lisa Weddle and Vicki Felton. Mark explained the main purpose of the committee. The Committee works to ensure that:
 - Internal controls have been established and effectively maintained to achieve financial reporting objectives.
 - The credit union's accounting records and financial reports are promptly prepared and accurately reflect operations and results.
 - The relevant plans, policies, and control procedures established by the board of directors are properly administered.
 - Policies and control procedures are sufficient to safeguard against error, conflict of interest, self-dealing and fraud.
- The committee meets every other month and is invited to attend and participate in board meetings as well as the strategic planning process. They are tasked with asking the tough questions and following up on any findings.
- At least once every calendar year the committee must complete, through an outside audit firm, the Supervisory Committee audit.

MINUTES OF THE 67TH ANNUAL MEETING CONTINUED

- At least once per calendar year, the committee meets with our regulator, the Department of Insurance and Financial Services.

In his report, Dana states that members should feel confident that member assets are being used properly, financial records are reported accurately, and no major findings or regulatory breaches have occurred.

Presidents Report:

CEO Randy Smith gave his report on the state of the credit union for the year 2021. The credit union once again performed very well when measured with numerous metrics.

- Assets grew to over \$700 million which is in the top 10% of credit unions nationally.
- We made over \$107 million in loans to members and businesses.
- A very strong net income produced from operations kept the credit union in great financial shape.
- The credit union is well capitalized and profitable, providing stability and longevity for the membership.

Randy explained the credit union model as being a financial cooperative with the mission of providing members with financial services at the lowest possible price and with the best possible service.

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

- Use of technology to attract and maintain members, increase member satisfaction, and operational efficiency
- Maintain a strong financial position
- Increase membership with a focus on the member using TLCCU as their Primary Financial Institution (PFI)

Randy thanked the board of directors and all volunteers as well as the credit union staff for all that they do to make the credit union as successful as it is. He also recognized those employees earning length of service awards.

- Brandi Johns, Linda Tomford, Becky Warner, Bailey Damon, Traci Anderson, Kathy Benner, Lorie Easton, Cathy Johnston, Doris Corbin, Cathy Gratz

Election Results:

Mark Bruggeman reported to the membership the election results and prize winners.

Election results:

- Troy Bevier – 149 votes
- Richard Egli – 110 votes
- Philip Carolan – 91 votes
- Total number of members in attendance was 226.

Announcement of the prize winners were announced as they were drawn at random.

- iPhone 13 – Michael Servoss
- DeWalt tool kit – Melinda Horn
- Visa gift card – John Kintner
- Samsung TV – Edward Stepansky Jr.
- Blackstone grill – Kimberly Daniels

Old Business: None

New Business: None

Motion to adjourn:

Chairman, Mark Spohr thanked the membership for attending our virtual meeting. Mark called for a motion to adjourn the virtual 67th Annual Meeting of the Membership.

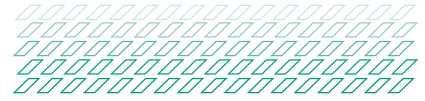
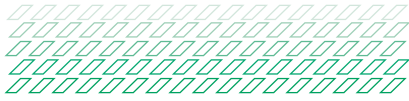
Motion to adjourn made by:

- 1st - Chris Lane
- 2nd - Jeff Brehmer

Motion carried.

Meeting Adjourned at 4:28 P.M.

Community Owned. Always!



PRESIDENT'S REPORT

TLC Community Credit Union performed to its mission, State and Federal regulator requirements and continued a history of financial service successes in a complex and competitive financial services market.

Our mission statement, established by the board of directors along with the senior management team states that TLC Community Credit Union will strengthen its leadership position as the premier, locally owned financial institution in Lenawee County while maintaining a strong financial position. That strong financial position is illustrated in our condensed financial report.

From a numerical perspective, our loans outstanding grew to \$342 million dollars, as we were able to fund over \$130 million dollars in consumer and member business loan requests to meet the needs of our membership.

From a service perspective, our online and mobile banking platform use continues to grow and continues to impress with robust performance for the membership's electronic banking needs. Our membership now stands at 54,800 members who choose to use TLCCU to conduct their financial business either electronically, in a TLC branch, at one of our many ATMs, shared ATMs or shared branches.

Even though we are a not-for-profit financial cooperative, it is imperative that we continue to be profitable enough to fund the operation, future growth, future expansion and service development of the organization. We have been and will continue to be able to do that with the financial strength we have built. In 2022, net income was over \$8 million dollars, which goes directly into member equity or capital. That member equity ratio now stands at over 14% of assets, a fantastic capital position and sign of strength for the future of TLC Community Credit Union and its membership.

From a credit union operations perspective, we have been in a transition period setting the organization up for continued growth, improved service offerings and expansion by developing and then implementing our succession planning preparedness. Our staff training and performance has been exemplary and very necessary due to our credit union's ever-increasing staffing needs necessary to handle the growth and complexity of operations. Staffing changes are inevitable, but the expectation of service excellence and delivery need to continue to be top of mind for the entire organization. I can assure you that those expectations are top of mind and will continue to be.

This will be my last report to the membership as your Chief Executive Officer. I will officially retire at the end of this year's annual meeting, after forty-three years of employment, the past twenty-three of those years as your CEO. I am very appreciative of the opportunity to lead an extremely successful organization with the knowledge, support and trust of my staff, the membership and the board of directors that you, the membership, elect each year at the annual meeting. I thank all of you for the part you played in making TLCCU the Credit Union that we have become.

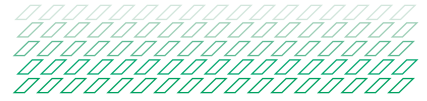
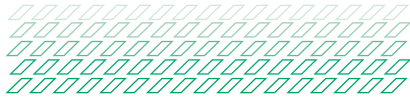
Part of any executive's responsibility is having the organization prepared for a change in the business environment, economic cycles, leadership changes and other management vacancies with a solid and workable succession plan. I am pleased to report to you that the plan developed over the past few years has worked exactly as designed and now our seamless transition is complete with Jeffery Brehmer named by your board of directors as your next President and Chief Executive Officer.

I have no doubt that Jeff, along with the highly skilled and knowledgeable team we have in place, will continue to make prudent decisions. They will make continuous improvements and incorporate operational strategies with the best interest of TLC Community Credit Union and the thousands of members that depend on us in mind.

As I close out my credit union career, I want to recognize and appreciate my predecessor and friend Wayne D. Zettel, our very first CEO. I thank him for his mentorship, his faith in me and for his role in the organization and development of our fine credit union. Wayne laid the foundation from 1961 through 1999, for future generations of members and employees to carry out the credit union mission of "People Helping People."

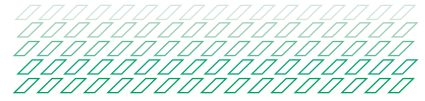
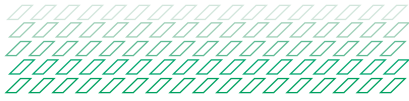
Randall L. Smith, CCUE
President and CEO
TLC Community Credit Union





COMPARATIVE FINANCIAL REPORT

ASSETS	2022 (UNAUDITED)	2021
Outstanding Loans (Net)	\$342,127,125	\$299,157,551
Cash and Investments	\$307,884,342	\$375,847,470
Property and Equipment, Net	\$9,362,430	\$9,538,830
Other Assets	\$27,547,333	\$10,331,036
TOTAL ASSETS	\$686,921,230	\$694,874,887
LIABILITIES & MEMBER EQUITY		
LIABILITIES		
Accrued Interest & Dividends	\$125,184	\$161,211
Borrowed Funds	\$0	\$0
Other Liabilities	\$2,923,701	\$2,490,777
TOTAL LIABILITIES	\$3,048,885	\$2,651,988
MEMBER EQUITY		
Shares-Drafts-Clubs-Money Mkt	\$530,470,526	\$507,258,503
Certificate of Deposits/IRAs	\$91,292,829	\$93,272,440
Undivided Earnings and Reserves	\$62,108,990	\$91,691,956
TOTAL MEMBER EQUITY	\$683,872,345	\$692,222,899
TOTAL LIABILITIES & EQUITY	\$686,921,230	\$694,874,887
INCOME AND EXPENSES		
Gross Income	\$27,696,039	\$25,205,303
Less Dividends and Interest	\$1,837,832	\$1,686,779
Less Operating Expense	\$17,810,932	\$16,288,724
NET EARNINGS	\$8,047,275	\$7,229,800
INFORMATIONAL PURPOSES ONLY		
Total Net Worth	\$102,887,994	\$94,843,551
Net Worth Ratio	14.98%	13.65%



2023 BALLOT

Mark Spohr (Incumbent)



Mark grew up in Tecumseh and has been a member of TLC Community Credit Union for over 50 years. He has served as a volunteer at TLC since 1993, attending several credit union educational events and received his CUNA Volunteer Certification, CCUB in 2012. He earned a B.A. from Malone University. Mark retired from Tecumseh Products Company as an Engineering Director. Mark and his wife, Terri, reside in Tecumseh; they have two grown sons and four grandchildren. Mark currently serves as TLC's Chairman of the Board.

Mark Bruggeman (Incumbent)



Mark has been a member of TLC Community Credit Union since 2011. He has served on the TLC Board since 2019. Since 2004, Mark has been the managing partner of Bruggeman Law Offices, established 1963. Mark was appointed Assistant Prosecuting Attorney for Lenawee County in September 2004 and currently holds that position while maintaining Bruggeman Law. He attended college at Washington University in St. Louis. He earned his law degree from the University of Oregon School of Law. Mark lives in Adrian with his two sons Tyler and Luke along with their dog, a black lab named "Prefontaine."

Meredith Francis (Incumbent)

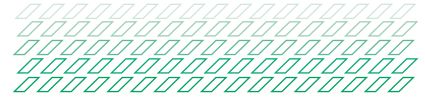
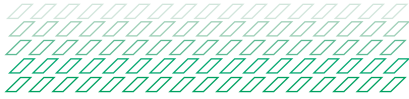


Meredith has been a member of TLC Community Credit Union since 2003. She has served on the TLC Board since 2020. She earned her Bachelor of Arts in Accounting from Michigan State University. Meredith is a Certified Public Accountant. She is active in the community serving as Treasurer of Civitan of Lenawee County and is a member of LISD Tech Center's Marketing and Entrepreneurship Advisory Committee. Meredith and her husband, David, reside in Brooklyn. They have two grown children.

Steven Skornicka (Nominee)



Steve Skornicka has been a member of TLC Community Credit Union since 1989 and resides in Tecumseh. He has a 2-year degree in Industrial Engineering Technology from the University of Toledo and a BA in Business Administration from Baker College. Steve devoted his career to the automotive industry as an Engineer, Project Manager and Operations Manager, semi-retiring in 2020. Steve is passionate about woodworking and is currently the Facilities Manager at the Sam Beauford Woodworking Institute in Adrian. He has been married going on 49 years to Christina and they have two grown children, Nicholas and Anne.



2022 BOARD OF DIRECTORS/COMMITTEE MEMBERS

Chairman of the Board
 Vice Chairman
 Treasurer
 Secretary
 Director

Mark Spohr
 Richard Egli
 Joe Murphy
 Chris Lane
 Troy Bevier
 Mark Bruggeman
 Meredith Francis
 Dana Carver
 Vickie Felton
 Lisa Weddle
 Phil Carolan

Supervisory Committee

SENIOR MANAGEMENT

President, Chief Executive Officer
 Executive Vice President
 Senior Vice President, Branch Operations
 Senior Vice President, Consumer Lending & Call Center
 Senior Vice President, Information Systems
 Vice President - Accounting
 Vice President - Audit, Compliance, & Risk Management
 Vice President - Collections
 Vice President - Human Resources
 Vice President - Marketing
 Vice President - Mortgage Operations
 Vice President - Operations

Randall Smith
 Jeff Brehmer
 Alycia Nichols
 Lorie Easton
 Paul Corazzol
 Mary McKinney
 Lori Pawson
 Susan Ruetz
 Linda Tomford
 Suzanne Miller
 Alisha Morton
 Michael Zarnecki

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