

Annual Report

67th Annual Meeting of the Membership



People Helping People

TLC Community
Credit Union
Community Owned. *Always!*

MINUTES OF THE 66TH ANNUAL MEETING

MARCH 13, 2021

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-CCUV, Mark Bruggeman, Meredith Francis
- Others present: Randy Smith-CEO/President, Roy Cadieux, EVP Operations, Robert Schrock SVP Loans, Jeff Brehmer-Sr. VP Administration, Lori Pawson, VP Internal Audit/Compliance/Risk Management- Recording Secretary, Dana Carver, Supervisory Committee Member
- 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 65th Annual Meeting held virtually in 2020.

Motion was made by:

- 1st Joe Murphy
- 2nd Richard Egli

Motion carried.

Introduction of Nominees and Voting Instructions:

Troy Bevier, Nominating Committee Chairman, introduced the members of the Nominating Committee. In addition to Troy Bevier, Mark Bruggeman and Dick Egli 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 Chris Lane, Incumbent; Joseph Murphy, Incumbent; Aaron Rickets, Nominee; and Lisa Weddle, Nominee; were introduced by Chairman Troy Bevier. After the reading of each candidate's bio, members were asked to vote online.

Supervisory Committee Report:

Troy Bevier, Board Representative of the Supervisory Committee, gave the report.

- The Committee for 2020 consisted of Vickie Felton, Dana Carver, and Troy Bevier.
- Troy 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.
 - 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.
- At least once per calendar year, the committee meets with our regulator, the Department of Insurance and Financial Services.

Troy reported 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 2020. It was an extremely unusual and stressful year for everyone. The pandemic was something none of us anticipated and preparing for all the unknowns was difficult. Randy thanked everyone for their patience, continued business, support, and understanding of having to do business differently due to the worldwide pandemic. All things considered; the credit union performed extremely well financially.

- Assets grew to over \$635 million which is in the top 10% of credit unions nationally.
- We made over \$130 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.

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 staff for providing the best service they could while battling COVID-19 concerns at work and home. He thanked the membership for their understanding of the COVID rules, branch closings, required appointments, and having to utilize more technology for basic financial service needs.

MINUTES OF THE 66TH ANNUAL MEETING CONTINUED

Chairman's Report:

Chairman Mark Spohr gave the Director's Report

- Mark agreed with Randy about the numbers that defined the past year and how the credit union performed very well financially.
- Success is not only measured in numbers, but also how well people and organizations adapt.
- Mark discussed some of the challenges we faced during the pandemic.
 - First and foremost, the management and board of directors considered the safety of the membership and staff. The decisions made during the pandemic were made to protect the members and staff.
 - Everyone worked together to embrace the necessary changes in the way we had to do business.
 - There were many positives that came out of this. The membership adapted well and embraced technology such as online banking.
- Strategic Plan
 - Many objectives were met by making adjustments based on what was best for all concerned.
 - TLC continues to give back to our community through donations such as those made to the Dundee Fire Department, the Tecumseh portion of the Kiwanis Trail, and other donations throughout our communities.
- Local and National recognition for its strength and stability
 - TLC has received positive feedback from our auditors, stating they are a well-run organization.
 - Mark talked about the importance of member feedback.
 - TLC Community Credit Union continues to have a good reputation.
- Board
 - The board of directors represents the membership
 - The membership has a voice and helps to select the members of the board that will give members a voice.
 - Our board is a diverse group from different backgrounds who work well together.
- Mark introduced the board
 - Volunteers
 - Richard Egli – Vice Chairman
 - Chris Lane – Secretary
 - Joe Murphy - Treasurer
 - Troy Bevier
 - Mark Bruggeman
 - Meredith Francis

- Supervisory Committee
 - Vicki Felton
 - Dana Carver
- Director Emeritus – Dave Miller
 - Dave served for 38 years on the TLC Community Credit Union Board.
 - He was a dedicated volunteer.
 - We wish Dave well and thank him for his many years of dedication and service.

Election Results:

Troy Bevier, Nominating Committee Chairman announced the election results and prize winners.

- Election results:
 - Chris Lane – 56 votes
 - Joe Murphy – 47 votes
 - Aaron Ricketts – 41 votes
 - Lisa Weddell – 38 votes
 - Total number of members in attendance – 133
- Congratulations to Chris Lane and Joe Murphy for being re-elected to the board.
- Announcement of the three grand prize winners, drawn at random:
 - Sony 55-inch TV: 4K Ultra HD Smart LED TV with HDR, Alexa & Sony Home Theater Surround Sound System for TV – John Kintner
 - Microsoft Surface Pro 7, 12.3" Touch-Screen, 8GB Memory – Platinum color with a Black Keyboard Type Cover – Barb Gatt
 - \$500 VISA Gift Card – Judy Steuwe

Old Business: None

New Business: None

Motion to adjourn:

Chairman, Mark Spohr thanked the member for attending our virtual meeting. Mark called for a motion to adjourn the Virtual 66th Annual Meeting of the Membership.

Motion to adjourn made by:

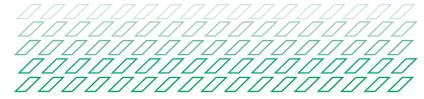
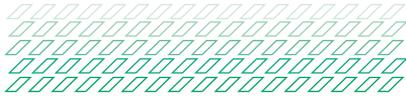
1st - Chris Lane

2nd - Jeff Brehmner

Motion carried.

Meeting Adjourned at 4:28 P.M.

Community Owned. Always!



PRESIDENT'S REPORT

TLC Community Credit Union had another very successful year financially, with process improvements and meeting the requirements of our regulators. As you can see in the condensed financial report, we have attained an asset size of over \$690 million dollars which places us in the top 10% of credit unions nationally. Our member equity position is strong at 13.20% (compared to 10.09% of our peer group nationally). Our ROA (net income) remained solid at 1.06% (compared to .75% of our peer group nationally) and our operating expenses are well controlled, ending at 2.41% of average assets (compared to 3.21% of our peer group nationally).

In February 2021, we upgraded our online banking and bill payment systems. While all conversions are an interruption, this necessary change brought newfound efficiencies and provided members with a platform to transact much of their business without setting foot in the office. That member convenience and increased usage due to the improvements helped TLC drive a very impressive efficiency ratio and has helped increase the percentage of member transactions done using technology to over 80% - excellent numbers which assist us with keeping our costs of operations lower than our peer group.

From an external regulatory standpoint your credit union continues to perform very well meeting their expectations for the management of a safe and sound financial institution.

Credit Unions were established as a financial cooperative, with the mission of providing members with financial services at the lowest possible price and with the best possible personal service.

Simply said, as a not for profit financial cooperative our members and our communities are our priority.

1. We aim for a very efficient operation, keeping our fees and loan rates low while focusing on paying members market rates on deposits.
2. We expect our staff to provide great personal financial service.
3. We strive to remain relevant with convenient branch locations and technological advancement.
4. We look to fund and participate in projects for the better good of our communities and fellow residents.
5. We run the organization in a manner to remain financially strong, to meet regulatory requirements as well as being able to continue to provide improved financial tools to our members.

Each year the board of directors, elected by you in this annual meeting process, works with management as your voice to keep the credit union successful and moving forward. They strive to make sure we do our best to meet our loyal member's needs while balancing the many governmental regulations and requirements.

Our strategic direction statement illustrates that TLC will strengthen our leadership position as the premier locally owned financial institution in Lenawee County while maintaining a strong financial performance. In support of that statement we will:

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

Our strategies for growth, improved technologies and for continued success is a direct result of the strategic planning meetings and business planning process that your elected and appointed volunteer officials take very seriously.

In prioritizing efforts, our focus this year will be to improve and strengthen our technological platform, removing as many barriers to use as possible while maintaining the integrity and security of systems to protect you and the credit union from cyber-crime and fraud.

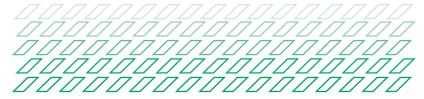
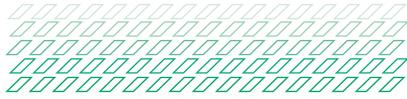
In closing I want to thank each one of our employees who provided you the best service they could while continuing to battle with COVID concerns and risks. I want to thank the Board of Directors for their volunteerism and leadership of our organization as we continue to grow and compete in this ever-changing environment. I want to thank my management team whose support and hard work continues to keep TLC Community Credit Union relevant with the many demands of financial service providers.

Most of all I want to thank each member that we serve! Our membership has grown to over 53,000 members and their families. We appreciate your business, loyalty and trust as your financial service provider.

Randall L. Smith

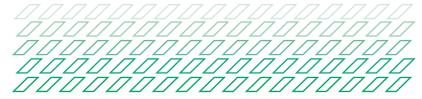
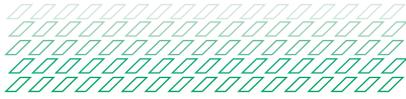
Randall L. Smith, CCUE
President and CEO
TLC Community Credit Union





COMPARATIVE FINANCIAL REPORT

ASSETS	2021 (UNAUDITED)	2020
Outstanding Loans (Net)	\$299,157,551	\$308,968,869
Cash and Investments	\$375,847,470	\$309,101,866
Property and Equipment, Net	\$9,538,830	\$9,580,075
Other Assets	\$10,331,036	\$9,220,513
TOTAL ASSETS	\$694,874,887	\$636,871,323
LIABILITIES & MEMBER EQUITY		
LIABILITIES		
Accrued Interest & Dividends	\$161,211	\$236,367
Borrowed Funds	\$0	\$0
Other Liabilities	\$2,490,777	\$2,582,003
TOTAL LIABILITIES	\$2,651,988	\$2,818,369
MEMBER EQUITY		
Shares-Drafts-Clubs-Money Mkt	\$507,258,503	\$442,681,166
Certificate of Deposits/IRAs	\$93,272,440	\$100,377,418
Undivided Earnings and Reserves	\$91,691,956	\$90,994,370
TOTAL MEMBER EQUITY	\$692,222,899	\$634,052,954
TOTAL LIABILITIES & EQUITY	\$694,874,887	\$636,871,323
INCOME AND EXPENSES		
Gross Income	\$25,205,303	\$22,866,632
Less Dividends and Interest	\$1,686,779	\$2,536,179
Less Operating Expense	\$16,288,724	\$14,672,132
NET EARNINGS	\$7,229,800	\$5,658,321
INFORMATIONAL PURPOSES ONLY		
Total Net Worth	\$91,691,956	\$90,994,370
Net Worth Ratio	13.20%	14.29%



2022 BALLOT

Troy Bevier (Incumbent)



Troy has served on the TLC Community Credit Union Board of Directors for the past six years. Troy was elected as the Sheriff of Lenawee County in 2020 and has been in Public Safety for over thirty-two years. He has a bachelor's degree in Business and an Associate Degree in Criminal Justice and is an active member of the community volunteering with various organizations. Troy and his wife Sally have lived in Tecumseh for the past 25 years and have two grown sons, Kyle and Tyler.

Dick Egli (Incumbent)

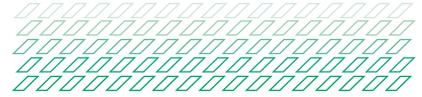
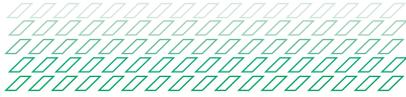


Dick is a member of the TLC Community Credit Union Board of Directors, having served since he was elected in 2005. He served prior to that on the TLC Community Credit Union Supervisory Committee. Dick has received several awards for the credit union courses he's taken. He holds the Certified Credit Union Board member accreditation (CCUB) which he earned through a week-long course and appropriate examinations. He holds a BA from Westminster College in Pennsylvania and an MA in Communications from Michigan State University. Dick is a United States Army Veteran and a member of the American Legion. He lives in Tecumseh, where he and his late-wife, Lori, raised daughters Valerie, Cindy and Karen. Dick currently serves as Vice Chairman of the Board.

Phillip Carolan (Nominee)



Phillip has been a member of TLC Community Credit Union since 1992. He has been a resident of Adrian for over 30 years where he and his late wife, Pamela raised 2 children, Ian and Abigail. His local banking background includes working for the Federal Reserve Bank – Detroit Branch, First Federal Savings of Lenawee and Farm Credit Services. Phillip also worked at the Lenawee Intermediate School District for over 20 years, recently retiring as their Director of Technology. Phillip's past community activities include working with the Boys and Girls Club of Lenawee, Adrian Technology Advisory Committee, Lincoln Elementary PTO, Adrian Pre-School Nursery, Adrian Area Little League, and the YMCA.



2021 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
 Lisa Weddle
 Vickie Felton
 Dana Carver

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