

2014
annual report

michigan
community credit union



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The past couple of years have definitely been a time of transition for Michigan Community Credit Union staff and its members. We began in January of 2013, known by the name EECU – A Community Credit Union, and, after recognizing our member base and expansion to a community charter, we changed our name to Michigan Community Credit Union. This has been an extremely positive experience that has given us an opportunity to re-brand and create awareness within the Jackson and surrounding communities.

In June of 2013, I was appointed Interim CEO of Michigan Community Credit Union, and was later named CEO in January of 2014. Our commitment to our members, employees and financial success remained constant throughout this time. Many of our resources were committed to two major technology initiatives we introduced in 2014, both of which will bring enormous efficiencies going forward, as well as cost savings for our members.

Our conversion of debit and credit card processors went 'live' in January of 2014. In this transformation, we not only changed card processors, we also

completed a mass reissue of debit and credit cards from VISA® to MasterCard® brand.

On August 1, 2014, we completed our next major technological initiative; the conversion of all of our data processing functions, which upgraded Online Banking, Bill Pay, and Audio Response. The Michigan Community Credit Union team worked diligently to make sure this conversion was successful and as seamless as possible for our members. This conversion will allow us to offer more competitive features to our members with regard to mobile applications, remote deposit capture, a more efficient experience for members opening accounts or working with Member Service Representatives, and improved reporting for staff and regulatory agencies.

Thank you to our members for being patient with us through our transitions while we work to provide you with better products and services and improve your overall experience with Michigan Community Credit Union.


Tina Hamilton, CEO
Michigan Community Credit Union



board of directors

Chairman's Report



It is the duty of Michigan Community

Credit Union's Board of Directors to establish policies to ensure the financial stability of the Credit Union, to monitor the progression of the Credit Union's growth, and to ensure that the membership is being served properly. It pleases me to share with you that our Credit Union, who now proudly serves sixteen counties, is currently functioning at a high level, and, in 2014, we were again able to report positive growth in our reserves, assets, loans, and membership.

This year, our asset growth was 8%, bringing our total assets to a record high of \$131,735,745. With this level of assets, we have been able to afford technology improvements to provide improved service and efficiencies for our members. The Board balances high dividend rates with low loan rates to better serve our member needs. We are very proud to note that during the federal bailout of the banking industry, credit unions did not need, nor accept, any monies to remain financially solvent. Your savings continue to be insured up to \$250,000 by the National Credit Union Association.

Michigan Community Credit Union remains committed to being involved

in the local communities we serve. We advertise, participate, sponsor and volunteer in more than 100 school and community events each year. To stay true to our educator roots, we continue to award \$1,000 scholarships to five high school graduates each year and provide our In-School Credit Union program in several districts. In addition, MCCU members, employees and Board of Directors made contributions to Operation Good Cheer, which helped to provide a Christmas to 22 Michigan foster children for the 2014 holiday season.

It is a privilege and an honor to serve as Chairman of the Board of Directors of Michigan Community Credit Union. I serve with a highly committed and dedicated Board of Directors, and recognize that it takes the dedication of my fellow Directors, the commitment of our leadership team and employees, as well as the loyalty of our members to make our Credit Union successful. The Board would like to thank all of you for making Michigan Community Credit Union the great financial institution it is today; rich with history, led by a dedicated Board and staff, to serve our loyal membership toward a bright future.

Victor B Marshall

*Chairman of the Board of Directors
Michigan Community Credit Union*



Board of Directors

Jessica Botke
Director

Victor Marshall
Chairperson

Howard Adams
Vice Chairperson

Bob Stowe
Director

Bob Arthur
Director Emeritus

Kathy Egan
Secretary/Treasurer



Management Team

Tim Walz
Director of Lending &
Commercial Services

John Rood
Finance & Accounting Director

Tina Hamilton
CEO

Pam Thompson
Director of Operations

Kathy Spahr
Human Resources, Training &
Development Director

financial statement

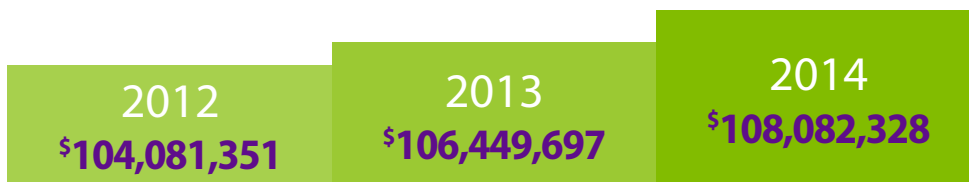
ASSETS



LOANS TO MEMBERS



MEMBER SHARES



ROA



NET WORTH



Balance Sheet

	2014
Loans to Members	\$ 100,930,450
Less Allowance of Loans	517,780
Net Loans	100,412,670
Cash Deposits with Financial Institutions	2,585,458
Investments	21,704,001
Fixed Assets	2,128,444
NCUSIF Deposit	1,069,388
Other Assets	3,835,784
Total Assets	\$ 131,735,745

Liabilities, Savings & Equity

Shares of Members	\$ 108,082,328
Accounts Payable	1,367,958
Other Accrued Liabilities	9,402,984
Reserves	2,544,695
Undivided Earnings	10,337,781
Total Liabilities, Savings & Equity	\$ 131,735,745

Income Statement

	2014
Interest on Loans	\$ 5,101,607
Income from Investments	281,622
Operating Income	1,685,765
Total Operating Income	\$ 7,068,994

Expenses

Personnel Costs	\$ 2,722,011
Office Operating Costs	2,814,827
Outside Services	53,956
Provision for Loan Losses	418,000
Total Expenses	\$ 6,008,794

Total Income

Total Income	\$ 7,068,994
Less Total Expenses	6,008,794
Less Dividends Paid to Members	376,494
Less Cost of Borrowed Funds	60,202
Gain/Loss on Assets/Investments	3,757
Net Income	\$ 627,261

financial education

In 2014, we provided financial education to over 50 different local area classrooms, and were able to educate over 1750 students. We have four In-School Credit Union partnerships; Vandercook Lake Middle School/High School, Townsend Elementary, Bertha Robinson Elementary, and Reading High School.

“Chelsea High School seniors take a required course titled Senior Seminar. This course is designed to help students prepare for life beyond high school. Personal Finance is one of the units in the course. The centerpiece of this particular class has been the instruction provided by Michigan Community Credit Union. Their presentation focuses on credit and is very informative and worthwhile. Our students both enjoy and benefit from the instruction provided by Michigan Community Credit Union, and their efforts are very much appreciated by our staff. They come several times a year and usually teach three classes in one day. This presentation has truly enhanced the unit on Personal Finance.”

Mark Helms
Chelsea High School
Social Studies Teacher

Michigan Community Credit Union teaches students the “pluses” of money smarts by incorporating financial planning into classrooms. We provide local educators with all of the materials needed to get started with flexible, easy-to-use and easy-to-understand programs designed to acquaint students of all ages with basic financial planning concepts that apply to everyday life. And, we are available to facilitate these courses to students. These customized financial education sessions are available at no cost to public and private schools, as well as to community youth and adult seminars. Michigan Community Credit Union seeks to increase the financial literacy of our community’s youth, empowering them to make positive and sound decisions to reach their financial goals.



in-school credit union

Michigan Community Credit Union’s **student-run credit union** is proudly operated by students for students, faculty & staff. Students and staff alike are able to open accounts and make transactions from the convenience of school grounds. The program provides an educational environment in which students receive hands-on experience in a financial setting. Its purpose is to increase the knowledge of today’s youth regarding the basics of smart money management. Together, we aspire to achieve a new generation of savers by showing the importance of setting realistic goals by offering age appropriate savings programs. The student-powered credit union is designed to be an extension of the classroom, allowing students to put math, social, economic and marketing skills into real-life application while working as a volunteer in the school branch. Students gain life-long employment skills such as organization, human relations, cash handling and teamwork. And most importantly, the program teaches students the importance of saving and managing money for a lifetime.

“Michigan Community Credit Union has partnered with Townsend Elementary to bring an actual Credit Union experience to our 4th and 5th grade students. Students are able to learn about the power of saving money and can make deposits at the school building each month with the Credit Union Representative. We actually have some students working with the credit union on how to conduct the transactions for students who are depositing money. It has been a fabulous program for Townsend Elementary. We are grateful for the enthusiasm of their staff members, and continued opportunities for our students that this partnership has brought to Townsend Elementary.”

Shelley Manor
Assistant Principal
Townsend Elementary

“We really appreciate Michigan Community Credit Union sponsoring financial education to our students. This provides a real world approach to students learning about financial aspects and how it applies to them. If they didn’t sponsor this program it would make it difficult for students to fully understand the techniques of banking and financial obligations. Thanks again!”

Jenny Duff

Business Education Teacher/
BPA Co-Advisor/Study Cup
Hillsdale Community Schools



community



"The 2014 Childrenz Challenge, held on August 23, 2014 at Michigan International Speedway, was a huge success in its first year. Over 800 kids from the ages of 4-13 participated in the inaugural year of this muddy adventure! We had some great sponsors, which included Michigan Community Credit Union. Their sponsorship of the Refueling Station, combined with the High Five for \$500 contest, helped us to donate over \$5,000 to local charities and schools! Grass Lake was the winner of the most muddy handprints this year. We couldn't have asked for better support on this event, and MCCU was a major part in that! Not to mention, MCCU is also the official credit union of the Childrenz Challenge, assisting us in all of our banking needs. Thanks to MCCU for their contribution to this great family and community event!"

Scott Vitale
Founder/President of Childrenz Challenge



Organizations/events that we have volunteered, participated, served, fundraised, and partnered with include, but are not limited to:

- ◆ Junior Achievement of the Michigan Edge
 - Jackson Crazy Bowl Committee
 - Jackson Crazy Bowl Event
 - Hillsdale Crazy Bowl Committee
 - Hillsdale Crazy Bowl Event
 - Grand Prix
 - Classroom Volunteers
- ◆ BizKids
- ◆ International Credit Union Day
- ◆ Jackson County Chamber of Commerce
 - JAXPO Committee
 - JAXPO Event
 - Business After Hours
 - Economic Club Luncheons
 - Good Morning Greater Jackson
- ◆ K105.3 Events
 - Bridal Fair
 - Administrative Assistant's Appreciation Event
- ◆ Town & Country Easter Egg Hunt
- ◆ United Way Women's Leadership Council
 - Power of the Purse
- ◆ Rose Parade/Festival
 - Fire Truck Pull
- ◆ Michigan Community Credit Union Gas Giveaway
- ◆ Childrenz Challenge
- ◆ American Cancer Society's Relay for Life
- ◆ The Source at Hillsdale College
- ◆ Operation Good Cheer
- ◆ Jackson Area Association of Realtors
- ◆ Jackson Chapter of Credit Unions
 - Charity Golf Outings
 - Education Committee
- ◆ Michigan Credit Union League
 - Charity Golf Outings
 - Financial Education Council
- ◆ Spring Arbor University
 - Presidential Inauguration
 - Economic Club Luncheons
- ◆ National Credit Union Youth Week
- ◆ Carp Carnival Parade
- ◆ Michigan Center High School Benefit Fair
- ◆ Energizing Education
- ◆ CU Lunch Local
- ◆ Girl Scouts of America
- ◆ Michigan Theatre
- ◆ Big Brothers Big Sisters
- ◆ The Friendly Home
- ◆ Hot Air Jubilee
- ◆ American Red Cross
- ◆ March of Dimes
- ◆ Cascades Humane Society
- ◆ Muscular Dystrophy Association
- ◆ Salvation Army

"Michigan Community Credit Union has been a Junior Achievement partner for many years and has been responsible for making economic education a reality for thousands of young people in the Jackson and Hillsdale communities. Our partnership is one of mutual respect and shared mission. Employees invest their time in many ways, continually making an impact on our young people in each county by volunteering to teach a JA program in the classroom, assisting in our fundraising efforts, participating on event committees and always setting an example of professionalism and a "what can I do to help" attitude. As a corporate citizen, the culture at Michigan Community Credit Union is one of giving back to the community. Employees are encouraged to share their talents and give back in ways that benefit the whole community. Our partnership has evolved around a shared mission of helping young people stay in school, make better financial decisions and helping young people succeed in their futures. JA is thankful for the many ways that Michigan Community Credit Union supports our organization and it's the young people in our communities that are the winners."

Connie Poisson

President of Junior Achievement of the Michigan Edge, Inc.





4 Branches to Serve You:

jackson

1425 Parnall Road
Jackson, MI 49201

hillsdale

412 W. Carleton St.
Hillsdale, MI 49242

michigan center

4405 Page Ave.
Michigan Center, MI 49254

spring arbor

7845 Spring Arbor Rd., Unit #6
Spring Arbor, MI 49283

877.894.5033

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