

Celebrating our  
**60<sup>th</sup>**  
Anniversary

United Financial Credit Union  
**ANNUAL REPORT**  
2024



**60th Annual Meeting**

**March 23, 2024**

**Meeting • 5:30pm**

# REPORT FROM THE CHIEF EXECUTIVE OFFICER

## 60 YEARS OF SERVING YOU

The best way to celebrate our 60<sup>th</sup> anniversary, which is officially on April 23, 2024, is to keep moving forward with the same courage and conviction that motivated the seven tool and die companies that formed United Saginaw Credit Union on that day, 60 years ago. It wasn't until 2003 that our name was changed to United Financial Credit Union in view of the approval to expand our field of membership to include people who live, work or worship in Saginaw, Bay or Midland Counties. After 60 years, one thing remains the same, our commitment to providing long term financial stability to our credit union, our members, and their families. Despite the challenging economic environment of 2023, United Financial Credit Union is pleased to report a strong financial performance. One in which we paid our members \$3.5 million in dividends and interest while still increasing net income by over \$1.5 million. This positive result was achieved through a combination of interest income, effective cost management, and a prudent approach to risk management.

At United Financial Credit Union, our members are at the heart of everything we do. In 2023, we continued to focus on enhancing the financial well-being of our members by providing access to affordable financial products and services, financial education, and personalized advice. We are proud to report that we formed the UFirst Foundation in 2023 and held our very first Golf Outing to start the funding. The UFIRST Foundation is committed to transforming lives through community involvement, financial education, and empowering underserved individuals. Through our partnership with the foundation, we aim to foster financial literacy, provide scholarships and create opportunities that inspire lifelong learning and economic well-being. Despite the challenges posed by the pandemic, we remained committed to supporting our community. Through our community outreach programs and partnerships, we were able to provide assistance to those in need, support local businesses, and contribute to the overall well-being of our community. In 2023, we continued to invest in digital transformation and innovation to better serve our members. After the main core software conversion in 2022, 2023 was spent implementing major components of the new software and tweaking the applications to experience full efficiencies. Our efforts in enhancing our digital products have not only improved the member experience, but have also helped us streamline our operations, reduce costs, and enhance our competitiveness in the market.

As we look ahead to 2024, we remain committed to our mission of serving our members and community. We will continue to focus on innovation, digital transformation, and sustainability to ensure that we remain a trusted financial partner for our members for years to come. To kick off the year, we are excited to announce a new solution that will allow our members to purchase cryptocurrencies, providing a more secure and affordable option for investing. Following this, we will introduce a full trade desk option to further enhance our members' investment opportunities. Additionally, we have plans to introduce a new product that will allow members to apply for a small dollar loan in under 60 seconds, demonstrating our commitment to providing convenient and accessible financial services. Furthermore, we will be launching new and improved checking account products with enhanced ID protection, as well as implementing a new phone system to improve our communication capabilities. These initiatives reflect our dedication to innovation and our ongoing efforts to meet the evolving needs of our members.

In conclusion, I express my heartfelt gratitude to our valued members, dedicated employees, and esteemed board members for their unwavering support and trust in United Financial Credit Union. It is through our collaborative efforts that we can confidently strive towards building a stronger, more resilient future for all. Together, we will continue to uphold our commitment to excellence and service, ensuring that United Financial Credit Union remains a trusted financial partner and a beacon of stability in our community.

**Barbara Appold**  
President/CEO

# REPORT FROM THE CHAIRMAN OF THE BOARD

The Credit Union Board of Directors has a lot on our plate; safety and soundness, fiduciary responsibilities, and oversight of the organizations' compliance with laws and regulations. The board is always focused on the future and creating value for our members. The Board serves for the benefit of our members.

The Board of Directors represents the membership as a whole and meets monthly to monitor the credit union's financial status. The Board provides fiduciary and policy-making oversight to serve the best interests of the membership at large.

United Financial Credit Union aims to maintain competitive rates, reduce operating expenses and increase membership and member satisfaction. We are always working to gain efficiencies in new technologies, products and service to our members. We continue to focus on our members' changing needs and expectations.

United Financial Credit Union remains safe and sound. The outside audit found no major deficiencies, along with the State Examination. Our diverse board introduces a wide range of viewpoints, paving the way for well-informed decisions. The board stays focused on key decisions and strategic goals affecting the members of our credit union.

At United Financial Credit Union we believe that more diversity, equity, and inclusion drives value for our members and makes us better able to serve our membership and community. We believe in being a leader in the community and exhibiting strong financial performance. We are stronger as a team that welcomes diverse perspectives, experiences, and approaches to foster a stronger, smarter, and more informed credit union.

The members of United Financial Credit Union are at the heart of everything the Board does. We look forward to making decisions that provide our members with excellent financial services, stability and the benefits of being part of our cooperative. Member satisfaction and well-being for them and their families is one of our top priorities. We appreciate our members, staff, families and our communities.

**Edward Ulmer**

**Chairman of the Board**

# 2023 ANNUAL BUSINESS MEETING MINUTES

The meeting was called to order by Chairman Ed Ulmer at 6:03pm in the community room of the credit union.

The following Board members were present: Ed Ulmer (remote attendee), Jillyan Poag, Ron Trevillian, Bob Callison, Bruce Miller, George Corser, Sherwin Faulk, and Pat Hatch. In addition, Barbara Appold was present. Other members and staff guests were also in attendance.

There was a motion by Bob Callison and supported by Ron Trevillian to approve the minutes from the 59th Annual Meeting. The motion was carried.

A motion was made by Pat Hatch and supported by Bob Callison to approve the CEO's Report. Motion carried.

A motion was made by Bob Callison and supported by Ron Trevillian to approve the Chairman's Report. Motion carried.

A motion was made by Pat Hatch and supported by Jillyan Poag to approve the Treasurer's Report. Motion carried.

The Credit Committee Report was approved with a motion by Pat Hatch, supported by Ron Trevillian. Motion carried.

There was no old business.

Bob Callison gave the Board election results as follows: In the October Newsletter the membership was informed of four openings on the Board of Directors. One opening to replace retiring board member Jim Trommer, one opening to replace Dale Sanders, and two openings for expired terms. Prior to the deadline of November 9, 2022, four candidates were nominated, two incumbents and two new members. Elected to a three-year term on the Board of Directors are Bruce Miller, Jillyan Poag and Sherwin Faulk. Elected to a two-year term is George Corser. A unanimous ballot was cast.

A motion was made by Ron Trevillian and supported by Bob Callison to adjourn. Carried.

**Pat Hatch**  
Secretary

**Ed Ulmer**  
Chairman

# FINANCIAL REPORT

INCOME	2022	2023
Interest on Loans	\$7,801,634.42	\$9,174,633.79
Income from Investments	\$1,688,547.18	\$2,334,042.78
Other Operating Income	\$3,489,921.65	\$3,505,098.03
<b>TOTAL INCOME</b>	<b>\$12,980,103.25</b>	<b>\$15,013,774.60</b>

EXPENSE	2022	2023
Employee Compensation & Benefits	\$4,074,750.45	\$4,590,089.27
Travel & Conference Expense	\$90,517.82	\$103,219.85
Office Occupancy Expense	\$980,320.23	\$942,027.03
Office Operation Expense	\$1,831,430.75	\$2,012,520.39
Education & Promotional Expense	\$547,454.81	\$582,007.84
Loan Service Expense	\$274,764.55	\$284,169.42
Professional & Outside Services	\$471,680.88	\$402,053.25
Provision for Loan/OOPS Losses	\$737,688.37	\$809,087.71
Exam & Supervisory Expense	\$54,055.13	\$46,242.69
Interest on Borrowed Money	\$10.72	\$24,210.22
Miscellaneous Expense	\$82,599.49	\$136,792.91
Non-Operating Gain/Loss (Asset or Investment)	(\$65,054.61)	(\$19,234.67)
<b>TOTAL EXPENSE</b>	<b>\$9,080,218.62</b>	<b>\$9,963,248.51</b>
<b>INCOME LESS EXPENSE</b>	<b>\$3,899,884.63</b>	<b>\$5,050,526.09</b>

DISTRIBUTION OF INCOME	2022	2023
Undivided Earnings & Reserves	\$2,652,665.13	\$1,582,241.70
Dividends to Members	\$1,247,219.50	\$3,468,284.39
<b>Net Worth</b>	<b>10.06%</b>	<b>10.53%</b>

LIABILITIES AND EQUITY	2022	2023
Member Shares	\$225,744,860.75	\$197,767,789.86
Individual Retirement Accounts	\$15,799,152.92	\$18,906,424.45
Certificates of Deposits	\$56,738,772.77	\$78,069,352.44
Christmas & Vacation Accounts	\$145,687.22	\$156,487.13
Other Liabilities	\$577,326.93	\$827,964.03
Required Reserve	\$0.00	\$0.00
Undivided Earnings	\$28,275,214.74	\$29,817,227.61
Equity Acquired in Merger	\$3,787,615.69	\$3,787,615.69
Unrealized Gain/Loss AFS Securities	(\$10,815,666.84)	(\$8,532,719.70)
<b>TOTAL LIABILITES AND EQUITY</b>	<b>\$320,414,372.95</b>	<b>\$320,918,283.08</b>

2022 Financials - Audited      2023 Financials - Unaudited

# CREDIT COMMITTEE REPORT

The Credit Union financial operations outlook for 2024 will continue to be positive. With 2024 being a presidential election year, and the Federal Reserve signaling the possibility of interest rate cuts later in the year, we expect our savings growth to remain similar to our prior year. Auto sales are forecasted to be similar to 2023 with dealer inventory levels rising, but could pick up if interest rates drop. Home purchases are forecasted to remain slower with inventory being low in our market, however home equity loans are expected to pick up in our current rate environment. With this we still anticipate to continue our positive loan growth and earnings.

These and many other external factors contribute to growing and maintaining a quality loan portfolio. At United Financial Credit Union, we take all precautions to remain strong while operating under a safe and sound environment.

A total of 2,551 loans were funded in 2023 increasing our loan portfolio just over \$6.6 million dollars to \$194,878,914.70. This was another year of positive loan growth for the Credit Union. At year-end, 67.45% of the Credit Union deposits were loans made to the membership.

A breakdown of the loan portfolio is as follows:

Number	Loan Type	Amount
1,030	New Auto, Boat, RV Loans	\$23,076,943.35
4,472	Used Auto, Boat, RV Loans	\$65,306,436.15
1,288	Real Estate Loans	\$96,814,231.76
2,977	Personal Loans	\$7,432,623.88
150	Other Loans	\$2,248,679.56
<b>9,917</b>	<b>Total</b>	<b>\$194,878,914.70</b>

Respectfully submitted,

Joshua Sawyer  
Credit Committee Chairperson

# STATISTIC REPORT

Statistics	2022	2023
Number of Accounts at Year End	23,849	22,767
Increase in Accounts	283	(1,082)
Number of Loans During Year	3,034	2,890
Increase in Assets	\$8,536,308.09	\$503,910.13
Increase in Loans	\$9,649,513.02	\$6,987,744.53
Number of Loans Since Organization	266,621	269,511
Draft Accounts	12,356	12,337
Certificates of Deposit	49,109	49,236

## United Financial Credit Union Mission Statement

Through innovative, friendly, and quality service, United Financial Credit Union will provide longterm financial stability to our credit union, our members and their families!

## United Financial Credit Union Core Values

### Integrity

Being ethical, trustworthy and professional in our dealings with our members and ourselves.

### Building Relationships

Creating partnerships and building alliances within our organization, within our communities, and with our members.

### Innovation

Being pro-active in addressing the needs of our members, creating unique solutions for their financial needs.