



TLC Community
Credit Union
Community Owned. *Always!*



**2024
ANNUAL
REPORT**

People *Helping* **People**

The Annual Meeting was called to order by Chairman Mark Spohr at 4:32 P.M. Mark welcomed the membership and thanked them for attending the Annual Meeting.

Motion to accept minutes from last year:

Mark Spohr, Chairman of the Board, called for a motion to accept minutes from the 68th Annual Meeting held at the Lenawee County Fair and Event Grounds in 2023.

Motion was made by:

- 1st – Neil Haseley
- 2nd – Carolyn Fisher

Roll call:

Meredith Francis, Board Member, performed the roll call.

Directors present: Mark Spohr - CCUB, Troy Bevier, Joe Murphy, Dick Egli - CCUB, Mark Bruggeman, Meredith Francis, Randy Smith

Others present: Jeff Brehmer - CEO, Alycia Nichols - EVP Lending and Operations, Jennifer Frost - SVP Finance, Vicki Felton - Supervisory Committee Chair, Steve Skornicka - Supervisory Committee Member and Lisa Weddle - Supervisory Committee Member

Based on the number of verified members present at the Annual Meeting, a quorum was established.

Introduction of nominees and voting instructions:

Troy Bevier, Nominating Committee Chairman, introduced the members of the Nominating Committee. In addition to Troy Bevier, Meredith Francis and Mark Bruggeman served on the committee. The Nominating Committee met several times about the two available positions this year. Notice was sent to the membership encouraging interested members to apply for those open seats.

Chairman's Report:

Chairman Mark Spohr kicked off the meeting by highlighting TLC's rich history. He expressed gratitude to long-standing members for their continued support. Spohr then delved into the credit union's roots, mentioning the Tecumseh Products employees who joined forces to access loans. This spirit of "People Helping People" has guided both the original founders and current management. TLC's commitment to the community remains strong, with a remarkable 77 out of approximately 130 employees volunteering at 41 events in 2023 alone.

Looking ahead, expansion in Dundee remains a priority, with a full-service branch slated to open in June 2024. The board emphasizes controlled and strategic growth while maintaining TLC's reputation for safety and soundness. TLC is recognized both locally and nationally for strength and stability. Spohr also took a moment to clarify the key difference between credit unions and banks. Unlike for-profit banks, TLC prioritizes serving its members.

Gratitude was extended to Randy Smith for his temporary role on the board, ensuring members could vote for new board members. Spohr also acknowledged the recent passing of Dave Miller, who served the board in various capacities for over 40 years. Dave was remembered for his unwavering focus on the members' best interests. The report concluded with recognition and appreciation for the supervisory committee and the membership.

President's Report:

TLC's President, Jeff Brehmer, began by acknowledging the leadership change and thanking Randy for his continued contributions. He then addressed the economic challenges of 2023, highlighting rising interest rates and bank failures. Jeff reassured members that TLC prioritizes conservative management and takes steps to ensure deposits are fully insured, protecting them from such risks.

Despite the economic climate, TLC saw positive growth. Assets increased to \$715 million, loans reached \$355 million, and deposits grew to \$636 million. Net worth, a

69th Annual Meeting of the Membership Minutes - *Continued*

measure of financial strength, also rose to over 15.5%. Looking ahead, Jeff outlined several accomplishments from 2023, including upgrades to online loan applications, new member statements, and enhanced checking products. The construction of a new Dundee branch is underway and slated to open in June 2024.

For 2024, exciting plans include an upgraded call center, a new Rewards Visa Card, online financial education programs, and the introduction of new ITMs alongside ATM fleet upgrades. Jeff also emphasized the importance of member vigilance against fraud. He provided key tips like being wary of unrealistic offers, never sharing personal information over the phone, and understanding that TLC doesn't ask you to buy gift cards.

Finally, Jeff expressed gratitude to the board and staff for their dedication to the credit union's mission of "People Helping People." He recognized staff anniversaries and Lorie Easton's pending retirement after 18 years of service. The meeting concluded with an invitation for members to contact TLC with any questions or concerns.

Treasurer's Report:

Jennifer Frost, SVP Finance, gave the Treasurer's Report. Despite a rapidly rising interest rate environment in 2023, TLC Community Credit Union navigated the challenges and achieved positive financial results. We managed member funds strategically to ensure continued service to the community.

TLC's growth trajectory remained strong, with total assets increasing by nearly \$200 million since 2019. Compared to 2022, assets grew by \$29 million, reaching almost \$716 million due to increases in loans, cash, and investments.

While member share and money market accounts decreased slightly, total member deposits still rose by \$26.5 million. This is largely attributed to a 66% rise in certificates of deposit (CDs) as we offered competitive CD specials.

Our income statement reflects a \$6.8 million increase in total income due to loan growth and higher interest rates. However, with increased revenue came a higher cost of funds, reflected in a \$3.5 million rise in dividends and interest paid to members. Operating expenses also rose by 9%, consistent with the previous year.

Despite these rising costs, TLC finished 2023 with a positive outlook. Net income increased by 21.5%, and we maintained a healthy net worth ratio of 15.69%.

Credit Committee Report:

Alycia Nichols, EVP Lending & Operations, gave the Credit Committee Report. Despite challenges in the lending market (rising interest rates, low inventory, cost-of-living increases), TLC Community Credit Union's loan portfolio grew by over \$9 million in 2023. Success is attributed to competitive rates, loyal members, and dedicated staff.

Lorie Easton, SVP of Consumer Lending, leads a strong lending team that processed nearly 7,000 loan applications, resulting in \$63.5 million in funded loans.

Alisha Morton, VP of Mortgage Operations, and her team closed 400 real estate loans totaling almost \$31 million in 2023. While mortgage applications declined due to rising rates and low inventory, home equity loan demand remained strong.

Derek Henning, Assistant VP of Commercial Lending, and his team grew the commercial loan portfolio to \$23.2 million, representing a \$3.5 million increase.

Susan Ruetz, VP of Member Solutions, and her team maintained a low delinquency rate (0.05%) by positively working with members facing financial difficulties.

Alycia acknowledged its dedicated staff and loyal membership for contributing to a successful lending year.

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Supervisory Committee Report:

Vickie Felton, Chair of the Supervisory Committee, gave the Supervisory Committee Report. She discussed the committee's vital role in ensuring the safety and soundness of TLC Community Credit Union, including:

- The committee provides financial oversight by reviewing procedures to ensure accurate financial reporting and safeguarding member assets.
- The committee verifies the prompt and accurate preparation of accounting records and financial reports.
- The committee assesses the proper administration of board-approved plans, policies, and control procedures.
- The committee evaluates internal measures to mitigate errors, conflicts of interest, self-dealing, and fraud.

The committee remains committed to:

- Bi-monthly meetings and participation in board meetings to foster open communication.
- Facilitating annual external audits for objective assessment of financial health.
- Engaging with regulatory bodies (DIFS and NCUA) for thorough credit union examinations.
- Conducting member account verifications every two years to ensure accuracy.

In closing, Vicki stated that the Supervisory Committee is dedicated to transparency, strong internal controls, and risk mitigation. These efforts ensure the continued safety and security of member funds at TLC Community Credit Union.

Old Business: None

Election Results:

Troy Bevier reported to the membership the election results:

- Lisa Weddle – 182 votes
- Joe Murphy – 167 votes
- Harold Ruhl – 125 votes
- Ron Wimple – 111 votes
- Gordon Gauss – 69 votes

Total number of members in attendance was 379.

Congratulations Lisa Weddle & Joe Murphy for being elected to serve on TLC's Board of Directors.

Motion to destroy ballots:

Troy Bevier called for a motion to destroy the ballots which was made by:

1st – Randy Smith
2nd – Charles Sweet
Motion carried.

Motion to adjourn:

Mark Spohr thanked the membership for attending our meeting. Mark called for a motion to adjourn the 69th Annual Meeting of the Membership.

Motion to adjourn made by:

1st – Andrea Benard
2nd – Sharon Wimple
Motion carried.

Meeting Adjourned at 5:45 P.M.



I am happy to report that 2024 was a year in which we made significant strides toward advancing our mission of "People Helping People" by providing high-quality financial services to our members while fostering a culture of trust, integrity, and community.

Reflecting on 2024: A Year of Growth and Resilience

In 2024, our credit union continued to face a dynamic and challenging financial landscape. However, through careful planning, innovation, and commitment to our members, we have not only met these challenges but have grown stronger. Despite uncertainties in the broader economy, we have remained focused on providing outstanding financial products and exceptional service to our members.

Key Achievements

- **Financial Performance:** The credit union has seen a 9.6% increase in assets, with total assets now standing at \$784 million. This growth is a testament to the financial strength and stability of our organization.
- **Loan Portfolio Expansion:** Our loan portfolio has expanded by 4.8% in 2024, driven by strong demand for personal, real estate, and auto loans. This increase has allowed us to better serve our members and contribute to the economic growth of our community.
- **Net Income:** We achieved a net income of \$9.8 million, equaling the results of the previous year. This has enabled us to reinvest in our services and continue providing competitive rates to our members.
- **Branch Expansion:** We completed the construction of our Dundee branch in June, bringing additional convenience and services to our growing membership in Monroe County. In November, we were able to add a second location in Monroe County by adding a branch in Lambertville.
- **Improved ATM/ITM Access:** We upgraded our network of ATMs, introduced Interactive Teller Machines (ITMs), and added a new ITM location in Brooklyn—providing our membership with even more convenient access to their accounts.

Serving Our Community

At the heart of our credit union's mission is a deep commitment to the communities we serve. This year, we continued to support local initiatives and organizations through charitable donations, volunteering at community service events, and by providing financial literacy programs to area youth and adults. Our community involvement is not only a core part of who we are but also reflects the importance of giving back to those who have supported us. I am proud to report that in 2024, we contributed over \$190,000 to local causes and initiatives, and our employees volunteered more than 1,800 hours at various community projects.

Looking Ahead to 2025

As we look toward the future, we remain focused on innovation, member satisfaction, and continued financial growth. In 2025, we will:

- Continue to invest in digital banking tools to ensure we are meeting the technological expectations of our members.
- Explore new ways to improve our loan offerings, particularly in the areas of home loans and small business loans.
- Remain vigilant in our efforts to maintain financial stability, especially in uncertain economic times, while ensuring that we can continue to offer favorable rates and services.

Conclusion

In closing, I want to extend my sincere gratitude to all of you—our members—for your continued trust and loyalty. Your involvement is what makes our credit union truly special. I also want to thank our Board of Directors and dedicated TLC Team members for their hard work and commitment throughout the year.

Together, we have accomplished much, and together, we will continue delivering on our mission of being the premier locally owned financial institution in the communities we serve. Thank you for being part of our credit union family.



A handwritten signature in blue ink that reads "Jeff Brehmer". The signature is fluid and cursive, matching the printed name below it.

Jeff Brehmer, CCUIP
President and CEO
TLC Community Credit Union

Comparative Financial Report

ASSETS	UNAUDITED 2024	2023
Outstanding Loans (Net)	\$370,414,224	\$353,592,652
Cash and Investments	\$370,391,067	\$324,208,789
Property and Equipment, Net	\$14,483,461	\$10,074,914
Other Assets	\$28,893,407	\$27,887,063
TOTAL ASSETS	\$784,182,159	\$715,763,418

LIABILITIES AND MEMBER EQUITY LIABILITIES		
Accrued Interest & Dividends	\$360,678	\$116,826
Borrowed Funds	\$25,000,000	
Other Liabilities	\$3,191,991	\$5,209,101
TOTAL LIABILITIES	\$28,552,669	\$ 5,325,927

MEMBER EQUITY		
Shares-Drafts-Clubs-Money Mkt	\$486,953,757	\$484,269,763
Certificate of Deposits/IRAs	\$181,034,020	\$151,554,666
Undivided Earnings and Reserves	\$87,641,713	\$74,613,062
TOTAL MEMBER EQUITY	\$755,629,490	\$710,437,491
TOTAL LIABILITIES & EQUITY	\$784,182,159	\$715,763,418

INCOME AND EXPENSES		
Gross Income	\$40,653,676	\$34,512,395
Less Dividends and Interest	\$9,600,290	\$5,334,689
Operating Expense	\$21,302,507	\$19,399,013
NET EARNINGS	\$9,750,879	\$9,778,693

INFORMATIONAL PURPOSES ONLY		
Total Net Worth	\$122,030,470	\$112,279,592
Net Worth Ratio	15.56%	15.69%

2025 Ballot

Troy Bevier (Incumbent)

Troy has served on the TLC Community Credit Union Board for nine years. He was elected as the Sheriff of Lenawee County in 2020 and has been in Public Safety for over thirty-five years. Troy has a Bachelor's Degree in Business and an Associate's Degree in Criminal Justice, and is an active member of the community, volunteering with various organizations.



Nickolis Pulver (Nominee)

A lifelong Lenawee County resident and experienced machinist, Nickolis Pulver seeks to serve our community. With 24 years as a journeyman CNC machinist/programmer, he brings expertise in manufacturing and problem-solving. His background includes several roles at RD Tool and Manufacturing and R & B Machine Tool. He is a former small business owner (Nick's Deerfield Standard). He holds a BS from Wayne State University and is a former EMT.



Dick Egli (Incumbent)

Dick is a member of the TLC Community Credit Union Board of Directors, having served since 2005. Additionally, he served on TLC's Supervisory Committee. Dick has taken several credit union classes and has earned the accreditation of being a Certified Credit Union Board Member. He holds a BA from Westminster College, and an MA in Communications from Michigan State University. Dick is a U.S. Army Veteran and a member of the American Legion.



Gloria Stewart (Nominee)

A 60-year resident of Lenawee County, Gloria Stewart volunteers at Hospice of Lenawee. For 20 years, she owned and operated a Tecumseh beauty salon. Changing careers in 2000, Gloria worked for Masco Cabinetry, designing and pricing kitchens for builders nationwide until her 2014 retirement.



Isaac Henry (Nominee)

An Onsted High School graduate (2016), Isaac began his career in construction before transitioning to real estate in 2019, joining his family's 50+ year business. Isaac earned his real estate license and, in 2024, his broker's license. Isaac holds a director position on the Lenawee County Board of Realtors. Isaac and his wife, Alexa, live in Adrian with their two daughters and anticipate a third child. He is committed to family, community, and professional growth.



Yvonne Thomas (Nominee)

A Dundee native, Yvonne has benefited from a strong family and community network for over 60 years, instilling values and a passion for learning. Blessed with six children (three adopted) and six grandchildren, Yvonne earned an MBA while raising her family. Deeply committed to community service, Yvonne currently serves as president of both the Britton Deerfield and Lenawee County School boards, is active at St. Elizabeth church, and is the clerk for the Village of Britton.



2024 Board of Directors

Chairman of the Board	Mark Spohr
Vice Chairman	Richard Egli
Treasurer	Joe Murphy
Secretary	Meredith Francis
Directors	Troy Bevier Mark Bruggeman Lisa Weddle
Director Emeritus	Wayne D. Zettel
Supervisory Committee	Vickie Felton Gordon Gauss Rick Ruhl Steve Skornicka Randy Smith

Senior Management

President & CEO	Jeff Brehmer
Executive Vice President Lending & Operations	Alycia Nichols
SVP Lending	Caleb Khon
SVP Information Systems	Paul Corazzol
SVP Operations	Michael Zarnecki
SVP Finance	Jennifer Frost
VP Accounting	Mary McKinney Laura Soto
VP Compliance Audit & Risk Management	Lori Pawson
VP Human Resources	Linda Tomford Abby Reilly
VP Member Solutions	Susan Ruetz
VP Mortgage Operations	Alisha Morton
VP Branch Operations	Bailey Damon

Branch Locations

Dundee Office



16486 Tecumseh Street
Dundee, MI 48131

Lambertville Office



7551 Secor Road
Lambertville, MI 48144

Main Office

3030 S. Adrian Hwy., Adrian, MI 49221

Beecher Office

2522 W. Beecher St., Adrian, MI 49221

North Adrian Office

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

Blissfield Office

9017 E. US 223, Blissfield, MI 49228

Clinton Office

11839 Tecumseh-Clinton Hwy., Clinton, MI 49236

Tecumseh Office

1102 W. Chicago Blvd., Tecumseh, MI 49286