



2023 Year In Review

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2023 Meeting Minutes

Date: April 26, 2023

The 75th Annual Meeting of PFCU was called to order at 5:00 p.m. by Chairman Mike Ward in Portland, Michigan.

Chairman Ward began by welcoming the membership to the meeting.

The minutes of the 74th Annual Meeting were printed in the Annual Meeting brochure. A motion was made by T. Bengel and seconded by J. Kutas to approve the minutes from the 2022 Annual Meeting.

Motion carried.

M. Ward introduced Harvey Hoskins. He has been a great leader and will be greatly missed. H. Hoskins said he is happy that Michele Makley is taking over as President/CEO and he knows she will do a great job. Mr. Hoskins said he wanted to say thank you to God for keeping him healthy as long as he did and for giving him the career he had. Mr. Hoskins is appreciative of the trust the Board had in him to give him the position of CEO 10 years ago. It was great to have the team he did and for him to have M. Makley as the right-hand person. H. Hoskins said thank you for the support of the Executive Team. It is the team that does all of this. PFCU has grown from a \$33 million credit union when he first started to over \$790 million in assets. He could not have asked for a better career. H. Hoskins said he thanks his wife as she has taken this ride with him, sometimes pushing him when he did not want to. He cannot thank her enough as well as thank you to his family. H. Hoskins said thank you to the members. Without them coming and letting us serve them PFCU would not be here. Their trust and confidence has given him a great career. Thank you everyone for everything.

M. Ward introduced Michele Makley as the new President/CEO.

President/CEO, Michele Makley, thanked everyone for attending the meeting. On behalf of the Executive Team to H. Hoskins, the feelings are mutual and they wish him health and happiness in his retirement. M. Makley said PFCU had a really good 2022 with a lot of things going on. We implemented ten new ITMs between our Ionia, Lake Odessa, and Perry branches, as well as the Portland Lobby. We have ITMs going in the Portland drive thru right now as well. PFCU opened its newest branch in Perry in the late fall and we are very excited to be a part of that community. We rolled out a new and improved online lending and account platform that is more convenient for members. PFCU is using more technology in the Contact Center, including incorporating a chat bot in our online banking and on our website so members can chat instead of calling in. PFCU has a lot going on in 2023 and we are going to be doing some great things. M. Makley thanked the Executive Team for all they do as well as thank you to the Board for all you do.

A motion was made by E. Gorman and seconded by L. Madarang to approve the reports as presented in the Annual Meeting Brochure.

Motion Carried.

Old Business:

New Business:

Chairman Mike Ward reported that the nominating committee submitted the following nominee to continue to serve on the Board:

Erin Gorman.

Erin Gorman elected for another three-year term and there were no petitions received for election. All nominees elected by acclamation.

Thank you to the Board and for all of the time and effort you put into PFCU.

Chairman Ward recognized the efforts of the Audit Committee, who are appointed by the Board, and serve as an essential part of the credit union. We appreciate all you do and the time you have committed.

M. Ward thanked the staff and management team. Without you we would not be where we are.

Adjourned: 5:10 p.m.

Minutes Prepared By: Elizabeth LeVeque

President's Message



I would like to start by thanking all of our Employees, Board of Directors and members for an excellent year.

2023 was an incredibly busy year filled with many projects and improvements to enhance overall member experience. The installation of ITMs at our Portland location allows our membership access to a live teller with extended business hours.

In addition to ongoing renovations and improvements to several of our locations, we are excited about reinvesting in the Caledonia community with a brand new building. We plan to break ground in the spring and hope to be in the new space before the end of the year. We celebrated the completion of a remodel at our Gen Valley location with the Grand Re-Opening that took place on March 25, 2024. Make sure to stop by and take a look!

PFCU introduced an instant loan option with the launch of the Ca\$h4me Instant Loan. This loan, which is available through home banking, allows members to receive approved funding in minutes directly into their account. Additionally, we have implemented processes that allow for quicker response times on consumer loans. This will get decisions back to members faster with quicker access to funds. To ensure members are getting the maximum value out of their banking experience with PFCU, our team has worked to provide customized product and service offerings for each member. Further, we completed an enhancement to our phone system that allows us to better monitor, track and report calls. This provides a 'call back' feature that reduces member on-hold wait times while maintaining their place in line.

No matter how you choose to engage with the credit union we want your experience to be consistent, convenient and have exceptional service. In an effort to ensure a positive member experience, PFCU actively and continually solicits feedback from membership. This allows us to identify any challenges and work toward improvements. Thank you for sharing your thoughts with us!

Internally, PFCU is dedicated to fostering an excellent culture for our staff. This includes commitment to their individual development as leaders in the organization, promoting work-life balance and providing a comprehensive benefits package.

I am proud to be part of a team that is committed to our members and making sure they have the tools, resources and education to be financially healthy! Thank you for your continued support of PFCU!

A handwritten signature in black ink that reads "Michele Makley". The signature is written in a cursive, flowing style.

Michele Makley
President/CEO

Chairman's Message

2023 was a year of many changes at PFCU. Michele Makley took over as CEO, a number of staff changes took place and two new board members joined the PFCU Board of Directors.

In the past year, the Federal Reserve has continued to increase interest rates which has impacted the consumer and banking industry as a whole. PFCU staff has worked tirelessly to keep us strong in such a fluctuating financial climate.

On behalf of the Board of Directors, I would like to thank all of the PFCU management team, staff and volunteers. We appreciate their hard work and dedication to ensure that PFCU remains a strong financial institution.

Lastly, thank you to our entire membership for your dedication, trust and confidence in PFCU. We are proud to support all of your banking needs and look forward to another successful year.

Mike Ward
Chairman of the Board

Audit Committee

The Audit Committee is appointed by the Board of Directors and is an essential part of the credit union's management. The Audit Committee's major responsibilities include annual branch audits and review of closed accounts to determine if further member engagement is needed. This committee also has oversight of PFCU's corporate expenses, requiring a monthly review.

PFCU Audit Committee

Jon Snellenberger, Chairperson
Rose Mosser
Kaye Bos

Bill Carlton
Jan Pohl
Cindy Ward

Loan Report

In 2023 PFCU had challenges with loan growth and opportunities. PFCU ended 2023 with 1.68% of loan growth, which was down from the 5.9% growth of 2022. We realized growth in mortgages, business lending, and indirect lending, which is done in partnership with our preferred dealers. PFCU did not have growth in consumer lending in 2023. At the end of 2023 we had achieved net loan growth of over \$8 million dollars. Delinquency and charge-offs remained low during 2023. PFCU has launched a new Ca\$h4me instant loan option in 2023. This new technology offers an online instant loan for our qualifying membership. This new product has proven to be a convenient lending option for our membership. We continue to seek new opportunities to bring lending products and services to the membership.

Though the last two years brought loan growth, 2024 will prove to be more of a challenge. That said, PFCU continues to have a strong financial standing with a focus on growth and a culture of building relationships with our members and employees.

1st Mortgages	\$ 176,776,126.48
Used Autos	\$ 192,258,376.72
Miscellaneous Loans	\$ 55,008,206.25
New Autos	\$ 42,628,000.30
Home Equities	\$ 12,892,510.71
Credit Cards	\$ 12,348,383.40
Business Loans	\$ 9,641,997.47
Line of Credit Loans	\$ 1,066,173.97
	\$ 502,619,775.30 Total Loans

\$10,964,199.98
Increase in Savings

\$8,271,758.86
Increase in Loans

55,447
Members

1,005
Increase in Members

\$16,177,170.28
Increase in Assets

Financial Report

Assets

Loans	\$501,286,712.97
Investments	\$268,230,017.77
Other Assets	\$29,069,869.22
Cash	\$4,086,962.66

Income

Interest on Loans	\$26,030,723.87
Other Income	\$10,514,757.62
Investment Income	\$5,159,040.49

Liabilities

Shares	\$570,535,912.12
Share Certificates	\$131,526,244.38
Undivided Earnings	\$67,354,332.28
IRA	\$25,398,517.66
Accumulated Reserves	\$5,247,520.57
Other Liabilities	\$2,611,035.61

\$400,317.76 Non Operating Gains (Losses)

\$67,354,332.28 Undivided Surplus

\$0.00 Distribution of Earnings - Reserves

\$16.12 Interest on Borrowed Money

\$7,263,082.46 Dividends

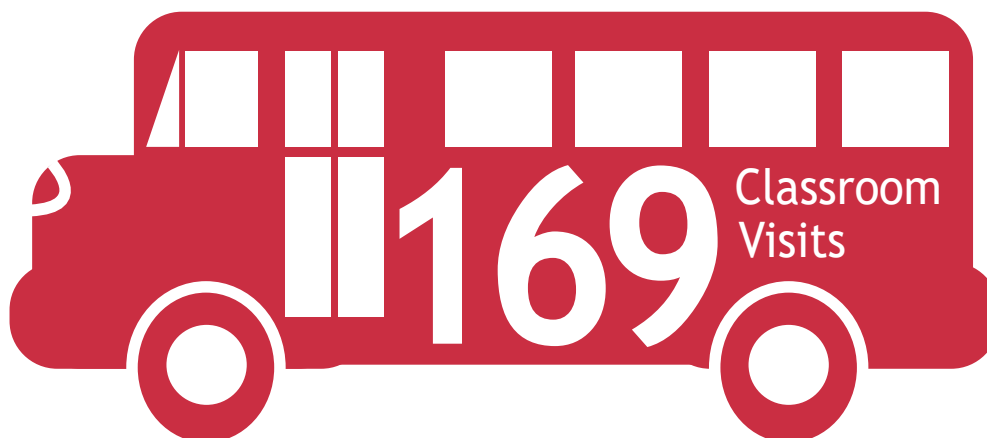
Compensation & Benefits	\$15,165,469.98
Office Operations	\$7,005,867.24
Loan Service Expense	\$2,390,103.42
Computer Expense	\$1,903,078.02
Office Occupancy	\$1,629,805.59
Provision for Loan Loss	\$918,865.88
Education & Promotion	\$1,030,268.06
Other Expenses	\$534,203.84
Outside Services	\$425,493.11
Association Dues	\$104,002.68
Member Insurance	\$2,000.00

This report is certified correct by Tammy Bengel, CFO

McCrumbs Scholarship

Each year, PFCU is proud to recognize and encourage scholastic achievement, community involvement and excellent character by giving \$10,000 in scholarship monies to graduating seniors throughout our field of membership.

Alex Fedewa	St. Patrick High School
Simon Brown	St. Patrick High School
Natalie Thayer	Owosso High School
Benjamin Smith	PW High School
Emma Claspell	Swartz Creek High School
Caleb Pohl	PW High School
Rebecca Thomas	Saranac High School
Elizabeth Possehn	Lakewood High School
Cassidy Cashen	Pewamo-Westphalia High School
Mikayla Meyers	Portland High School



Cash For Classrooms

PFCU is happy to support classrooms in many ways. Through the Cash for Classrooms program, teachers are nominated and get a chance to win \$150 to put toward their classroom. The 2024 program is open until May 31st, below are the 2023 winners.

Logan Kellogg	Ovid-Elsie High	Elsie
Erin Sweet	E.E. Knight Elementary	Elsie
Laura Weber	Waverly East Intermediate	Lansing
Heather Cunningham	E.E. Knight Elementary	Elsie
Guy Jones-Lau	Myers Elementary	Grand Blanc
Nancy Scott	Robert Kerr Elementary	Durand
Kyle Scholten	Caledonia High School	Caledonia
Melissa Princinsky	Elsa Meyer Elementary	Corunna
Alex McClenathen	Meachum Elementary	Millington
Antosha E Duczkowski-Oxley	Lowell High School	Lowell
Beckham Woodruff	Elsa Meyer Elementary	Corunna
Erick Tundevold	Lowell High School	Lowell
Corey Nichols	Merrill Elementary	Merrill
Maryann Graham	Emmons Lake Elementary	Caledonia
Shelby Logel	Grand Ledge High School	Grand Ledge
Amanda Stambaugh	Portland High School	Portland
Allyson Young	Nellie Reed Elementary	Vernon
Abbey Ostman	Bushnell Elementary	Lowell
Jennifer Kish	Delta Center Elementary	Lansing
Greggory Stevens	Grand Ledge High School	Grand Ledge
Brandon Belill	Ovid-Elsie High	Elsie
Katherine Homer	Lowell High School	Lowell
Maryalice Taneyhill	Lake Fenton High School	Linden
Laura Costa	Corunna High School	Corunna
Emily Burns	Westwood Elementary	Portland

PFCU IMPACT



1,280

EMPLOYEE VOLUNTEER HOURS



\$23,000

Employee Education Assistance



\$15,770

Employee Wellness Program



\$30K

4H donations



30+

Communities Impacted



Jean Day Donations

\$21,608



\$80,510

Community Donations

NEW EMPLOYEES



45



3,000

one-time use water bottles will be saved

each year because of the Culligan water service PFCU has at 8 branches



100+

American Flags have been collected and provided to Flag Retirement Ceremonies



EVENTS

57



29,200

Members have E-Statements



Facebook Followers

6,317



Season of Giving

\$2,500



62

Money Talk Episodes