



# 2022

## Year In Review

**Headquarters**  
9077 Charlotte Highway  
Portland, MI 48875  
844-517-3611 | [www.pfcu4me.com](http://www.pfcu4me.com)

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# 2022 Meeting Minutes

April 27, 2022

The 74th Annual Meeting of PFCU was called to order at 5:05 p.m. by Chairman Mike Ward in Portland, Michigan.

Chairman Ward began by welcoming the membership to the meeting. In 2021 we successfully made it through another year of COVID, market uncertainty, and what seems to be constant change. Chairman Ward thanked the staff for all they have done this year. Also, thank you to our membership that is strong and very dedicated to PFCU. Without them we would not be who we are today. Chairman Ward thanks the current Board Members for their service.

The minutes of the 73rd Annual Meeting were printed in the Annual Meeting brochure. A motion was made by D. Schrauben and seconded by C. Burke to approve the minutes from the 2021 Annual Meeting. Motion carried.

President/CEO, Harvey Hoskins, thanked everyone for attending the meeting. Thank you to the volunteers on the Board of Directors and the Audit Committee for all they do. Mr. Hoskins thanked the staff for all their support and hard work. Thank you to members as well for all that they do to help make PFCU a success. Staff strive for every interaction they have with members. 2021 was another successful year and earnings were strong. The capital ratio did not increase as rapidly as we would like, but rapid asset growth is slowing that down. The goal is to get capital in the 10%-11% range so the credit union can continue to provide its current services along with purchasing technology to help better serve our membership. That includes creating more remote access. In the coming year we will see improvements for online accounts and the opening of a new branch in Perry. There is no exact date yet for an opening of the new branch.

A motion was made by D. Schrauben and seconded by L. Madarang to approve the reports as presented in the Annual Meeting Brochure. Motion Carried.

Old Business: None

New Business: None

Chairman Mike Ward reported that the nominating committee submitted the following nominees to continue to serve on the Board; Chad Burke and Leo Madarang. Chad Burke and Leo Madarang were elected for another three-year term and there were no petitions received for election. All nominees were elected by acclamation.

In addition, Chairman Ward, also announced the addition of Associate Board Member, John Kutas. We are happy to have John join the Board.

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. While branch-to-branch auditing continues to be tough, Chair of the Audit Committee, Jon Snellenberger, has done a great job. We appreciate all you do and the time you have committed.

Adjourned: 5:11 p.m.

# President's Message



I want to “Thank” my wife, Deb, the board and the staff for all of your support and faith in me during my time here at PFCU. It is hard to believe I have been here over 33 years. I also want to say, “Thank You” to the members for your confidence and trust in PFCU. You are the ones who make the credit union successful.

I want to reminisce a little about my time as CEO. The last 10 years have gone by quickly. Since 2013 when I took over as CEO, we have grown from \$239 million in assets to \$786 million in assets. We had 5 branches with about 100 employees whereas today we have 13 branches with almost 200 employees. We also improved our digital products and services to better serve you, our members. We changed our charter from a Federal Charter to a State Charter in June 2018 to facilitate a merger with SageLink Credit Union in July of 2018. I am happy to say during this time of growth, we continued to be profitable and provided quality service to our members. The credit union had a very successful 2022 and I attribute that to the loyalty of our members and also the hard work of all our staff. I feel 2022 was another year of change! We implemented 10 new ITM's (Interactive Teller Machines) for our membership in 2022. We placed them in Lake Odessa, Ionia, Perry and our Portland Lobby. If you haven't already, please try them out. We also opened our newest branch in Perry and we are so excited to be part of the community. We rolled out a new online lending and account opening platform mid-summer to make it easy and more convenient for our members to apply for loans and new accounts. You can apply for either one from the convenience of your own home or anywhere else for that matter. We are using more technology in our Call Center with a chat bot for our website and in our home banking platform. This allows members to chat in questions regarding their account as opposed to calling all while still receiving a high level of service. We can also do a video chat. Our focus remains on bringing members safe, quick and convenient access to all their financial needs while still providing that “hometown” service.

Part of our focus going into 2023 will be providing a comprehensive business program for business members. We have always done business accounts and lending, but we are looking to greatly enhance the offerings in this area. The Portland drive-thru will be getting ITM's in the Spring. This will allow members longer access to do their banking and speak to a live teller! We are also focusing on ways to add additional or improve our remote services for our members who choose not to come into a branch. It's important for us to provide the same experience whether you are coming in to see us or using one of our remote products. One thing that hasn't changed is the level of service we strive to provide our membership.

I've worked alongside Michele Makley for many years and I can leave PFCU knowing the members and staff will be in excellent hands. Michele has many years of experience in the industry and is excited and prepared to serve as the new CEO of PFCU and lead the credit union into the future! I will greatly miss the members, staff and all the friends I have made in the industry, but I'm excited to start my next chapter as well. I wish the credit union and staff nothing but success!

*Harvey J. Hoskins*



## Join us in welcoming our very own, Michele Makley, as PFCU's new President/CEO

Over her career, Michele has acquired 29 years of financial management experience and executive leadership across all functional areas. Thinking of her new role, Makley shared what she looks most forward to, “All the change I see coming within our industry because with that change comes opportunity for continued growth.” She went on to say, “PFCU will continue to lead with mobile-first technology and a consistent experience whether in branch or on your mobile device. We recognize the need for members to have easy, dependable and convenient access to their accounts. We have a forward-thinking team here at PFCU, and I'm so proud to have the honor to be their next leader.”

# Chairman's Message

I would like to start by saying thank you to Harvey Hoskins for his loyalty, dedication, service, and compassion for many years of leadership at PFCU. Harvey has been a driving force to bring PFCU to the great financial institution that it is today.

I would also like to welcome Michele Makley as our new CEO here at PFCU. Michele has been a very hard working, dedicated EVP for the past ten years and we are excited to have her in her new leadership role.

CONGRATULATIONS TO HARVEY AND MICHELE !!

That being said, PFCU had a good year in 2022. Strong financials, membership growth, and an excellent, dedicated management team and staff are the driving force to make PFCU your financial institution.

Transparency has been a concern in many industries for quite some time. The Board of Directors and the Management team are 100 percent here for the staff and members to answer any questions or concerns. As Chairman of the Board, I am more than willing to answer any of your concerns. If needed, any of PFCU's Board Members, including myself, can be reached at [boardcommunication@pfcu4me.com](mailto:boardcommunication@pfcu4me.com)

I look forward to a good year for 2023, and would like to thank the Management team, Staff, the Board of Directors, all of the volunteers, and all of the Members for your continued dedication to PFCU.

Thank you,  
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. 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

2022 brought PFCU many changes and opportunities. We have settled into a new normal for our members and employees after COVID. PFCU ended 2022 with 5.59% of loan growth, which was down from the 7.37% growth of 2021. We realized growth in consumer lending, mortgages and indirect lending, which is done in partnership with our preferred dealers. Due to the PPP loan forgiveness the business lending area did not see growth in 2022. At the end of 2022 we had achieved net loan growth of over \$27 million dollars. This combined with continued low delinquency and charge-off, had a positive impact on PFCU financials. We have new technology that supports centralized consumer lending that offers online membership and online consumer loan applications. We continue to see an increase in online applications.

We are excited for continued growth in 2023. Though the last two years brought challenges we continue to be a strong credit union. We are focused on bringing new technologies and processes to our employees and membership. PFCU has a strong culture focused on building relationships with our members and employees.

1st Mortgages	\$ 176,731,450.79
Used Autos	\$ 179,561,448.45
Miscellaneous Loans	\$ 59,168,914.95
New Autos	\$ 45,351,378.87
Credit Cards	\$ 11,989,499.53
Home Equities	\$ 10,484,398.39
Business Loans	\$ 8,426,974.07
Line of Credit Loans	\$ 975,274.48
<b>Total Loans</b>	<b>\$ 492,689,339.53</b>

**\$14,499,060.42**  
Increase in Savings

**\$26,114,325.62**  
Increase in Loans

**54,442**  
Members

**391**  
Increase in Members

**\$9,807,913.01**  
Increase in Assets

# Financial Report

## Assets

Loans	\$493,014,954.11
Investments	\$260,134,712.70
Other Assets	\$29,569,224.25
Cash	\$3,777,501.28

## Income

Interest on Loans	\$22,040,834.23
Other Income	\$10,177,257.46
Investment Income	\$3,334,098.08

## Liabilities

Shares	\$613,207,330.61
Share Certificates	\$77,629,277.56
Undivided Earnings	\$73,965,296.87
IRA	\$25,659,866.01
Accumulated Reserves	\$5,247,520.57
Other Liabilities	\$2,746,864.33

-	\$260,064.47
Non Operating Gains (Losses)	
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	\$5,792,016.29
Undivided Surplus	
<hr/>	
	\$0.00
Distribution of Earnings - Reserves	
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	\$10.87
Interest on Borrowed Money	
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	\$2,117,871.51
Dividends	

Compensation & Benefits	\$14,567,055.39
Office Operations	\$5,973,968.77
Loan Service Expense	\$1,680,254.17
Computer Expense	\$1,776,169.02
Office Occupancy	\$1,427,135.10
Education & Promotion	\$838,425.36
Outside Services	\$400,348.80
Other Expenses	\$413,222.02
Prov. for Loan Loss	\$739,654.62
Association Dues	\$78,033.19
Member Insurance	\$8,000.00

This report is certified correct by Tammy Bengel, CFO

# McCrumb 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	PW 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 2023 program is still running, below are the 2022 winners.

Danielle Balcer	Shiawassee RESD	Corunna
Rebecca Donehoo	Roosevelt Head Start	Owosso
Kami Almy	Cavanaugh Elementary	Lansing
Khristie Cook	St. Patrick School	Portland
Lindsey Bos	Oakwood Elementary	Portland
Michael Puffpaff	Ovid-Elsie High School	Ovid-Elsie
Jenny Janetzke	Jefferson Elementary	Ionia
Melissa Morley	Forest Hills Eastern High	Ada
Jennifer Wysocki	Hamady High School	Flint
Amanda McDonald	Pattengill Biotechnical	Lansing
Pam Bemet	Bushnell Elementary	Lowell
Ben Wolford	Ionia High School	Ionia
Mandi Davis	Byron Area High School	Byron
Alison Vander Meer	Ionia High School	Ionia
Courtney Jones	Robert Kerr Elementary	Durand
Michelle Lapak	Myers Elementary	Grand Blanc
Kelly Rader	Morrish Elementary	Swartz Creek
Bethany Bauknecht	Ionia High School	Ionia
Zach Beachum	Pinewood Elementary	Jenison
Stephanie Batista	Ionia Middle School	Ionia
Greg Milbrath	Salem Lutheran School	Owosso

# HOW PFCU HELPED YOU IN

# 2022

