

# United Financial Credit Union **ANNUAL REPORT** 2025



## 61st Annual Meeting

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February 27, 2025

Meeting • 6:30pm

## REPORT FROM THE CHIEF EXECUTIVE OFFICER

As we embark on the journey into 2024, it's important to reflect on the achievements and milestones we've accomplished throughout the year. I am immensely proud of the progress United Financial Credit Union has made and the strategic steps we have taken to enhance our operations and better serve our members. While we have made significant strides, I believe there is always room for improvement, and we remain committed to doing even more in the coming year.

In 2024 our focus has been on deepening our community relationships and fostering new partnerships that align with our mission. By listening to and understanding the unique needs of our members and business partners, we've been able to develop innovative products and services that truly resonate with our community. Our members' needs drive our initiatives, and together, we are making a positive impact.

I am particularly excited to announce the introduction of our new digital products in 2024, including a cryptocurrency platform and an investment portal. These initiatives are designed to empower our members with more choices for managing their finances and investments. The cryptocurrency platform allows members to securely buy, sell, and hold digital currencies, providing a modern way to diversify their portfolios. Additionally, our investment portal offers a user-friendly interface with resources and tools to help members navigate their investment options and plan for their financial futures effectively. We look forward to rolling out the robo-advisor early in the second quarter.

Looking ahead to 2025, we are thrilled to introduce even more innovative products designed to enhance our members' banking experience. Our 'Send Money' service will facilitate convenient person-to-person transfers, making it simple for members to send funds to friends and family instantly. Furthermore, we will launch Prizeout and Cash Back Plus, a rewards program that offers gift cards and cashback incentives for purchases, allowing members to get more value from their everyday spending. Additionally, with the integration of FedNow, our members will benefit from real-time payment capabilities, ensuring that transactions are processed quickly and efficiently.

Our dedicated staff has been exceptionally busy this past year, working on enhancing our member services and implementing new technologies. I am pleased to report that our efforts to streamline operations and improve our digital presence have led to improved experience for all United Financial members. Our employees have approached these challenges with unwavering commitment and determination, ensuring that every detail was optimized with our members' best interests in mind. I extend my heartfelt gratitude to each member of our team for their hard work and dedication.

As we look ahead to 2025, I am optimistic about what we can accomplish together. I appreciate the trust you place in United Financial Credit Union to safeguard your financial future, and I assure you that your financial well-being is our top priority. I also want to take a moment to thank our Board of Directors, management team, and all of our staff who continue to work diligently for the benefit of our members.

Thank you for being a part of the United Financial family. Here's to an even more successful 2025!

Warm regards,

**Barbara Appold**

**CEO, United Financial Credit Union**

# REPORT FROM THE CHAIRMAN OF THE BOARD

United Financial Credit Union has been faithfully serving our members since 1964. Our dedicated team and board have remained committed to serving you, our members. We work diligently every day, proactively planning to ensure our members' home and businesses have the financial resources they need to thrive. Trustworthiness is essential to steering our responsibility to our valued members.

You can be certain that your money is safe at United Financial Credit Union. Federal insurance protects your money at United Financial Credit Union up to \$250,000 depending on type and ownership of accounts. United Financial Credit Union continues to be well capitalized and is able to meet all of our members' financial needs.

Our directors carry out their duties in good faith and do so in a manner reasonably believed to be in the best interests of the credit union's membership. Sound lending, controlled expenses, solid risk management and an unrelenting focus on member services assist us in maintaining this strong financial foundation. This has been a sound year for the credit union as far as accounting procedures are concerned. An Examination is being conducted by the Department of Insurance and Financial Services and our independent auditor is in the process of conducting the financial audit for the year 2024. There have been no major deficiencies noted as of now.

As we look forward to 2025, we realize the most important reason for our success is the relationship we have with our members. The board of directors of United Financial Credit Union will do its part to maintain the cooperative philosophy of "people helping people." We will continue our efforts to bring you competitive rates, innovative products, and superior service, while working hard to become your trusted financial institution. Our members can help make United Financial Credit Union the best it can be by bringing their business to the credit union. But most important, tell your friends and family about United Financial Credit Union

**Edward Ulmer**  
**Chairman of the Board**

# 2024 ANNUAL BUSINESS MEETING MINUTES

March 23, 2024

The meeting was called to order by Vice Chairperson Bob Callison at 5:38pm in the Grand Ballroom of the DoubleTree Hotel in Bay City, Michigan

- A. There were seven members present, so a quorum was established.
- B. There was a motion by Jilliam and supported by Luke to approve the minutes from the last annual meeting of the membership. The motion passed
- C. There was a motion by Luke and supported by Ron to approve the Chairperson's report (report of directors). The motion passed.
- D. There were motions to report the financial condition and annual comprehensive audit results.
  - 1. There was a motion by Ron and supported by Jillian to approve the CEO's Report. The motion passed.
  - 2. There was a motion by Jillian and supported by Luke to approve the Treasurer's Report. The motion passed.
  - 3. There was a motion by Ron and supported by Luke to approve the Credit Committee Report. The motion passed.
- E. There was no unfinished business to discuss.
- F. There was no new business other than elections to discuss.
- G. Election results were reported as follows: In the October newsletter the membership was informed of the two openings on the board of directors. The first opening was to replace Pat Hatch after 20 years of service. The second opening was for a board member whose term was about to expire. Prior to the deadline, November 10, 2023, two candidates were nominated, one for each position. Under bylaws article VI section 3 Luke Dankert was elected by the board to fill Pat's position until the expiration of her term. As specified in bylaws, article V section 9, since only one candidate was nominated for each position, the incumbents Ron Trevillian and Luke Dankert were each elected by unanimous ballot, each to three-year terms. No motion was necessary.
- H. There was a motion by Luke and supported by Ron to adjourn. The motion passed.

**George Courser**  
Secretary

**Bob Callison**  
Vice Chairman

# FINANCIAL REPORT

| INCOME                  | 2023                   | 2024                   |
|-------------------------|------------------------|------------------------|
| Interest on Loans       | \$9,174,633.79         | \$10,452,498.57        |
| Income from Investments | \$2,334,042.78         | \$2,702,360.75         |
| Other Operating Income  | \$3,505,098.03         | \$3,681,143.32         |
| <b>TOTAL INCOME</b>     | <b>\$15,013,774.60</b> | <b>\$16,836,002.64</b> |

| EXPENSE                                       | 2023                  | 2023                   |
|---|-----------------------|------------------------|
| Employee Compensation & Benefits              | \$4,590,089.27        | \$4,798,527.53         |
| Travel & Conference Expense                   | \$103,219.85          | \$110,110.10           |
| Office Occupancy Expense                      | \$942,027.03          | \$919,829.25           |
| Office Operation Expense                      | \$2,012,520.39        | \$2,128,142.36         |
| Education & Promotional Expense               | \$582,007.84          | \$626,314.06           |
| Loan Service Expense                          | \$284,169.42          | \$308,569.84           |
| Professional & Outside Services               | \$402,053.25          | \$423,803.03           |
| Provision for Loan/OOPS Losses                | \$809,087.71          | \$1,332,256.85         |
| Exam & Supervisory Expense                    | \$46,242.69           | \$47,981.94            |
| Interest on Borrowed Money                    | \$24,210.22           | \$110.15               |
| Miscellaneous Expense                         | \$136,792.91          | \$147,606.94           |
| Non-Operating Gain/Loss (Asset or Investment) | (\$19,234.67)         | (\$3,695.64)           |
| <b>TOTAL EXPENSE</b>                          | <b>\$9,963,248.51</b> | <b>\$10,843,252.05</b> |
| <b>INCOME LESS EXPENSE</b>                    | <b>\$5,050,526.09</b> | <b>\$5,996,443.23</b>  |

| DISTRIBUTION OF INCOME        | 2023           | 2024           |
|-------------------------------|----------------|----------------|
| Undivided Earnings & Reserves | \$1,582,241.70 | \$1,439,544.23 |
| Dividends to Members          | \$3,468,284.39 | \$4,556,899.00 |
| <b>Net Worth</b>              | <b>10.53%</b>  | <b>10.96%</b>  |

| LIABILITIES AND EQUITY              | 2023                    | 2024                    |
|-------------------------------------|-------------------------|-------------------------|
| Member Shares                       | \$197,767,789.86        | \$196,331,985.13        |
| Individual Retirement Accounts      | \$18,906,424.45         | \$18,320,547.64         |
| Certificates of Deposits            | \$78,069,352.44         | \$73,829,673.50         |
| Christmas & Vacation Accounts       | \$156,487.13            | \$160,867.78            |
| Other Liabilities                   | \$827,964.03            | \$1,122,638.98          |
| Required Reserve                    | \$0.00                  | \$0.00                  |
| Undivided Earnings                  | \$29,817,227.61         | \$30,502,060.07         |
| Equity Acquired in Merger           | \$3,787,615.69          | \$3,787,615.69          |
| Unrealized Gain/Loss AFS Securities | (\$8,532,719.70)        | (\$7,415,498.31)        |
| <b>TOTAL LIABILITES AND EQUITY</b>  | <b>\$320,918,283.08</b> | <b>\$316,863,288.82</b> |

2023 Financials - Audited

2024 Financials - Unaudited

# CREDIT COMMITTEE REPORT

The Credit Union financial operations outlook for 2025 is expected to be positive. 2024 ended up being a tough lending year for us with inflation being up, consumer's apprehension of the Presidential election outcome, and the Federal Reserve maintaining higher rates until the later part of the year. In 2025, auto sales are forecasted to be the highest since 2021 with dealer inventory levels getting back to normal, and the recent lowering of interest rates. Home purchases and refinances are forecasted to remain similar to 2024 with home prices continuing to rise, lower inventory in our market, and mortgage rates remaining stagnate. Second mortgage/home equity loans are expected to remain higher in our current rate environment. Based on this information, and how the year has started, we anticipate having positive loan growth and earnings this year.

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 2,610 loans were funded in 2024, however we had a decrease to loan portfolio of roughly \$9.2 million dollars. This was another year of positive loan growth for the Credit Union. At year-end, 67.80% 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  | \$19,497,289.97         |
| 4,472        | Used Auto, Boat, RV Loans | \$58,504,897.83         |
| 1,288        | Real Estate Loans         | \$98,688,675.92         |
| 2,977        | Personal Loans            | \$7,933,793.21          |
| 150          | Other Loans               | \$1,265,129.48          |
|              |                           |                         |
| <b>9,917</b> | <b>Total</b>              | <b>\$185,889,786.41</b> |

Respectfully submitted,

Joshua Sawyer  
Credit Committee Chairperson

# STATISTIC REPORT

| Statistics                         | 2023           | 2024             |
|------------------------------------|----------------|------------------|
| Number of Accounts at Year End     | 22,767         | 21,344           |
| Increase in Accounts               | (1,082)        | (1,423)          |
| Number of Loans During Year        | 2,890          | 2,608            |
| Increase in Assets                 | \$503,910.13   | (\$3,405,539.26) |
| Increase in Loans                  | \$6,987,744.53 | (\$3,217,391.08) |
| Number of Loans Since Organization | 269,511        | 272,119          |
| Draft Accounts                     | 12,337         | 12,588           |
| Certificates of Deposit            | 5,778          | 5,446            |

## United Financial Credin 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.