

A dark blue silhouette of a person's profile, facing right, occupies the right side of the page. The person appears to be wearing a hat or has their hair styled in a way that creates a distinct shape. The background is a solid, lighter blue color.

# 2025 Annual Meeting

# **WEST MICHIGAN CREDIT UNION**

**69th ANNUAL MEMBERSHIP MEETING**

**MARCH 18, 2025**

**VIRTUAL - GRAND RAPIDS**

**5:30 P.M.**

**I. Call to Order - Chairman**

**II. Roll Call - Chairman**

**III. Establishment of Quorum - Secretary**

**IV. Minutes of Annual Meeting held on  
March 19, 2024 - Secretary**

**V. Reports**

- 1. Directors**
- 2. CEO Comments - William Keim, President/CEO**
- 3. Financials - Thomas Kuzdzal, CFO**
- 4. Lending - Jared Naber, VP of Lending**
- 5. Member Questions - Jeanene Smith, COO**

**VI. Old Business - Chariman**

**VII. New Business - Chairman**

**VIII. Elections - Nominating Committee**

**IX. Adjournment - Chairman**

**WEST MICHIGAN CREDIT UNION**  
**68th ANNUAL MEETING**  
**March 19, 2024**  
**Grand Rapids, Michigan (virtual)**  
**1319 Front St., Grand Rapids, MI (In-person)**

The meeting was called to order at 5:30 PM

**Welcome - Roll Call**

A Call to Order was made by Chairman B. Nevins. He welcomed all in attendance to our 68th Annual Membership Meeting. B. Nevins began with the introduction of the Board of Directors. Via remote caption were: M. Baker, Board Secretary; B. Nevins, Board Chairman; D. Titus, Board Treasurer; M. Ropele, Board Vice-Chairman; S. Harry, C. Kwant, S. Kenyon, and Board Advisor, D. Vander Woude.

**Board Member Excused**

S. Collins, J. Couture, and Board Emeritus, D. Husted.

**Establishment of Quorum**

The Chairman asked the Secretary, M. Baker, if a quorum was present. M. Baker reported twenty (20) members are present qualifying as a quorum.

**Minutes of Annual Meeting Held March 21, 2023**

Prior to the reading of the minutes, W. Keim made a Motion to suspend the reading of the minutes as copies of the minutes were forwarded via email to the registered participants prior to today's meeting. Seconded by D. Titus. (POLL) Carried 100%.

**Reports**

(1) **Directors Report:** The Director's comments were presented by B. Nevins, Board Chairman:

B. Nevins indicated that he was pleased to report that West Michigan Credit Union had another outstanding year! Some of our achievements include:

- Assisting our members refinance their loans with us which resulted in member savings over \$1M.
- Donating both staff time and money to local charities, some of those include:
  - Sponsoring the Helen DeVos Childrens Hospital Radiothon.
  - Contributing to Big Rapids, Reed City, Cadillac, and Manistee public schools.
  - As well as making contributions to various local food banks, charities, and animal shelters.

On behalf of the Board of Directors of West Michigan Credit Union (WMCU), he thanked all team members for exemplifying the credit union philosophy of "People helping People". We believe in doing the right things for the right reasons and living out our mission every day to help make our "Members' Financial Lives Be Simply Better".

He provided an overview of the Board's responsibility and acknowledged that we have three (3) Board incumbents who are running for re-election.

(2) **President/CEO Report:** The President/CEO Report comments were presented by W. Keim:

W. Keim acknowledged the members of the Board and extended his appreciation to their continued dedication. He identified the members of Management: T. Kuzdzal, CFO; J. Smith, COO; R. Wawrzyniak, Project Manager; B. Vachon, VP of Human Resources; J. Naber, VP of Lending; C. Patterson, Chief Risk/Compliance Officer; and Jenn Brigstock, VP of Operations.

W. Keim highlighted last year's concern addressing the collapse of Silicon Valley Bank and Signature Bank. He indicated that Silicon Valley Bank and Signature Bank had profiles that were unique, and not just for the vast number of uninsured deposits, but also the focus on unique assets and their liabilities. He emphasized that both banks were heavily involved in crypto-currency and tech start-ups. He noted Silicon Valley Bank and Signature Bank's failure were related to bank mismanagement, regulator neglect and not a system fracture. He noted Silicon Valley Bank and Signature Bank's failure were related to bank mismanagement, regulator neglect and not a system fracture.

W. Keim wanted to assure its members, West Michigan Credit Union has a very conservative risk appetite. We are not involved in cryptocurrency, nor startup tech businesses. West Michigan Credit Union is a not-for-profit financial cooperative and our first priority is members' financial success and security. He informed that deposits are protected by the National Credit Union Share Insurance Fund and insured up to at least \$250,000 per individual depositor.

What is happening currently with both banks and credit unions? He indicated that members are financially stressed. Stimulus money has been depleted, inflation has increased the price of gas, groceries, and day-to-day necessities. We are seeing deposit runoffs and contraction on the lending side. This tells me that we are seeing members in "belt-tightening" mode. As a result, financial institutions are experiencing an increase in 90+ day delinquency rates. Credit card delinquencies are 370 and climbing, and auto loans are over 4%. On the commercial real estate side, it is estimated that over two trillion dollars of commercial loans will need to be refinanced within the next two years. With companies not requiring many workers to be on-site, vacancies have risen. and many commercial properties have declined in value. Many credit unions are having liquidity issues. They did not manage deposit run-offs and are acquiring loans as a supplement. Lastly, member credit quality is in decline. We are seeing member loan applications with deteriorating credit scores. This is what many other credit unions are experiencing. How does your credit union measure up against what is happening in the industry? WMCU is not experiencing the delinquency surge as I described. As of February 29, 2024, our Delinquent Loans/Total Loans ratio stood at 0.33% while our peer group was at 0.63%. Our Net Worth/Total Assets ratio stood at 18.52% with our peer at 11.43%. W. Keim noted that commercial loans comprise just 0.20% of our total loan portfolio.

He explained that West Michigan Credit Union is well capitalized, and we have a strong liquidity position. We have in place an investment ladder to meet loan demand and member withdrawals, making sure that we do not run into a liquidity problem. We have Doeren Mayhew CPA conduct an annual financial audit. We are examined by the state every 12-18 months, and we have McQueen Financial Advisors perform Liquidity Stress Testing every second and fourth quarter.

W. Keim explained that our mortgage volume has suffered because of high interest rates and the lack of existing home inventory. He indicated that mortgage rates have pressed against 20-year highs, along with near-record starter home prices, first-time homeowner affordability has plunged to a record low.

Currently, housing affordability is 30% below the average affordability rate of the past 40 years. Today, the average monthly payment for those who do qualify to buy a home has spiraled higher. Since December 2019, the monthly payment has more than doubled from \$949 per month to a whopping \$2,149 per month. Over the past 12 months alone, the monthly payment has risen by nearly 20%. The inventory for existing homes for sale has plunged to just a million units, this is the lowest level in the past quarter-century. This is happening because the vast majority of homeowners have "locked" in mortgage rates at lows in the years 2020 and 2022. No homeowner wants to trade their current 30% mortgage for a 7% mortgage on another home.

W. Keim indicated that credit union consolidation trends are increasing. As of October 2023, the Credit Union National Association (CUNA) estimates 4,814 credit unions were in operation, down from 209 from October 2022. He noted that the annual credit union contraction rate is 3.5% per year. W. Keim expects a surge in credit union mergers in the 2024 and 2025 period. He indicated that some mergers will be due to financial concerns and others will consolidate to leverage talent, products/services, and economies of scale.

W. Keim indicated that we have some new products and services in process that we hope to bring shortly. Last year, he spoke about online membership. He indicated that this feature was put on hold so that software could be implemented to lessen the threat of identity vulnerabilities. He explained how the application of biometrics will play a key role. Further, he discussed that our credit union is in the process of changing plastic card processors. A launch date of June 17, 2024, is scheduled for the conversion from FIS to CO-OP Solutions. Soon after we convert to CO-OP Solutions, we will have the ability to incorporate digital wallet enhancements with contactless features through Apple Pay, Google Pay, and Samsung Pay. He indicated that this processor allows the application of Zelle for person-to-person (P2P) transactions. We understand that some of our members may be struggling under a debt load and are being exacerbated by high interest rates. In April, we will be launching a Home Equity and Mortgage Closing Special.

W. Keim thanked employees for their ongoing commitment to our members and our values. I would like to thank our Board of Directors for their leadership. And lastly, he thanked the members for making 2023 a successful year.

**(3) Treasurer's Report:** The Treasurer's comments were presented by T. Kuzdzal, CFO:

He indicated that Doeren Mayhew remitted the final comprehensive annual audit (CAA) financial statements, with footnotes, to the Board of Directors. Doeren Mayhew expressed an unmodified opinion for the audit. He reviewed specific December 31, 2023, ratios as follows:

- Net Interest Margin to Average Assets for 2023 was 3.53%.
- The net worth ratio for 2023 was 18.18%. Minimal capitalization net worth ratio of 7% is required by NCUA/DIFS to be classified as "well capitalized".
- Return on assets ratio for 2023 was 1.19%.
- Total loan to share ratio for 2023 was 65.48%.
- Non-Interest Expenses to Average Assets for 2023 was 3.19%.
- Delinquent Loans to Total Loans for 2023 was 0.45%.

He also reviewed the Consolidated Statements of Financial Condition and Consolidated Statements of Income for years ended December 31, 2023, and December 31, 2022, prepared by Doeren Mayhew CPAs, along with the National Credit Union Association Financial Performance Report.

(4) **Lending Report:** The Lending Report comments were presented by J. Naber, VP of Lending:

J. Naber, reviewed the lending statistics of our Loan growth and Loan Portfolio mix. He indicated 2023 was a moderate year for lending, which has been impacted by higher interest rates. He indicated, however, our Home Equity funding increased from 2022 to 2023. We funded \$3.8M in closed end home equities. Our mortgage department did not see results like our record year in 2020, however, we did fund 14 in-house mortgage loans totaling 2.47M in 2023. Further, he reviewed a bar graph illustrating our loan portfolio mix as a percentage of Total Loans in 2023. He noted that our loan concentration is remarkably similar year-over-year.

(5) **Year in Review:** The Year in Review comments were presented by J. Smith, COO:

J. Smith presented a slide highlighting various accomplishments.

- 71 dedicated team members.
- 2,697 instant issue cards printed.
- 83 dream homes made.
- 213 new adventures.
- 488 members on the road.
- 268,591 branch transactions.
- Members saved \$1,397,767.87.
- 19,091 loyal members.

She reviewed some fun facts related to our Mobile App indicating 5,199 members use the app. Members deposited 23,001 checks remotely totaling \$14,115,325.63. She explained that in 2022 we launched a financial literacy app called 'Zogo'. Since the launch, we have had 1,494 users complete 29,900 lessons and receive \$1,295 in rewards.

### **Old Business**

W. Keim, President/CEO, asked if there was any old business. There was none.

### **New Business**

W. Keim, President/CEO, asked if there was any old business. There was none.

### **Election - Nominating Committee**

President/CEO, W. Keim stated there are three (3) incumbent Board Members running for re-election: B. Nevins, M. Ropele, and C. Kwant. He indicated each term is for three (3) years. W. Keim stated that each incumbent is running unopposed. M. Baker made a Motion that the membership vote to re-elect all three (3) incumbents to a three-year term. Seconded by S. Kenyon. (POLL) Carried 100%.


Comments/Questions

W. Keim, President/CEO, asked if there were any comments/questions. There was none.

Adjournment

The meeting was adjourned at 6:23 PM

  
Brent Nevins, Board Chairperson

  
Marlin Baker, Board Secretary



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## INDEPENDENT AUDITOR'S REPORT

To the Board of Directors and Management  
**West Michigan Credit Union and Subsidiary**

### Report on the Audits of the Consolidated Financial Statements

#### Opinion

We have audited the consolidated financial statements of West Michigan Credit Union and Subsidiary, which comprise the consolidated statements of financial condition as of December 31, 2024 and 2023, and the related consolidated statements of income, comprehensive income, members' equity and cash flows for the years then ended, and the related notes to the consolidated financial statements.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the financial position of West Michigan Credit Union and Subsidiary as of December 31, 2024 and 2023, and the results of their operations and their cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

#### Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audits of the Consolidated Financial Statements section of our report. We are required to be independent of West Michigan Credit Union and Subsidiary and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

#### Responsibilities of Management for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

"Doeren Mayhew" is the brand name under which Doeren Mayhew Assurance and Doeren Mayhew Advisors, LLC and its subsidiary entities provide professional services. Doeren Mayhew Assurance and Doeren Mayhew Advisors, LLC (and its subsidiary entities) practice as an alternative practice structure in accordance with the AICPA Code of Professional Conduct and applicable law, regulations and professional standards. Doeren Mayhew Assurance is a licensed independent CPA firm that provides attest services to its clients, and Doeren Mayhew Advisors, LLC and its subsidiary entities provide tax and business consulting services to their clients. Doeren Mayhew Advisors, LLC and its subsidiary entities are not licensed CPA firms.



In preparing the consolidated financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about West Michigan Credit Union and Subsidiary's ability to continue as a going concern for one year after the date that the consolidated financial statements are issued.

### Auditor's Responsibilities for the Audits of the Consolidated Financial Statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the consolidated financial statements.

In performing audits in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audits.
- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements.
- Obtain an understanding of internal control relevant to the audits in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of West Michigan Credit Union and Subsidiary's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the consolidated financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about West Michigan Credit Union and Subsidiary's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audits, significant audit findings, and certain internal control-related matters that we identified during the audits.



Miami, Florida  
February 25, 2025

**WEST MICHIGAN CREDIT UNION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF FINANCIAL CONDITION  
DECEMBER 31, 2024 AND 2023**

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Cash and cash equivalents	\$ 19,540,368	\$ 21,118,559
Interest bearing deposits	52,212,000	44,701,000
Investment securities (note 2)		
Available-for-sale	4,566,248	5,348,865
Held-to-maturity	46,468,853	30,925,351
Loans to members, net of allowance		
for credit losses of \$1,135,910 and \$1,257,389 as of December 31, 2024 and 2023, respectively (note 3)	112,164,121	133,514,850
Accrued interest receivable	987,547	790,894
Property and equipment (note 4)	3,995,741	4,101,076
Core deposit intangible	895,405	1,018,910
Prepaid and other assets	9,508,028	10,247,118
National Credit Union Share Insurance Fund (NCUSIF) deposit	2,001,185	2,148,445
Total assets	\$ 252,339,496	\$ 253,915,068
<b><u>Liabilities and Members' Equity</u></b>		
Liabilities		
Members' shares and savings accounts (note 5)	\$ 199,533,336	\$ 205,771,536
Accounts payable and other accrued liabilities	2,003,954	1,973,814
Total liabilities	201,537,290	207,745,350
Commitments and contingent liabilities		
Members' equity		
Equity acquired in business combination	6,400,674	6,400,674
Undivided earnings	44,709,009	40,173,787
Accumulated other comprehensive loss	(307,477)	(404,743)
Total members' equity	50,802,206	46,169,718
Total liabilities and members' equity	\$ 252,339,496	\$ 253,915,068

See accompanying notes to consolidated financial statements

**WEST MICHIGAN CREDIT UNION  
AND SUBSIDIARY**

**CONSOLIDATED STATEMENTS OF INCOME  
YEARS ENDED DECEMBER 31, 2024 AND 2023**

	<b>2024</b>	<b>2023</b>
Interest income		
Loans to members	\$ 6,473,659	\$ 6,618,017
Investment securities	4,522,029	3,380,817
Total interest income	10,995,688	9,998,834
Interest expense		
Interest and dividends on members' shares and savings accounts	942,337	880,241
Net interest income	10,053,351	9,118,593
Provision for credit losses (note 3)	399,546	928,172
Net interest income after provision for loan losses	9,653,805	8,190,421
Non-interest income		
Fees and other income	3,382,123	3,255,452
Total non-interest income	3,382,123	3,255,452
Non-interest expenses		
Compensation and benefits	4,606,020	4,233,995
Office operating and occupancy costs	2,818,155	2,805,380
Professional and outside services	1,076,531	1,275,596
Total non-interest expenses	8,500,706	8,314,971
Net income	\$ 4,535,222	\$ 3,130,902

See accompanying notes to consolidated financial statements

## 18,366 LOYAL MEMBERS

We are honored to serve our over 18,000 members and surrounding communities. We couldn't do what we do without your support!

## 68 DEDICATED TEAM MEMBERS

Our team of 68 is committed to working together as the most *trusted* resource to help our members' financial lives be **Simply Better.**

## MEMBERS SAVED \$625,027.09

We're passionate about getting our members the best deal possible. We saved our members over \$600,000 while refinancing their loans with WMCU!

## 2,693 INSTANT ISSUES PRINTED

When you needed a new card, our team jumped into action. We printed 2,693 replacement cards via our Instant Issue program in Grand Rapids and Big Rapids.

# 2024 A YEAR IN REVIEW

## 265,739 BRANCH TRANSACTIONS

Branch traffic did not slow down this past year! Our tellers completed 260,000+ member transactions at our 6 branches across West Michigan.

## 8 DREAM HOMES MADE

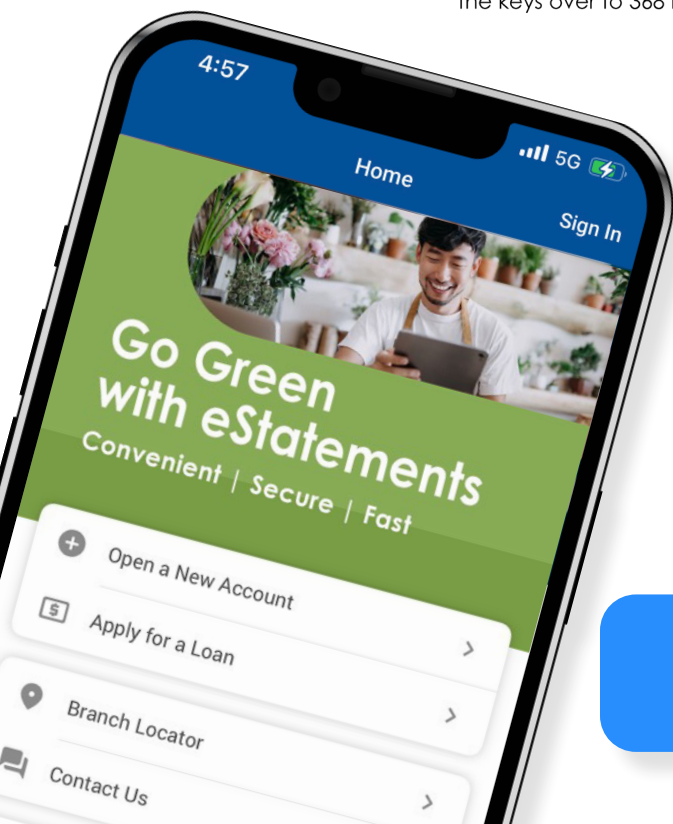
Our Member Service Representatives and Mortgage Department helped in facilitating the start of 8 dream homes for our members and their families.

## 368 MEMBERS ON THE ROAD

Our Member Service Representatives worked to get our members behind the wheel and into the fast lane. We proudly handed the keys over to 368 members.

## 82 NEW ADVENTURES

Over the course of 2024, we opened 82 new Recreational Vehicle loans for our members - allowing them to get out and start their own adventures!



# 4,987

Members use the Mobile App

# 19,993

Checks Deposited Remotely

# \$15,278,821.03

Total Amount Deposited using RDC

# WHAT'S COMING WITH THE MERGER



**Zelle:** Integration in Online Banking



**MessagePay:** Enhancements to Phone & Web Payments



**More Locations:** 5 Additional Branches & ATMs



**Early ACH**

## 2024 HIGHLIGHTS

- Announce Merger with Bloom Credit Union
- Jack & Kay Appel Simply Better Scholarship
- Sponsor of Grand Rapids & Big Rapids Pride
- Digital Wallets



**942,337**  
Deposit Account  
Interest Dividends  
Earned in 2024

**49**

Team Members Donated

**36**

Different Organizations Chosen

**\$7,268**

Donated to Organizations



# **WEST MICHIGAN CREDIT UNION**

**69th ANNUAL MEMBERSHIP MEETING  
MARCH 18, 2025**

## **BOARD OF DIRECTORS**

**Brent Nevins - Chairman  
Michael Ropele - Vice Chairman  
Marlin Baker - Secretary  
Dan Titus - Treasurer**

**Clare Kwant - Director  
Joe Couture - Director  
Scott Collins - Director  
Shirlee Harry - Director  
Steve Kenyon - Director**

**Dan VanderWoude - Board Advisor**

## **MANAGEMENT**

**William Keim - President/CEO  
Thomas Kuzdzal - CFO  
Jeanene Smith - COO  
Cassie Patterson - Chief Risk and Compliance Officer  
Jared Naber - VP of Lending  
Jennifer Brigstock - VP of Operations  
Renee Wawrzyniak - Project Manager  
Briana Vachon - VP of Human Resources**

## Branch Locations

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### Website

[westmichigancu.com](http://westmichigancu.com)

### Phone

1.800.442.4576

### Grand Rapids | Front Ave.

1319 Front Ave. NW  
Grand Rapids, MI 49504

### Reed City

4795 220th Ave.  
Reed City, MI 49677

### Grand Rapids | 36th St.

201 36th Street SE  
Grands Rapids, MI 49548

### Cadillac

215 Bell Ave.  
Cadillac, MI 49601

### Big Rapids

825 Division St.  
Big Rapids, MI 49307

### Manistee

316 Care Center Dr.  
Manistee, MI 49660

