



**Soo Co-op Credit Union
Annual Report**

2022

BOARD OF DIRECTORS

Ed Cook- Chairman
Tom Thoresen - Vice Chairman
Laura Weston - Secretary
Jim Rose - Treasurer
Steven Rogers
Lori Langendorf
JoAnne Lussier

CREDIT COMMITTEE

Krystal LaCrosse - Chairperson
Joan Bennett
Kathy Savard
Jeanne McCulligh
Dylenn McLean
Melissa McClendon - Alternate
Angie Merchand - Alternate
Emily Cassel- Alternate

Our Staff

Lynda Ellis - President/CEO
Melissa McClendon - Vice President/COO
Joy Hill - Chief Financial Officer
Sara Amo - HR Manager
Dawn Taylor - Compliance Officer/BSA Officer
Samantha Brown – Education & Development Admin/BSA
Krystal LaCrosse - Loan Dept/Member Solutions Manager
Chelsea Orr - Loan Officer
Melissa Bricco -Loan Officer
Paul Alford - Loan Processor
Ann Pemberton - Loan Department Receptionist
Hailey Pierce - Member Solutions Representative
Kellie Anderson - Member Solutions Representative
Brandi Ogston - Member Solutions Representative
Joseph Cox - IT Department Manager
Kyle Goetz - IT Assistant
Kelli Swan - Accounting Department Manager
Michelle Anderson - Accounts Payable/ACH Administrator
Rebecca Renard - Debit Card Coordinator/Plastic Card Fraud Analyst
Debbie Cole - Visa/Online Banking Administrator
Janel Plitz - Share Draft Administrator
Maddisen Hoornstra – Accounting Clerk
Mary Lynch - Marketing Manager/Director of Member Education
Chelsea Meehan - Marketing Assistant/Youth Representative
Missy Beacom - MSR Manager/Main Office & Kewadin Branch
Dallis Postma – Main Assistant MSR Manager
Taylor Sawasky - Main Office Receptionist
Katie Shubert - Member Service Specialist /Membership Officer
Christy Crook – Member Service Specialist
Sharon Ayers - MSR ~ Caroline Hall - MSR
Isabella Hickman - MSR ~ Hanna Johnston - MSR
Heather Kaunisto - MSR ~ Makayla McPherson - MSR
Sydney Mullins – MSR ~ Patricia Neumann - MSR
Trevor Rambo - MSR
Steven Rogers - Internal Auditor
Dennis Rutledge - Quality Control Officer – Loans
Barbara Levan – Cleaning
Paul Killips - Maintenance

MORTGAGE DEPARTMENT

Terri Piche - Mortgage Department Manager
Dylynn McLean - Mortgage Loan Officer ~ Kelsey Hagerty - Mortgage Loan Officer
Heather LaFave - Mortgage Loan Officer ~ Jordan Belleville – Mortgage Loan Officer
Pam Hanchera – Quality Control Officer
Rachel Menerey - Mortgage Servicer
Mikayla Carstens - Mortgage Escrow Clerk

BINGHAM BRANCH

Linda Leese - Branch Manager/Loan Officer
Katie Whitworth - Assistant Branch Manager
Emily Cassel - Loan Officer
Alicia Klein - Membership Service Specialist/IRA
Cindy Fox - Call Center Representative
Stephanie Anderson - Call Center Representative
Trevor Bailey - MSR ~ Aubrie Cottle - MSR
Paige Bosley - MSR ~ Liberty Wagner – MSR
Jessica Lane - MSR ~ Hayes Lynch - MSR
Alyssa Ayers - MSR ~ Theodore Pancheri – MSR
Mecciah Schmidt – MSR, Co-op Student

SCCU INSURANCE AGENCY

Heidi Kinnear - CUSO Manager/SCCU Insurance Agent
Jessica Clegg - SCCU Insurance Agent/IRA
Angie Merchand - SCCU Insurance Agent

BRIMLEY BRANCH/ BAY MILLS BRANCH

Monique Matthews - Branch Manager/Loan Officer
Shemida LeBlanc – BMCC Lead MSR
Dawn Recla – Lead MSR ~ Patricia Goloversic – MSR
Mikalyn Laaksonen - MSR ~ Carol Brown - MSR
Kelly Menzies – Brimley/Bay Mills Branch Cleaning

KINROSS BRANCH

Jennifer Cryderman - Branch Manager/Loan Officer
Jade Bawks – Lead MSR
Jill Kachur – MSR ~ Tyler Beebe – MSR
Marissa Jago – MSR
Janet Marra - Kinross Branch Cleaning

CEDARVILLE BRANCH

Wendy Pratt - Branch Manager/Loan Officer
Katrina Bigelow – Lead MSR
Bette Nye - MSR

Statement of Condition

Assets	2021	2020
Loans to Members		
Delinquent 2-6 months	\$409,209.00	\$159,967.00
Delinquent 6-12 months	\$15,447.00	\$46,839.00
Delinquent 12 months & over	\$134,203.00	\$142,436.00
Total Delinquent Loans	\$558,859.00	\$349,242.00
Current Loans less than 2 months	\$140,466,805.00	\$123,917,950.00
Allow for loan loss	-\$559,841.00	-\$565,451.00
Total Net Loans	\$140,465,823.00	\$123,701,741.00
Cash on Hand	\$33,923,128.00	\$46,503,531.00
Investments	\$72,314,572.00	\$48,408,465.00
Other Assets	\$3,552,705.00	\$3,400,981.00
Fixed Assets	\$5,028,210.00	\$5,277,474.00
NCUA Share Ins Fund	\$2,129,537.00	\$1,803,871.00
Total Assets	\$257,413,975.00	\$229,096,063.00
Liabilities		
Shares	\$200,102,819.00	\$170,659,674.00
Certificates	\$18,306,102.00	\$18,667,234.00
IRA's	\$9,329,108.00	\$9,673,108.00
Total Deposits	\$227,738,029.00	\$199,000,016.00
Payables	\$682,453.00	\$1,692,166.00
Total Equity	\$28,993,493.00	\$28,403,881.00
Total Liabilities & Equity	\$257,413,975.00	\$229,096,063.00

Statement of Operations

Income	2021	2020
Interest from Loans	\$6,222,514.00	\$6,425,516.00
Income from Investments	\$958,685.00	\$965,686.00
Other Income	\$3,611,296.00	\$3,136,157.00
SCCU Services	\$166,205.00	\$131,529.00
Total Income	\$10,958,700.00	\$10,658,888.00
Expense		
Salaries and Benefits	\$4,208,783.00	\$3,931,550.00
Travel and Conference	\$65,894.00	\$67,188.00
Office Occupancy	\$399,925.00	\$394,891.00
Office Operations	\$2,127,402.00	\$2,061,960.00
Advertising and Education	\$180,139.00	\$164,702.00
Loan Servicing	\$1,008,993.00	\$864,077.00
Professional & Outside Services	\$82,284.00	\$93,536.00
Member Insurance	\$0.00	\$0.00
Operating Fees SOM	\$43,412.00	\$39,570.00
Interest on Certificates	\$403,067.00	\$452,861.00
Provision for Loan Loss	-\$8,914.00	\$11,167.00
Other Expenses	\$57,732.00	\$79,617.00
SCCU Services	\$157,162.00	\$133,272.00
NCUSIF Premium Expense	\$0.00	\$0.00
Total Expenses	\$8,725,879.00	\$8,294,391.00
Net Earnings Before Dividends	\$2,232,821.00	\$2,364,497.00
Distribution of Earnings		
Dividends	\$117,089.00	\$166,918.00
Undivided Surplus	\$2,115,732.00	\$2,197,579.00
	\$2,232,821.00	\$2,364,497.00



Statistical Information

	2021	2020
Number of Members	23,297	22,783
Amount loaned during year	\$57,859,696	\$47,327,534
Amount loaned since organization	\$1,114,508,861	\$1,056,649,165

Progress Since Organization

Year	Members	Assets	Loans	Shares
1959	414	\$110,116	\$84,952	\$104,623
1962	696	\$249,770	\$244,736	\$211,803
1965	2034	\$903,140	\$579,405	\$841,803
1968	3241	\$1,573,333	\$1,088,612	\$1,446,571
1971	4260	\$2,196,574	\$1,805,122	\$2,012,342
1974	5202	\$2,986,038	\$2,494,686	\$2,680,548
1977	5034	\$3,639,773	\$3,584,196	\$3,058,520
1980	5511	\$5,526,186	\$4,360,715	\$4,400,299
1983	6201	\$9,517,645	\$7,239,849	\$6,720,068
1986	8887	\$15,926,542	\$11,321,510	\$12,504,998
1989	11,042	\$23,984,845	\$19,780,527	\$14,700,510
1992	12,417	\$39,820,199	\$29,708,184	\$24,460,055
1995	15,871	\$50,591,878	\$42,046,496	\$29,522,305
1998	18,222	\$64,528,280	\$56,070,667	\$33,657,790
2001	19,318	\$76,631,995	\$64,238,608	\$46,480,875
2004	20,361	\$83,408,414	\$68,720,431	\$63,577,891
2007	20,977	\$92,969,613	\$74,992,415	\$54,929,452
2010	22,967	\$121,211,170	\$97,057,240	\$70,340,969
2013	24,580	\$147,475,178	\$102,491,051	\$89,839,851
2016	22,365	\$164,551,068	\$108,941,816	\$113,015,863
2019	22,393	\$183,955,146	\$123,812,216	\$128,881,335
2020	22,783	\$229,096,063	\$124,267,192	\$170,659,674
2021	23,297	\$257,413,975	\$141,025,665	\$200,102,819

SOO CO-OP CREDIT
UNION
63rd ANNUAL MEETING

Announcements: Lynda – Welcome! This will not be a fully interactive meeting today. If you have any questions, please email us at annualmeeting@soocoop.com and we will respond to you within 24 hours. At this time, I would like to call Ed Cook our Board Chairman to start our 63rd Annual Meeting.

The meeting was called to order by Ed Cook at 5:01 p.m. on Monday, February 22nd, 2021.

A quorum was established by Ed Cook. Board members present were: Ed Cook, Tom Thoresen, Laura Weston, Jim Rose, Steven Rogers, Lori Langendorf, and JoAnne Lussier. We have 37 members in attendance tonight.

The secretary's report of minutes for the 62nd annual meeting was accepted on a motion by Tom Thoresen, second by Jim Rose. Motion carried.

Chairman, Ed Cook - Reports: Your Chairman's Report, Treasurer's Report, Secretary's Report, Credit Committee Report, and Report of Audits are included in your program.

A motion was made by Jim Rose, second by JoAnne Lussier to accept all committee reports. Motion carried.

Secretary's Report – Process of Electing the Board of Directors. Each year a nominating committee made up of three (3) board members is appointed to nominate candidates for open board positions, no later than 60 days before the annual meeting. Other nominations can be made in writing with the signature of at least fifty (50) members. The proper forms are available at the main office of the credit union. The completed nomination forms must be given to the President of the credit union, at least forty-five (45) days before the annual meeting.

This year there is only one candidate for each of the two (2) openings on our Board of Directors, Lori Langendorf and Jim Rose.

According to Article V, Section 5 of our bylaws, if only one (1) person is nominated for each vacancy, the President shall so certify this to the Secretary. Following this practice, the Secretary shall cast a unanimous ballot for the election of the persons nominated.

Presidents Report, Lynda Ellis: Welcomed everyone joining us virtually. COVID was the topic of discussion. Shout-outs were given to our team for working through this, even harder. Financial institutions are also essential, though our lobbies were closed, there was still much to be done to keep people's funds circulating and available. From the processing of the millions of dollars in stimulus money that came in and watching out for fraud, protecting the member's funds, and making sure their electronic services didn't miss a beat. To our front-line faces who were hands-on with the money and members. To the loan and member solutions being there to help members that were struggling also, the mortgage department with the hundreds of mortgage files they were re-processing as rates fell to all-time lows. All the back-office support staff having to keep abreast of the continual changes that were made and keep all of our team and members informed. There were some very tough decisions that had to be made, but most importantly, the safety of our staff, members, and community was the first priority.

When the Executive orders were no longer in effect, MIOSHA had rules in place, which we had to follow. Our state regulatory agency Dept of Insurance and Financial Services, also circulated the guidelines of MIOSHA, to make sure we were following these rules. The credit union's association, Michigan Credit Union League, was very supportive to all credit unions and was a great resource; along with our UP Chapter of Credit Union's group.

In closing, I would like to thank the Board of Directors for their support and encouragement this past year, our team for working so hard and handling the stress with grace, our members for their patience and understanding, and also our community for being in this together.

Drawing of the give-a-way was conducted.

The meeting was adjourned at 5:09 p.m. on a motion by Lori Langendorf, supported by Jim Rose. Motion carried.

Submitted by: Laura Weston, Secretary

Chairman's Report

Welcome again to another annual meeting. This year is our 64th meeting of the membership of Soo Co-op Credit Union.

Though this past year saw another year of challenges due to COVID, the economy, and our government, your credit union continues to be strong while diversifying its assets to keep up with the continued deposit growth; due to stimulus funding and changes in spending habits. With rates at all-time lows, different strategies had to be implemented. Please refer to the Treasurer's Report for the updated financial information. This information has been audited and verified for accuracy and solvency by different firms and agencies. You can see who has provided these services in the Audit Report of the program. This would not be possible without the continued support of our membership, the dedication of our volunteers, and the time they put in—also, the hard work of our staff and the pride they take serving our members and community.

In 2021 your board of directors held 12 meetings, a strategic planning session, and several other virtual educational sessions. This allows them to set the direction for the credit union and establish policies to keep us in compliance with the regulatory changes that continue to occur. Aside from the regularly scheduled meetings, each board member also sits on various committees that meet individually; they are also willing to volunteer their time as something is needed. We have a diverse group of volunteers who work well together to prosper this credit union.

We continued to provide personal service at 7 locations. We are currently operating 18 ATM sites throughout the Eastern UP area, processed through Co-op Network. Also, belonging to the Co-op Network of credit unions gives our members personal access to credit union branches all over the country. Internet banking, speedy line by phone, and mobile banking allow you to connect to your account 24/7. Also, with Remote Deposit Capture through the mobile banking app, you can deposit to your account and access the funds in 24 to 48 business hours.

In closing, I would like to say "Thank You" for the continued support of your credit union's success.

Sincerely,

Ed Cook
Chairman

Treasurer's Report

Each month the Treasurer reports on the current financial information of the Soo Co-op Credit Union, to the Board of Directors.

The Soo Co-op Credit Union's year end statistics for 2021 are as follows:

23,297 Members
\$257,413,975.00 in Assets
\$141,025,665.00 in Gross Loans
\$227,738,029.00 in Total Deposits
\$2,115,732.00 increase in Undivided Earnings (Net Income)
\$46,309,339.00 in Mortgage Loans sold but serviced on the secondary market
(Not a balance sheet item)

These figures are based on our preliminary audit report.

Your credit union is considered, "Well Capitalized", with a Risk-Based Net Worth Ratio of 11.62%

Sincerely,
Jim Rose
Treasurer

Secretary's Report

Process of Electing the Board of Directors

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This year there is only one candidate for each of the two (2) openings on our Board of Directors, Steven Rogers and Tom Thoresen.

According to Article V, Section 5 of our bylaws, if only one (1) person is nominated for each vacancy, the President shall so certify this to the Secretary. Following this practice, the Secretary shall cast a unanimous ballot for the election of the persons nominated.

Sincerely,
Laura Weston
Secretary

Reports of Audits

The Audit of Financial Statements through December 31, 2020, was conducted in March and April of 2021 by Makela, Toutant, Hill, Nardi & Katona, PC. An audit of Financial Statements for 2021 is scheduled in March of 2022 and is expected to be completed in April of 2022.

The Bank Secrecy Act Audit for January 1, 2020, through December 31, 2020, was conducted in April of 2021 by Makela, Toutant, Hill, Nardi & Katona, PC. An audit is currently scheduled for 2021 and is expected to be completed in April of 2022.

In January of 2017, a Risk Management Analysis was conducted by CUNA Mutual Group. CUNA Mutual Group provides insurance services and a variety of other services to credit unions. The scope of the analysis was to assist Soo Co-op Credit Union to reduce exposure to loss.

In April of 2021, we contracted with Open Systems Technologies, a security management company, to perform an IT Security Assessment. The IT Security Assessment was conducted in August of 2021. The date of the 2022 IT Security Assessment is to be determined.

In May and June of 2021, the Department of Insurance and Financial Services, also known as DIFS conducted an audit on records of the credit union through March 31, 2021. We are a State Chartered Credit Union, regulated by DIFS.

An internal Automated Clearing House Audit was conducted in December of 2021, by our Compliance Officer, Dawn Taylor. This audit is required by the Federal Payments Authority for the electronic banking system. This audit was conducted on the credit union records through September 30, 2021.

In February of 2022, the Secure and Fair Enforcement for Mortgage Licensing (SAFE) Act audit was conducted by our Compliance Officer, Dawn Taylor. The SAFE Act is an audit required by the Consumer Financial Protection Bureau.

Steven Rogers is the Internal Auditor. He performs weekly audits and presents an official audit report to the Board of Directors quarterly.

Credit Committee Report

Credit Committee is made up of members and staff designated by the Board of Directors. We meet one day a week and continue to play a very important role in helping members with their loan needs. The committee spends much time deliberating and coming up with solutions to help out our members when they are suffering from a financial burden. The Committee strives to be impartial and fair in the treatment of every issue and application that comes before them.

Total loans granted by loan officers and credit committee in 2021 were 3,814, for a total dollar amount of \$57,859,695.59. (This is not including mortgages sold on the secondary market). Credit Committee approved 123 of these loans totaling \$1,794,857.01. SCCU lending policy is to loan money in the amount and for the length of time consistent with the member's qualifications and ability to repay. These qualifications include character, paying habits, job stability, ability to pay, income, residence stability, indebtedness, security, and purpose. We will not grant credit where the probability of repayment is doubtful.

In 2021 we were able to offer assistance to some of our local businesses with the Paycheck Protection Program (PPP) loan through the Small Business Administration (SBA). We granted 28 PPP loans in 2021 in the amount of \$322,777.75 that were all forgiven loans to help out these small businesses in these uncertain times.

We continue to provide Indirect Lending which has proven to be a successful program, as well as a convenience for our members. 1,022 loans were processed through our Indirect Dealers in 2021, totaling \$24,887,154.89. We team up with dealerships for more than just auto loans. The business's that we partner with are Allstar Marine, Bishop GMC, Brewbaker's of Onaway, Chippewa Motors, Chuck Renze Ford, Don Earl Plumbing and Heating, Fernelius Hyundai, Fernelius Toyota, Fernelius Ford, Newberry Motors, O'Connors, Rodenroth Motors, Soo Motors, U.P Auto Group, Brown Motors, Northern Michigan RV and Extreme Power Sports. This program provides convenience to our member's when they are able to get all of their financing done in one location.

A Visa Card through SCCU has many more advantages than other programs. We offer a limit as high as \$15,000.00, if qualified. You will also earn 1 point per dollar spent, to use toward merchandise or travel (Score-Card Rewards). Please contact the credit union for further details.

Due to COVID restrictions we have not been able to have our volunteers join us for our meetings. We have however been able to have five dedicated staff members who are on Credit Committee assist when needed.

Sincerely,

Krystal LaCrosse
Chairperson

Community Involvement

EMPLOYEES GIVING BACK

Our Employees are proud to give back to the communities where we live and work by supporting several charitable programs and members in need. In 2021, Soo Co-op Credit Union Employees donated \$10,400.00 back to the communities we live and serve in the form of Dress Down Days and other Employee Fund Raisers.

ITS REALITY!

For most adults, the reality of managing expenses can be a challenge. For high school students, this “reality” is not far away, but many have yet to experience what it will be like. Soo Co-op Credit Union works to help high school students see what they will face in the future by sponsoring a Financial Reality Fair. Students in the EUP are able to glimpse into their future by attending a Financial Reality Fair at Sault High School. Students from Sault Area High School & Career Center all participated in this event. This is the eleventh year that Soo Co-op Credit Union has hosted the Financial Reality Fair for students. Since 2011, over 2,400 students from the EUP have gone through this hands-on simulation that will prepare them for life on their own.



SOO CO-OP CREDIT UNION ADOPTS A HIGHWAY

Soo Co-op Credit Union recently adopted a two-mile stretch of road in downtown Sault Ste Marie through the Adopt-A-Highway program. Adopt-A-Highway is a Michigan Department of Transportation (MDOT) program designed to help keep the state's highway roadsides clean and attractive. Our team volunteers in the spring, summer, and fall to help keep our roadsides litter-free. We love being a part of keeping our community clean!

