

## TREASURER'S REPORT

LOC Credit Union saw steady loan and deposit growth during 2024.

At yearend, loans had grown more than \$5.1 million, increasing 2% over December 31, 2023. This growth occurred organically by members taking advantage of LOC's popular home equity pricing and innovative first mortgage products.

Vehicle loan fundings totaled \$25.2 million for 2024, down from \$36.4 million in 2023. The market was extremely competitive for new vehicles with the return of attractive pricing offered by the auto manufacturers' financing arms. While vehicle loans were down, home equity line extensions and loans funded saw a banner year in 2024, totaling \$31.5 million.

First mortgage originations in 2024 totaled nearly \$12.8 million, which compared favorably to 2023. The lack of housing inventory and continued high interest rates remained a challenge in the real estate sector. LOC is well-positioned to meet the needs of our members who are in the market for affordable home financing by offering assumable Adjustable Rate Mortgages (ARMs) with a fixed-rate conversion feature to these products.

After seeing a decrease in 2023, member deposit balances experienced a modest 1.8% increase of \$4.7 million in 2024. Deposit growth helped increase assets by 2.5%, or \$11 million to end the year at nearly \$446 million. During 2024, LOC Credit Union continued to offer our members attractive rates on short-term Certificates to remain competitive with our local market.

For 2024, we issued 18,367 loans representing approximately \$77 million. This brings our total loans outstanding to nearly \$255 million.

Over the last several years, LOC Credit Union has achieved significant, organic loan growth while maintaining both delinquency and charge-off ratios well below industry averages and our peers. This is a testament to our members' credit quality and our prudent underwriting standards.

At the end of 2024, the Credit Union remained well-capitalized, while also increasing its net worth ratio. These efforts helped LOC Credit Union earn BauerFinancial's highest five-star rating for financial strength and stability. This is the highest rating a credit union can receive and denotes the highest level of banking performance. This rating by BauerFinancial highlights that the institution is safe, financially sound, and operating well above its regulatory capital requirements.

**Dale Countegan**  
Treasurer



## AUDIT COMMITTEE REPORT

It is the bylaw-mandated function of this committee to carry out a financial statement audit by a licensed firm. This was accomplished through the services of the experienced auditing firm of Doeren Mayhew, as of September 30, 2024. It is the unanimous opinion of this committee that the statements contained in the report fairly represent the condition of the Credit Union at this time, and further that it continues to be operated in a sound and professional manner.

## 2024 COMMUNITY & VOLUNTEER SUPPORT

Farmington Founders Festival Color Run  
Farmington Bicentennial Sponsor  
Bountiful Harvest  
Dearborn Exchange Club Spring Gala  
Dearborn Kiwanis Turtle Race  
Dearborn 25+ Club  
Festival of Trees  
Dearborn Goodfellows  
Dearborn Smoke on the Grill  
Livingston Rotary Midnight at the Tropics Event  
Hartland Cromaine Concert Series  
Howell Legend of Sleepy Howell Event  
Hartland Art Walk  
Brighton Tunnel of Lights Sponsor  
Brighton Holiday Glow  
Farmington Toast to Education  
Farmington Farmers Market  
Alberta Muirhead Teacher of the Year Awards (Dearborn)  
CARES of Farmington Hills



## THE OFFICIAL TEAM

### Board of Directors

Michael Lasley, Chairman  
Paul Renko, Vice Chairman  
Dale Countegan, Treasurer  
Paul Hain, Secretary  
Natalie Clemons  
Michael Connolly  
David Drake  
Domenic Lauria  
Betty Richards  
Ann Schroeder  
Paul Wydendorf

### Audit Committee

Jon Vondrasek, Chairman  
Kurt David  
Betty Richards

### Senior Leadership

Stephen P. Grech, President/CEO  
Jon Elliott, Senior Executive Vice President  
Kari Ciaramitaro, Executive Vice President, Finance & Accounting  
Christena Koester, Executive Vice President, Technology  
Darin Bentley, Vice President, Chief Information Officer  
Marc Buchanan, Vice President, Chief Experience Officer  
Stephen Dedene, Vice President, Compliance & Risk  
Kim Hagstrom, Vice President, Chief Financial Officer  
John Scott, Vice President, Chief Lending Officer

800.837.4562  
loccreditunion.com

**BRIGHTON** | 1025 E. Grand River Avenue | Brighton, MI 48116  
**DEARBORN** | Chase | 6246 Chase Road | Dearborn, MI 48126  
**DEARBORN** | Telegraph | 1050 N. Telegraph Road | Dearborn, MI 48128  
**FARMINGTON** | 22981 Farmington Road | Farmington, MI 48336  
**HOWELL** | 3020 E. Grand River Avenue | Howell, MI 48843  
**HARTLAND** | 10002 Highland Road | Hartland, MI 48353

 Federally Insured by NCUA



# ANNUAL REPORT

FOR YEAR ENDING DECEMBER 31, 2024



# CHAIRMAN'S REPORT

In 2024, LOC Credit Union continued to see positive trends in financial performance and improvements to member service to ensure the Credit Union remains relevant to the communities it serves.

After nearly two and a half years of planning and construction, LOC Credit Union was excited to open its sixth full-service branch location in Brighton. The Credit Union celebrated the June grand opening with local dignitaries and project team members and invited the community to an open house. Brighton-based food bank, Bountiful Harvest, was also the benefactor of a donation made by the Credit Union. The LOC Brighton team also spent several days volunteering at their location prior to the branch opening.

In 2024, the Credit Union also replaced its phone and contact center platform to provide a better experience for both members and employees. This modern platform has a call back feature so members can avoid waiting on hold, provides for call recording, uses artificial intelligence (AI) to summarize and create a history of conversations, and provides opportunities for team member evaluation and coaching. In early 2025, LOC will roll out the final piece—a webchat tool on its website that also incorporates AI to provide members automated responses while offering the ability to chat with a live agent during business hours.

With respect to our digital banking platform, LOC implemented new features to its credit card program, like the ability to perform a cash advance to an LOC deposit account as well as introducing push provisioning, which allows members to easily add their debit or credit card to Apple Pay or Google Pay using the Credit Union's native mobile application. Combined with digital issuance, members can now call and request a card, add that card to their preferred digital wallet and begin using the card without having the plastic card in hand.

On the deposit side, LOC partnered with Excess Share Insurance Corporation (ESI) to extend additional insurance on member deposits up to \$1,000,000. This exceptional level of coverage is attained through a combination of federal insurance provided by the National Credit Union Administration (NCUA) and private insurance from ESI. This is a differentiator for those large depositors who want peace of mind knowing their funds are fully insured.

While these illustrate member service enhancements made in 2024, there were several initiatives behind the scenes that impact the Credit Union's ability to safeguard member information as well as protect the organization. This included technology infrastructure upgrades, equipment replacement, and an email migration to Microsoft 365.

During 2024, the Credit Union also bolstered our compliance and risk posture by adding several team members

including a Vice President of Risk and Compliance. As fraud and financial exploitation schemes continued to increase across the financial services industry, LOC double-downed on our fraud mitigation efforts in 2024. This included additional member communication, team member education and internal processes and procedures as part of an overall compliance and risk strategy.

LOC Credit Union continued its efforts to automate processes and leverage its technology solutions to help improve the organization. While individually some of these efforts may seem minimal, collectively they have a huge impact on our ability to be more efficient in delivering member service.

On the financial side, LOC Credit Union continued to be a well-capitalized and well-managed financial institution. Our Return on Assets (ROA) in 2024 was 0.86%, resulting in net income of approximately \$3.8 million. Overall, our net worth ratio improved to 9.54% at yearend compared to 8.88% at 2023 yearend. While loan growth was a modest 2% for 2024, it's important to note that the Credit Union's loan growth was 100% organic, meaning it is a result of the consumers choosing LOC Credit Union as their lender. The Treasurer's Report highlights key performance metrics for 2024—including LOC achieving a five-star rating (highest available) from BauerFinancial.

Finally, in 2024, LOC Credit Union continued its community outreach in terms of both financial support and volunteer efforts. Each leadership team member was charged with attending or volunteering at least two community events/organizations aligned with an LOC sponsorship or contribution. A list of these is included in this report.

In closing, I would like to thank the LOC Team for their hard work and dedication in providing outstanding service to our members. And I would like to acknowledge my colleagues on the Board of Directors with whom I have the privilege to serve for devoting time to this volunteer position. Finally, I want to thank our members for their continued participation in LOC Credit Union. Without our Team and our members support, LOC would not have been named once again as the Best Credit Union in the Detroit Free Press Community Choice Awards. LOC also received this honor in 2020 and 2022 and was a top three finalist in 2021.

Best regards,

**Michael Lasley**  
Chairman of the Board



# Financial Report as of December 31, 2024

## Balance Sheet

<b>Assets</b>	<b>2024</b>	<b>2023</b>
Loans . . . . .	\$254,807,097	\$249,666,774
Allowance . . . . .	(1,046,287)	(1,044,438)
Cash . . . . .	3,821,408	2,744,184
Investments . . . . .	163,918,108	160,043,572
Other Assets . . . . .	24,436,543	23,531,986
<b>Total Assets . . . . .</b>	<b>\$445,936,869</b>	<b>\$434,942,078</b>
<b>Liabilities &amp; Equity</b>		
Member Shares . . . . .	\$255,843,774	\$267,228,766
Share Drafts . . . . .	93,865,180	94,448,904
IRAs . . . . .	4,106,034	4,427,975
Certificates . . . . .	49,694,400	32,691,110
Other Liabilities . . . . .	5,372,514	5,390,975
Reserves . . . . .	2,022,782	2,022,782
Undivided Earnings . . . . .	40,393,457	36,600,752
Other Comprehensive Income . . . . .	(5,361,272)	(7,869,186)
<b>Total Liabilities &amp; Equity . . . . .</b>	<b>\$445,936,869</b>	<b>\$434,942,078</b>

## Statement of Income and Expenses

<b>Income</b>	<b>2024</b>	<b>2023</b>
Interest on Loans . . . . .	\$13,125,842	\$11,073,232
Income From Investments . . . . .	4,752,870	4,350,745
Other Income . . . . .	4,347,827	3,184,555
<b>Total Income . . . . .</b>	<b>\$22,226,539</b>	<b>\$18,608,532</b>
<b>Expenses</b>		
Employee Comp. & Benefits . . . . .	\$7,798,769	\$6,997,436
Cost of Space . . . . .	779,879	661,138
Office Operations . . . . .	1,503,265	1,291,682
Professional & Outside Services . . . . .	2,601,936	2,455,118
Marketing . . . . .	452,886	406,042
Other Expenses . . . . .	2,279,012	1,544,730
<b>Total Expenses . . . . .</b>	<b>\$15,415,747</b>	<b>\$13,356,146</b>
Non-operating Income (Loss) . . . . .	(\$10,174)	\$168,029
<b>Net Earnings Before Dividends . . . . .</b>	<b>\$6,800,618</b>	<b>\$5,420,415</b>

### Distribution of Earnings

Reserves . . . . .	\$0	\$0
Dividends . . . . .	\$3,007,912	\$1,261,912
Undivided Surplus . . . . .	\$3,792,706	\$4,158,503

### Statistical

Number of Accounts . . . . .	29,389	29,640
Number of Loans Made . . . . .	18,367	18,264
Amount Loaned . . . . .	\$77,142,820	\$84,358,493
Delinquent Loans . . . . .	\$897,003	\$837,792
Increase (Decrease) in Assets . . . . .	\$10,994,791	(\$15,356,522)
Increase (Decrease) in Loans . . . . .	\$5,140,323	\$15,108,456