

2018 annual report

chairman's report

On behalf of the Board of Directors of Kellogg Community Credit Union, I am pleased to report that 2018 was a successful year! As we have for 78 years, we remain committed to providing financial opportunity, choice, and lifelong value to our members and our community. Our financial management and performance in 2018 was very strong! With 15.84 % capital, KCCU is considered to be well capitalized by the regulators. Our membership growth remains strong, serving over 42,000 members at our 13 branch locations.



2018 has been a busy year for Kellogg Community Credit Union. We opened two new branches, one in Kalamazoo on Oakland Drive, then our second one in Wyoming, Michigan in the Metro Health Village.

In 2018 we added numerous products and services for further member convenience. We enhanced our mobile app with biometrics, which makes it easier and quicker for members to access their accounts from their phone or tablet. We also added Card Controls to our mobile app, which allows members to turn their KCCU credit or debit card on or off if it is lost, stolen, or if they suspect fraud. We launched a service called SavvyMoney Credit Score. With this free service, members can view their current credit score from within Online Banking, understand the key factors that impact their score,

receive monthly credit score updates, credit monitoring, and access to their full credit report. For our youth members we added Youth Certificates, which offer a high annual percentage yield. These certificates have a unique feature in that money can be added to the certificate at any time.

KCCU is honored to serve and support the communities where we live and work. In 2018, KCCU team members proudly volunteered over 700 hours in our community. KCCU and employees donated \$25,000 to the United Way and hosted a diaper drive, pop-up giving event and a book drive to benefit United Way partners. We supported a variety of other organizations, including The Food Bank of South Central Michigan, Charitable Union, Salvation Army, local community schools, Haven of Rest Ministries and many other worthy organizations.

I would like to thank all of our outstanding KCCU team members for their continued loyalty and dedication to the credit union and its membership. I would also like to thank our Management Team, Volunteer Board, and Supervisory Committee, and most of all, you, our members for allowing us to serve your financial needs.

As always, we remain proud of our past and prepared for the future.

Pat Rolfe
Chairman, Board of Directors

community events



KCCU sponsored a variety of community events, including the Kalamazoo Klassic.



Giving back to the community on Team Enrichment Day



KCCU held a "School Spirit Day" and donated funds to 25 local schools



Mailing Address P.O. Box 140
Battle Creek, MI 49016-0140
Telephone 269.968.9251 • 800.854.5421
CU*Talk 269.968.0786 • 800.245.3287
Routing & Transit 272476734
kelloggccu.org

OUR VISION...

"Providing financial opportunity, choice, and lifelong value to our members and our community."

financial statement

december 31, 2018

	12/31/2018	12/31/17
<i>Assets</i>		
Loans	\$ 354,601,278	\$ 318,131,444
Less: Allowance for Loan Loss	(1,996,788)	(2,059,916)
Investments	142,243,106	157,907,422
Cash	16,040,483	11,861,238
Building and Land	10,231,521	9,851,346
Furniture and Equipment	1,948,342	2,016,324
N.C.U.S.I.F.	4,123,412	3,987,609
Other Assets	4,066,800	6,465,331
TOTAL ASSETS	\$531,258,154	\$ 508,160,798
<i>Liabilities and Capital</i>		
Other Liabilities	\$ 7,310,889	\$ 8,995,488
Shares and Certificates	439,814,848	422,531,481
TOTAL LIABILITIES, SHARES, AND CERTIFICATES	\$ 447,125,737	\$ 431,526,969
Regular Reserves	3,967,060	\$ 3,967,060
Undivided Earnings	81,340,641	73,268,394
Unrealized Gain/Loss, Post Retirement	(304,799)	(269,849)
AFS Securities	(870,485)	(331,776)
TOTAL CAPITAL	\$ 84,132,417	\$ 76,633,829
TOTAL LIABILITIES AND CAPITAL	\$531,258,154	\$ 508,160,798
<i>Earnings</i>		
Interest on Loans	\$ 15,922,478	\$ 14,566,570
Income from Investments	3,486,075	3,091,471
Other Income	8,515,064	7,517,298
TOTAL INCOME	\$ 27,923,617	\$ 25,175,339
TOTAL EXPENSES	(16,868,401)	(15,459,280)
Non-Operating Gain	92,773	40,277
Net Earnings before Dividends	\$ 11,147,989	\$ 9,756,336
<i>Distribution of Net Earnings</i>		
To Reserves (Net)	—	—
Dividends	3,075,742	2,424,508
To Undivided Earnings (Net)	8,072,247	7,331,828
TOTAL DISTRIBUTION	\$ 11,147,989	\$ 9,756,336

supervisory committee report

The Supervisory Committee is responsible for ensuring the credit union's financial statements, taken as a whole, fairly represent the financial position and conform to generally accepted accounting principles.

The Supervisory Committee contracted with the accounting firm of Doeren Mayhew to conduct the annual financial audit of the credit union. The most recent audit, which received an unqualified opinion, was for the period ending September 30, 2018, and included a verification of members' accounts, as mandated in the Credit Union Act.

Due to the size and complexity of the credit union, the Supervisory Committee also contracted with Doeren Mayhew to conduct internal audit activities during 2018. The internal audit involves more closely reviewing internal functions, policies, and procedures on a daily basis.

Carol Casey
Chairperson, Supervisory Committee



board of directors

Henry (Pat) Rolfe, *Chairman*
 Richard A. Smith, *Vice Chairman*
 Roger M. Pitzer, *Treasurer*
 Larry V. Hawblitz, *Secretary*
 E. Paul Chambers, *Director*
 James E. Demarest, *Director*
 Steve J. Shepard, *Director*
 Melissa Miller, *Director*

supervisory committee

Carol Casey, *Chairperson*
 Mike Bouma, *Committee Person*
 Melissa Miller, *Committee Person*

locations

Battle Creek 41 Second Street
 6427 B Drive North
 1425 Capital Avenue NE
 2925 W. Dickman Road
 51 W. Michigan Avenue
Grand Rapids 5300 Patterson Avenue SE
 2355 Health Drive SW

Kalamazoo 2925 Oakland Drive
 1650 S. Drake Road
 5067 Gull Road
Marshall 15877 W. Michigan Avenue
Portage 499 Romence Road
Three Rivers 915 W. Michigan Avenue

Federally insured by NCUA | Equal Housing Opportunity

