

# 2020 annual report

## chairman's report

On behalf of the Board of Directors of Kellogg Community Credit Union, I am pleased to report that despite the challenges 2020 was a successful year for the credit union! As we have for 80 years, we remain committed to providing financial opportunity, choice, and lifelong value to our members. Our financial management and performance in 2020 was strong. With 13.94% capital, KCCU is considered to be well capitalized by the regulators. Our membership growth remains strong, serving over 46,000 members at our 13 branch locations.

2020 was a busy year for KCCU. In March, due to the pandemic, we quickly adapted how we operated and implemented different measures to protect the health and safety of our team and members. Serving our members remained a priority. We created numerous assistance programs for members who were impacted financially. We also offered support and PPP loans to local businesses, which allowed them to continue operating during the pandemic.

In 2020 we added several new products and services including our Elite Credit Card – a variable rate credit card, Instant Deposit which allows our members immediate access to their pending incoming ACH transactions, and Mechanical Repair Coverage service which offers an extended car warranty program through CUNA.

We also had numerous enhancements to our KCCU Mobile App. The App layout was updated to provide better support for tablet devices. Members can now use Mobile Deposit to deposit checks to many of their KCCU loan accounts, Bill Pay was enhanced to include more features, and members now have easier access to e-Sign within the app so they can close loans or sign important documents online.

KCCU is honored to serve and support the communities where we live and work. In 2020, KCCU and employees donated \$29,000 to the United Way. They also provided support and donations to many other local charities and non-profit service organizations in 2020 such as American Cancer Society, South Michigan Food Bank, Ministry with Community, Speak it Forward, ALS Foundation, Charitable Union, and many other worthy organizations. KCCU also partnered with local businesses to provide free energy drinks to local healthcare workers to show support to these front-line workers during the pandemic.

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 partnered with local businesses to donate energy drinks and coffee to frontline healthcare workers.



KCCU participated in #GivingTuesdayNow by hosting a virtual Food Drive to support the South Michigan Food Bank.



KCCU hosted a Member Shred Event at two branch locations. Over 50 trees were saved with the amount of paper that was shredded!



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kelloggccu.org

## OUR VISION...

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

# financial statement

december 31, 2020

	12/31/2020	12/31/2019
<i>Assets</i>		
Loans	\$ 468,371,461	\$ 401,423,021
Less: Allowance for Loan Loss	(2,691,672)	(2,027,106)
Investments	218,368,364	180,502,361
Cash	32,123,858	32,827,135
Building and Land	11,332,549	11,489,104
Furniture and Equipment	1,565,589	1,890,903
N.C.U.S.I.F.	5,539,006	4,559,585
Other Assets	4,939,134	6,442,771
<b>TOTAL ASSETS</b>	<b>\$ 739,548,289</b>	<b>\$ 637,107,774</b>
<i>Liabilities and Capital</i>		
Other Liabilities	\$ 9,131,093	\$ 7,882,076
Shares and Certificates	627,302,070	535,785,396
<b>TOTAL LIABILITIES, SHARES, AND CERTIFICATES</b>	<b>\$ 636,433,163</b>	<b>\$ 543,667,472</b>
Regular Reserves	3,967,060	3,967,060
Undivided Earnings	96,774,765	88,974,593
Unrealized Gain/Loss, Post Retirement	(441,871)	(350,566)
Unrealized Gain/Loss, AFS Securities	2,815,172	849,215
<b>TOTAL CAPITAL</b>	<b>\$ 103,115,126</b>	<b>\$ 93,440,302</b>
<b>TOTAL LIABILITIES AND CAPITAL</b>	<b>\$ 739,548,289</b>	<b>\$ 637,107,774</b>
<i>Earnings</i>		
Interest on Loans	20,837,839	18,561,392
Income from Investments	3,889,036	4,693,892
Other Income	9,750,809	8,589,782
<b>TOTAL INCOME</b>	<b>\$ 34,477,684</b>	<b>\$ 31,845,066</b>
TOTAL EXPENSES	(21,051,889)	(18,826,051)
Non-Operating Gain	—	23,066
Net Earnings before Dividends	\$ 13,425,795	\$ 13,042,081
<i>Distribution of Net Earnings</i>		
To Reserves (Net)	—	—
Dividends	5,625,623	5,408,109
To Undivided Earnings (Net)	7,800,172	7,633,972
<b>TOTAL DISTRIBUTION</b>	<b>\$ 13,425,795</b>	<b>\$ 13,042,081</b>

# 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 conforms 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, 2020, 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 contracted with Plante Moran to conduct internal audit activities during 2020. The internal audit involves more closely reviewing internal functions, policies, and procedures performed 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*  
Mike Bouma, *Director*  
Steve J. Shepard, *Director*  
Melissa Miller, *Director*  
Jack Hagist, *Director*  
Marie Smith, *Associate Director*

## supervisory committee

Carol Casey, *Chairperson*  
CJ Demarest, *Committee Member*  
Melissa Miller, *Committee Member*



## 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  
2270 Gezon Parkway 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

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