

87th Annual Meeting



April 26, 2023 • 3 p.m.
Virtual Video Conference

Business Meeting Agenda

- I. Call to Order
- II. Appointment of Parliamentarian
- III. Adoption of Agenda
- IV. Reports – Dispense of Reading
 - A. Board of Directors Report – Albert Mumford, Chairperson
 - B. Secretary’s Report – Don Hicks, Secretary
 - C. Treasurer’s Report – Julie Maes, Treasurer
- V. Old Business
- VI. New Business
- VII. Report of Election – Julie Maes
- VIII. Adjournment

Board of Directors Report

As we celebrate BlueOx Credit Union's 87th Anniversary, the Annual Meeting is a time for both reflection and renewal. It is a time to celebrate and proudly declare the value we deliver to our members and the communities we serve. The time is right to evaluate the commitment we've made to provide quality financial services that will improve and make a positive impact on the lives of our members, employees, and communities.

As we look back on 2022, as always, the Credit Union faced some new changes and challenges, overcame many obstacles, and has emerged poised for continued growth and success. The financial actions we took in 2022 solidified our position and streamlined our operation to allow us to effectively perform our primary mission while returning solid financial results that ensure our Credit Union's position well into 2023 and beyond.

As in previous years, the Board approves the strategic direction and goals of the Credit Union, including the Operating Budget, Business Plan, Technology Plan, and the Capital Requirement Plan.

In 2022, we introduced our new iBranch in our Portage location. This update allows our members to take advantage of our outstanding digital banking services and get more comfortable with our iTeller Machines. Other initiatives include implementing Saturday hours for our Contact Center and iTellers, an updated phone system, creating and launching a DEI Committee for our staff to ensure Diversity, Equity, and Inclusion for the BlueOx employees and workplace, and developed innovative and competitive high-yielding Certificate of Deposit Specials as the economic environment has shifted.

Additionally, our Credit Union and employees contributed throughout 2022 in many ways to make a lasting impact on the communities where we live and work. We are deeply passionate and get directly involved by volunteering, donating, providing sponsorships, providing professional services to help local non-profits, empowering and educating youth, and assisting those in greatest need. In 2022, we contributed nearly 75,000 hours of volunteer time and close to \$14,000 to more than 50 different organizations across the areas that we serve, including WMU Gold Gathering events and Bronco Bash, The Battle Creek Pride Festival, The Kalamazoo Balloon Festival, various sponsorships benefitting local K-12 community schools and higher education/athletics, six - \$1,000 BlueOx Credit Union Community Scholarships for higher education, VOCES, Battle Creek, Coldwater, Jackson Area Chambers of Commerce, The Burma Center, Back-to-School Drives, and many more community events and activities. BlueOx was also thrilled to have the opportunity to donate over \$3,000 to local schools to cover the outstanding school lunch balances for students at the end of the school year.

BlueOx is looking toward the future with excitement for new possibilities. Despite the rapidly changing economic environment, our Credit Union remains securely positioned to help our members meet their financial needs. We are eager to see what 2023 has to offer for the BlueOx team and members, as well as the amazing things we can accomplish and the lives we can impact. Our strategic direction for 2023 remains clear - to continue providing secure deposit options, affordable lending products, digital account access, an enhanced member experience, and a secure financial institution with even more focus and attention to expanding financial literacy and success in the communities that we serve every day.

We want to take this opportunity to thank our Board of Directors, which is made up of some of our community's best. They volunteer their time, energy, and talent to help carry forward and guide the Credit Union to ensure we provide our members with the best possible financial services.

The Board also expresses sincere appreciation for our passionate and dynamic employees. At BlueOx, we use the power of teamwork to deliver excellent member experience for all our valued member-owners. We are a team that is empowered, diverse, and inclusive. A passion for our members unites us. We see a world where every member and employee are a unique individual—not just a number. Driven by our dedication to the credit union movement and our philosophy of “people helping people,” we aim to elevate human potential and financial success. Every day, we demand a better future for ourselves, our members, and our communities!

Today, as we know, the financial industry is constantly evolving and comes with new challenges to overcome. However, the Credit Union movement remains strong, and we can still point to our unique differences and approach to serving members:

- We are a not-for-profit cooperative
- We exist solely for the benefit of our members
- We are ALL owners of the Credit Union
- The directors serve as unpaid volunteers

As we head into 2023 and beyond, we always need to remember that BlueOx Credit Union is more than numbers, more than history, and more than an alternative concept. We are people with the simple goal of providing financial services that promote member opportunity and economic equality. We are volunteers that proudly stand together on behalf of our members for the benefit of our members.

Albert Mumford Chairperson

Board of Directors

Albert Mumford, Chair

Joe Ratti, Vice Chair

Julie Maes, Treasurer

Don Hicks, Secretary

M.B Ducher (Dutch)

Fred Hetherwick

Jeff Kirkpatrick

Douglas Voshell

Mary Wallace

Tenna Johnson, Associate Director

BlueOx Credit Union
ANNUAL MEETING
Minutes April 27, 2022

Erin Hause introduced herself as the Marketing Manager at BlueOx Credit Union. She said, "Welcome to all who are joining us here for our virtual 86th Annual Meeting. We have started a little early to give everyone a chance to log in and get comfortable at home or from wherever you might be listening. One quick notice before we begin, we have muted all lines so that we can avoid audio echo throughout this meeting. She encouraged anyone with questions or comments to reach out to BlueOx by stopping into one of the branches, calling or sending an e-mail. The Annual Report is on BlueOx's website at [BlueOxcu.org/annual meeting](http://BlueOxcu.org/annual%20meeting). We have provided this link in the chat for your convenience. She said we are looking forward to reflecting on 2021 successes, talking about where we stand overall as a Credit Union and looking ahead to a bright future as we celebrate our 86th Anniversary in 2022! Without further a due, I'm pleased to present our Board of Directors Chairman, Albert Mumford, to begin the meeting.

Chairperson A. Mumford said thank you to the membership and called the BlueOx Credit Union 86th Annual Meeting to order at 4:00 p.m. The Board of Directors, President & CEO S. Cobb, Vice President of Lending and Marketing A. Garcia, Vice President of Finance J. Rodd, Vice President of Human Resources W. Heppel and Recording Secretary Brown were present in person at the Battle Creek Administration Building located at 150 Riverside, Battle Creek Michigan, 49015. The rest of the attendees attending via Zoom video conference were Debra Matthews, Timothy Mason, Michael Hopkins, Robert Walmsley, Allen Howard, David Morton, Margaret Sleeper, Jean Parker, and Fran Godfrey. Chairperson A. Mumford conducted a roll call of the Board of Directors; Dale Dittmer, Fred Hetherwick, Don Hicks, Jeff Kirkpatrick, Julie Maes, Joe Ratti, Doug Voshell, Mary Wallace, M.B. Ducher and Tenna Johnson were all in attendance.

Chairperson A. Mumford said thank you very much. At this point, he said he would like to appoint Don Hicks as Parliamentarian.

Chairperson A. Mumford then explained how we are going to vote throughout the meeting. Anytime we vote today, I will ask for any or all who are opposed to a motion to indicate by saying "nay." Otherwise, if there are no oppositions, we will assume that the motion carries. If there is opposition to a motion, we will go back to "aye" or "nay" votes on each motion. If

you make a motion or a second, please begin by stating your name, followed by your motion or second.

The first item is the adoption of the agenda, and Chair A. Mumford said he will now entertain a motion to adopt the agenda as presented. Motion made by D. Dittmer to adopt the agenda as presented. Seconded by D. Hicks. Are there any questions or discussion?

Hearing none, those who oppose, say “nay.” Hearing none, motion carried.

At this time, we will dispense with the reading of the reports, of which you have a copy provided to you. Chair A. Mumford will now entertain a motion to accept the Board of Director’s Report as presented. Motion made by D. Hicks, supported by D. Dittmer. Are there any questions or discussion? Hearing none, those who oppose, say “nay.” Hearing none, motion carried.

I will now ask that Don Hicks present the Secretary’s Report.

D. Hicks thanked Chairman A. Mumford. D. Hicks explained that before you are the minutes of the 2021 Annual Meeting. He will now entertain a motion to accept the 2021 Annual Meeting minutes as presented. D. Dittmer motioned to accept the 2021 Annual Meeting minutes as presented. F. Hetherwick supported. Are there any questions or discussion? Hearing none, those who oppose, say “nay.” Hearing none, motion carried.

D. Hicks then asked the Treasurer, Julie Maes, to present the Treasurer’s Report.

J. Maes thanked D. Hicks. She said that before you is the 2021 Treasurer’s Report. I would now entertain a motion to accept the 2021 Treasurer’s Report as presented. D. Hicks motioned to accept the 2021 Treasurer’s report as presented. D. Dittmer supported. Are there any questions or discussion? Hearing none, those who oppose, say “nay.” Hearing none, motion carried.

J. Maes said that next, our President and Chief Executive Officer, Steve Cobb, will provide a brief commentary.

President Cobb thanked J. Makes. He said he would like to take this opportunity to sincerely thank the BlueOx Credit Union Board of Directors and all employees for their hard work, dedication, leadership, and perseverance. Thank you for making a positive impact on our members and in the communities that we serve. At this time, I will now turn the floor back to Chairman Mumford.

Chair A. Mumford said that at this point, old business, there is none and likewise, new business there is none.

Chair A. Mumford explained that Board of Director Dale Dittmer’s term has ended, and he has decided to retire for the BlueOx Board of Directors. He has been serving on credit union boards for over 34 years. We appreciate and thank Dale for his service and his contributions to BlueOx and the credit union movement. Congratulations Dale! You will be missed.

Chair A. Mumford said that the Board of Directors has decided to reduce the number of

board seats to 9 through attrition of Dale's retirement. We will not be replacing his seat at this time and will reflect this in our by-laws.

That being said, Chair A. Mumford turned the meeting back over to Don Hicks for the Report of Election.

D. Hicks thanked Chair A. Mumford. He stated in accordance with Article V, Section 9 of the BlueOx Credit Union Bylaws: Whereas, the Nominating Committee appointed by the Chairperson of the Board, presented a slate of Board Nominees as follows:

For three-year terms there are two nominees:

- Joe Ratti
- M.B. Ducher

D. Hicks said whereas, only one person is nominated for each Board seat expiration or vacancy, as Secretary, I move we cast a unanimous ballot for election of the persons nominated. Do I have a second? D. Dittmer supported. Are there any questions or discussion? Hearing none, all opposed say "nay." Hearing none, motion carried.

He then turned the floor back over to Chairperson A. Mumford.

Chairperson A. Mumford thanked the membership and all in attendance for attending. He said at this point, there is no further business to discuss with that, the BlueOx Credit Union 86th Annual Meeting is adjourned 4:20 p.m.

Treasurer's Report

ASSETS	2022	2021	2020	2019	2018
Loans to Members	\$103,173,883	\$95,281,963	\$99,614,222	\$55,631,326	\$70,015,415
Loans to Officials	1,123,477	1,093,366	704,599	501,939	380,914
Real Estate Loans	81,551,690	76,173,513	69,738,140	58,775,962	37,149,797
Allowance for Loan Losses	(870,638)	(859,574)	(1,060,556)	(1,038,144)	(1,055,731)
Cash on Hand and in Banks	9,104,687	23,348,561	14,295,230	20,843,608	2,391,951
Investments	10,535,319	12,057,207	18,348,233	33,525,114	52,966,840
Other Assets*	18,127,588	17,709,346	14,174,663	11,167,948	11,196,973
Total Assets	\$222,746,006	\$224,804,382	\$215,814,531	\$179,407,752	\$173,046,159
LIABILITIES					
Shares	\$80,242,073	\$85,169,029	\$66,291,465	\$46,063,107	\$43,450,509
Member Deposits	98,059,039	103,057,883	107,974,021	86,889,107	86,311,398
Certificate of Deposit	24,036,995	16,341,574	21,806,213	28,276,333	25,281,114
Net Required Reserves	1,627,363	1,627,363	1,627,363	1,627,363	1,627,363
Undivided Earnings	13,569,911	12,877,533	11,984,532	11,859,353	12,055,095
Equity in Merger	3,844,525	3,844,525	3,844,525	3,423,758	3,423,758
Unrealized Gain or (Loss)	(1,040,084)	(134,032)	44,646	14,930	(628,118)
Other Liabilities	2,406,184	2,020,507	2,241,766	1,253,801	1,525,040
Total Liabilities & Equity	\$222,746,006	\$224,804,382	\$215,814,531	\$179,407,752	\$173,046,159
INCOME					
Interest on Loans	\$8,255,809	\$7,998,348	\$7,242,271	\$6,419,960	\$5,797,999
Interest on Investments	364,685	291,479	647,044	1,104,731	1,047,433
Other Income	4,554,087	4,547,506	3,318,313	3,190,999	2,976,197
Gain (Loss) on Sale of Asset/Other	16,033	72,551	360,276	0	592,981
Gain (Loss) on Sale of Investment	0	0	320,252	47,106	95,221
NCUA Share Insurance Premium	0	0	0	0	0
NCUA Share Insurance Reinvestment	0	0	0	0	0
Gross Income	\$13,190,614	\$12,909,884	\$11,888,156	\$10,762,796	\$10,509,831
EXPENSES					
Employee Compensation	\$4,167,239	\$4,306,987	\$4,313,046	\$3,326,672	\$3,002,882
Employee Benefits	1,330,409	1,500,141	1,370,576	1,198,466	1,267,897
Cost of Space	649,813	555,872	642,822	571,909	494,939
Office Operations	2,600,784	2,244,461	1,726,937	1,468,221	1,285,492
Professional/Outside Services	1,031,683	929,812	908,854	777,329	773,528
Exam & Supervision Fees	36,571	41,093	38,690	39,177	33,688
Provision for Loan Losses	948,300	500,000	721,050	1,201,412	1,149,326
Other Operating Expenses	1,367,271	1,437,252	1,355,840	1,497,286	1,299,303
Total Expenses	\$12,132,070	\$11,515,618	\$11,077,815	\$10,080,472	\$9,307,055
NET EARNINGS (BEFORE DIVIDENDS)					
DISTRIBUTION OF INCOME					
Reserves					
Dividends	\$184,440	\$196,018	\$196,316	\$304,194	\$296,618
Interest on Certificates	181,726	305,247	488,846	573,872	281,869
Undivided Earnings	692,378	893,001	125,179	(195,742)	624,289
Total Income	\$1,058,544	\$1,394,266	\$810,341	\$682,324	\$1,202,776
STATISTICS					
Number of Members (year end)	19,457	21,721	23,254	22,664	23,389
New Members	2,221	2,061	2,968	2,063	2,985
Accounts Closed	4,503	2,351	2,188	2,778	2,761
Number of Loans Granted*	2,540	4,354	4,337	3,436	2,445
Amount Loaned*	\$63,935,392	\$82,995,347	\$92,100,360	\$47,604,219	\$40,171,464
Delinquent Loans (year end)	\$2,228,408	\$960,045	\$1,138,438	\$2,204,796	\$1,495,498
Increase (decrease) in Assets	(\$2,058,376)	\$8,989,851	\$36,406,779	\$6,361,593	\$31,627,747
Increase (decrease) in Savings	(\$2,230,379)	\$8,496,787	\$34,843,152	\$6,185,526	\$28,422,333
Increase (decrease) in Loans	\$13,300,208	\$2,491,881	\$55,147,734	\$7,363,101	\$36,022,481

*2018 loans granted excludes Visa advances

This report certified correct by Julie Moos, Treasurer

Report of Election

April 26, 2023

In accordance with Article V, Section 9 of the BlueOx Credit Union Bylaws:

Whereas, the Nominating Committee appointed by the Chairperson of the Board, presented a slate of Board Nominees as follows:

- ❖ For three-year terms:
 - ❖ Don Hicks
 - ❖ Jeff Kirkpatrick

Whereas, only one person is nominated for each Board seat expiration or vacancy, as Secretary, I move we cast a unanimous ballot for election of the persons nominated.