

YOUR FINANCIAL CHAMPION

2021 Annual Report





Championing your financial future.

At Michigan Schools and Government Credit Union, we're driven by your financial success, however you define it. Through personalized guidance, market-leading rates and minimal fees, we're always on your side, championing you throughout your financial journey.

Our team takes great pride in providing you, our members, with exceptional service and convenience. Whether it is through opening the doors to our newest branch offices in Macomb Township and Bloomfield Township, adding new services like appointment scheduling and a callback option to eliminate wait time, or living up to our 96% member satisfaction rating, you are our priority and the reason we continue to expand and enhance our services.

Financial education is another way MSGCU supports you and your goals. In addition to the Credit Union's in-person and virtual workshops, schools and community presentations, and financial counselors, MSGCU launched interactive financial education and a blog this year, both offering 24/7 on-demand financial education.

Giving back to the communities we serve is one way we demonstrate our dedication to the credit union philosophy of "people helping people." In total, nearly a quarter of a million dollars was donated through MSGCU's 2021 community giving efforts. This included scholarships, Classroom Cash grants for educators, financial support to help local communities and also provided support to the Oxford High School community during the recent devastating tragedy.

As a growing organization, we added 74 new team members. And we're particularly pleased to have had our highly engaged team members lead us to being recognized for our ninth consecutive Detroit Free Press Top Workplaces award.

Thank you for trusting us to be your financial champion. We look forward to continuing to serve you throughout your financial journey.

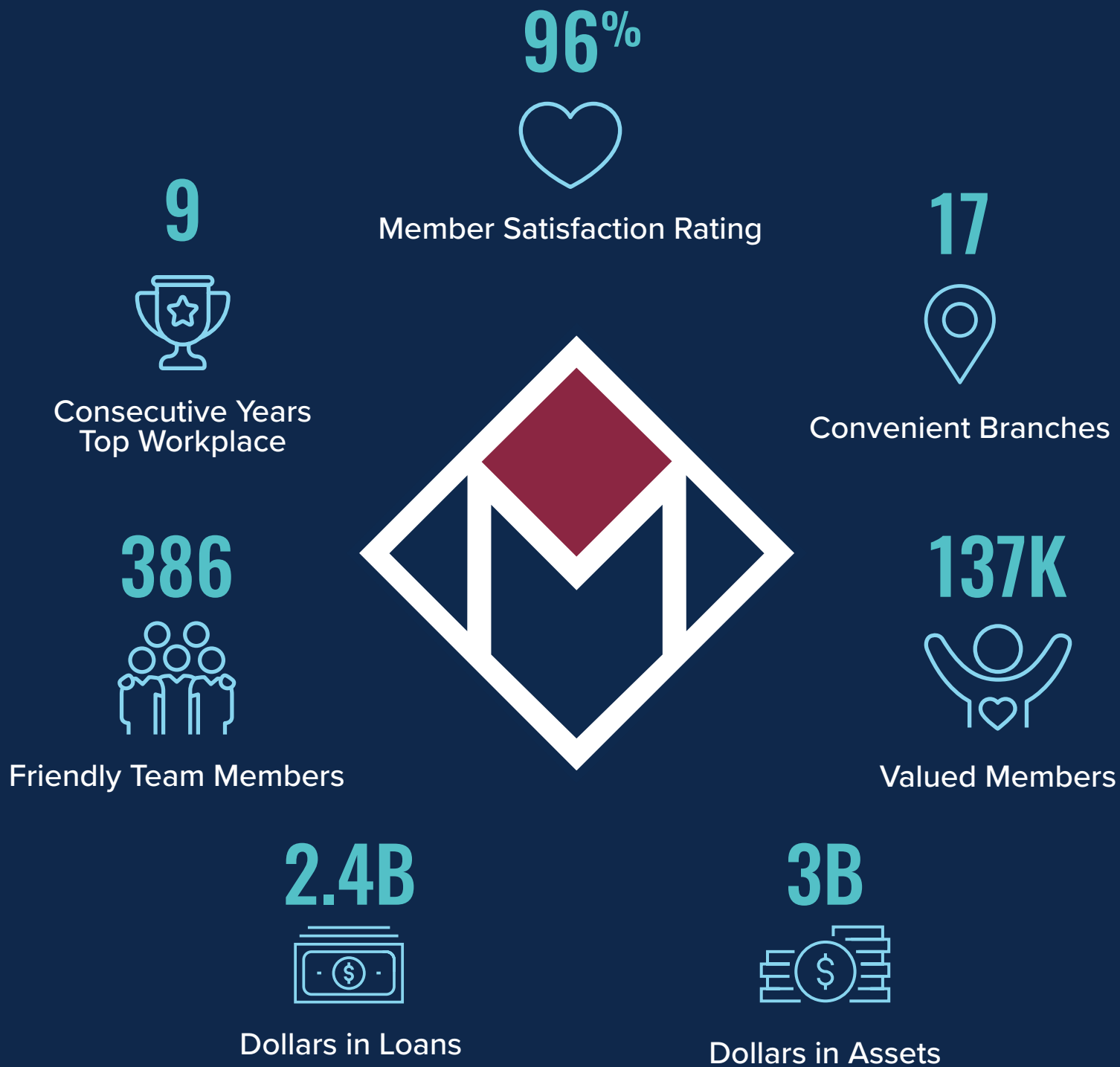
Sincerely,

William F. Cayen

William Cayen
Board Chairman

Peter Gates

Peter Gates
President/CEO



Celebration and appreciation.

Membership

MSGCU wouldn't be where it is today without your membership. We were pleased to welcome 14,886 new members to the MSGCU family, which reached 136,830 members at the end of 2021.

2021 Awards

- **MCUL: Louise Herring Philosophy-in-Action Member Service Award**, First Place, for our scholarship grant program and virtual recipient celebration.
- **MCUL: Innovation Award**, Recipient, recognizing MSGCU's innovative thinking, action, and community involvement.
- **MCUF: 2021 Credit Union Difference in a Crisis Award**, Recipient, in recognition of our work in supporting members, team members, and the community during the pandemic.
- **MCUL: Alphonse Desjardins (Youth) Award**, Second Place, as a result of outstanding effort in preparing young people for financial success, including our virtual workshops and reality fairs.
- **MCUL: Dora Maxwell Social Responsibility and Community Service Award**, Honorary Mention, recognizes our support of small businesses with grants through Give the Gift of Local giveaway.
- **MCUL: Alphonse Desjardins (Adult) Award**, Honorary Mention, for our thriving member education programs, including financial education to support non-profit organizations in our community.



Detroit Free Press: Top Workplaces Award, Nine Years, a reflection of our team's endless commitment to helping more members realize their financial goals.

Top Workplaces USA: We are excited to share that MSGCU has earned the inaugural Top Workplaces USA and Financial Services awards.

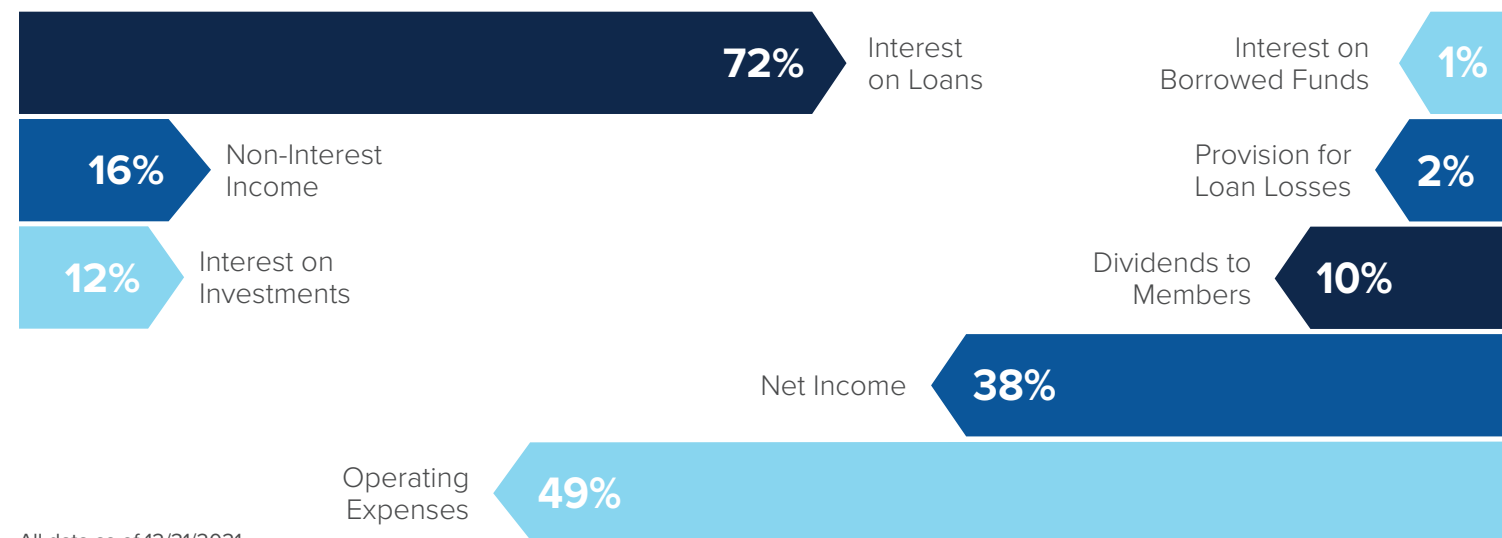
Dedicated to the communities we serve.

Member and Community Support

- **Classroom Cash Grants:** MSGCU awarded more than \$45,000 in grants to 63 educators representing 46 schools across the Metro Detroit area. The grants, worth up to \$750 each, help with the implementation of innovative learning experiences, or assisting teachers with their unprecedented pivot to virtual learning.
- **Scholarships:** More than \$100,000 was granted in 2021 through scholarships to help offset the costs of education. Scholarships were awarded to 45 recipients including high school seniors, students studying education and skilled trades, teachers furthering their education, and future first responders.
- **Financial Education:** MSGCU launched two new digital options (blog and interactive financial education) to meet the needs of members who wish for 24/7 self-directed education.
- **Community Partnerships:** MSGCU partnered with schools, libraries, businesses, and community centers, hosting 260 virtual and in-person financial education workshops, 11 student reality fairs, and helping over 4,819 community members increase their financial literacy.
- **Day of Service:** During our Day of Service, team members made 83 blankets for Fleece and Thank You, wrapped 701 holiday gifts for children facing cancer or serious illness in hospitals. Team members also walked together and donated a total of \$5,880 to Children's Miracle Network, American Cancer Society, American Red Cross, American Lung Association, and Elite Detection K9.
- **Giving Back:** Throughout 2021, local organizations benefited from 3,500 volunteer hours provided by MSGCU team members. We donated more than \$17,000 through partnerships with local organizations serving our communities such as multiple fire and police departments in Southeastern Michigan, HAVEN, CARE House of Oakland County, Big Family of Michigan, and Troy Youth Assistance.
- **Oxford Strong:** In response to the recent and devastating tragedy experienced at Oxford High School, MSGCU provided \$21,000 in financial support to the school, Mission Oakland, Oxford Village Police Department, and Oxford Fire Department. In honor of the individuals who lost their lives, MSGCU will provide two \$2,500 scholarships for the senior graduating class of 2022.
- **FHLBI Home Repair Grant Program:** MSGCU processed \$122,000 in grant requests for 19 low-income homeowners this year through the Federal Home Loan Bank of Indianapolis' (FHLBI) Neighborhood Impact Program. The program provides grants up to \$7,500 in eligible home repairs for homeowners with lower incomes.

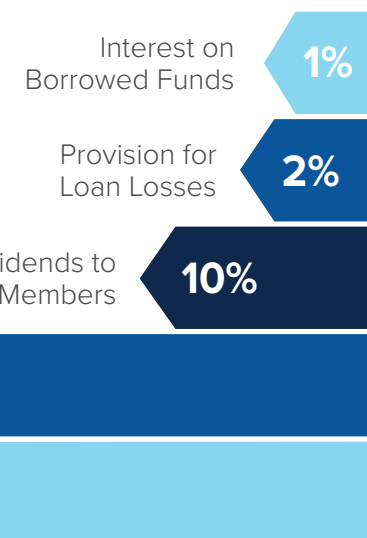


Sources of Revenue



All data as of 12/31/2021

Uses of Revenue



Statistics

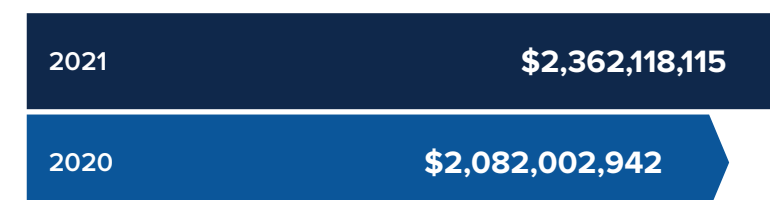
Assets



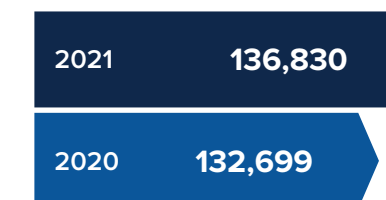
Net Worth



Loans



Members



Balance Sheets

	2021	2020
Assets		
Cash and Investments	\$602,441,243	\$596,645,328
Loans to Members	2,362,118,115	2,082,002,942
Land, Buildings, and Equipment	55,817,319	53,675,253
Other Assets	43,568,890	40,258,894
Total Assets	\$3,063,945,567	\$2,772,582,417
Liabilities and Net Worth		
Member Savings	\$2,626,927,204	\$2,386,081,930
Other Liabilities	73,360,569	70,403,724
Net Worth	363,657,794	316,096,763
Total Liabilities and Net Worth	\$3,063,945,567	\$2,772,582,417

Income Statements

	2021	2020
Interest Income	\$105,920,698	\$101,170,735
Cost of Funds	13,952,047	25,227,584
Net Interest Income	91,968,651	75,943,151
Provision for Loan Losses	2,400,000	6,500,000
Net Interest Income After Provision	89,568,651	69,443,151
Non-Interest Income	19,445,290	17,138,537
Salaries and Benefits	35,034,890	30,910,854
Office Operations	12,309,463	11,870,375
Loan Servicing	6,536,902	6,145,033
Other	7,571,655	6,101,228
Total Operating Expenses	61,452,910	55,027,490
Net Income	\$47,561,031	\$31,554,198

A message from the Audit Committee.

The primary responsibility of the Audit Committee is to ensure that Michigan Schools and Government Credit Union is managed soundly and that members' assets are being appropriately safeguarded.

The Audit Committee engaged the certified public accounting firm of Doeren Mayhew to perform an independent audit of the Credit Union's financial statements for the year ending December 31, 2021. Any reported suggestions have been forwarded to the Board of Directors and management for their review and handling.

During 2021, the certified public accounting firm of Rehmann conducted audits of various Credit Union operations and reported results to the Audit Committee and management. There were no major exceptions in any of their findings.

Sincerely,



Charles Thomas
Director & Audit Committee Chairperson

Meet the volunteers who define our direction.

We are proud to have this group of distinguished professionals represent MSGCU members on our Board of Directors.



William Cayen
Chairman



Charles Thomas
Vice Chairman



Denise Brooks-Williams
Secretary



James McCann
Treasurer



Elizabeth Argiri
Director



Christina Ayar
Director



Edward Callaghan
Director



Teresa DiMaria
Director



Richard Maierle
Director



Richard Shoemaker
Director



Douglas Smith
Director



MICHIGAN
Schools & Government
CREDIT UNION

YOUR
FINANCIAL
CHAMPION

Michigan Schools and Government Credit Union
is proud to have a 96% member satisfaction rating.*

*Overall member satisfaction rating based on 2021 Member Satisfaction Survey data.