

YOUR FINANCIAL CHAMPION

2022 Annual Report





Championing your financial future.

Being a financial champion for our members is at the core of all we do. We continually strive to meet your evolving needs, including financial security. MSGCU is a safe and secure financial institution that performs in the top 1% of credit unions nationwide from multiple industry sources, using criteria including member growth, operating expenses, and value delivered to members. Members have trusted us for 69 years as a reliable place to serve their financial needs with exceptional member service. As a result, our members have awarded us with an exceptionally high satisfaction rate of 95% for over two decades. This vote of confidence reflects our dedication to building relationships that inspire financial success.

In 2022, our commitment to provide value and increase access resulted in expanding our branch network to serve members in Washtenaw County, lowering and eliminating certain fees to help keep money in your pockets, and direct depositing paychecks up to two days early. MSGCU also added convenient services like online appointment scheduling to make banking easier and faster.

Strong financial performance allows us to enhance our products and services and to positively impact the neighborhoods we serve. Throughout 2022, over 80 local organizations benefited from 1,413 volunteer hours provided by MSGCU team members. We also contributed more than \$315,000 through scholarships, donations and partnerships with local organizations serving our communities.

We ended the year with the retirement of President/CEO Pete Gates. His 24-year tenure at the helm of MSGCU was one of progress and growth. We thank Pete for his leadership, dedication, and innovation and wish him a long and healthy retirement.

Leading MSGCU into the future as President/CEO is Steve Brewer, who served as our Chief Financial Officer for the last 20 years. During our nationwide search, Steve stood out for his successful track record combined with his commitment to MSGCU's mission and values.

Thank you for trusting Michigan Schools and Government Credit Union to be your financial champion. We look forward to continuing to serve you throughout your financial journey.

Sincerely,

William F. Cayen

William Cayen
Board Chairperson

Steve Brewer
President/CEO

95%



Member Satisfaction Rating

10



Consecutive Years Top Workplace

18



Convenient Branches

413



Friendly Team Members

142K



Valued Members

2.8B



Dollars in Loans

3.3B



Dollars in Assets

As of December 31, 2022

Celebration and appreciation.

Membership

MSGCU has reached where we are today and is able to continually give back because of all of you, our members. We were pleased to welcome 18,276 new members to the MSGCU family, which reached 142,842 members at the end of 2022.

2022 Awards

Credit Union National Association: Alphonse Desjardins Youth Financial Education Award, First Place, for the creation of an online financial literacy program to serve students earning a high school diploma or GED at My Virtual Academy.

Credit Union National Association: Dora Maxwell Social Responsibility and Community Service, Honorary Mention, recognizes our donation of \$69,000 to 92 school libraries throughout our market area to replace books that went missing over the last two years.

S&P Global Market Intelligence: The S&P Top 100 list ranks U.S. credit unions and MSGCU is in the top 1% of credit unions nationwide.

Detroit Free Press: Best of the Best 2021 Awards (awarded in 2022), Best Credit Union.

Member Give Back: Our market-leading rates and a low reliance on fee income amounts to saving MSGCU members an average of \$318 annually per MSGCU household, according to the industry-recognized research firm Raddon.



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

Top Workplaces USA: MSGCU has earned our second Top Workplaces USA and Financial Services awards.



Dedicated to the communities we serve.

Member and Community Support

Classroom Cash Grants: Awarded \$45,142 in grants to 63 educators representing 49 schools across the Metro Detroit area. The grants, worth up to \$750 each, help with the implementation of innovative learning experiences.

Scholarships: \$116,500 was granted in 2022 through scholarships to help offset the costs of education. Scholarships were awarded to 49 recipients including high school seniors, students studying education and skilled trades, teachers furthering their education, and future first responders.

Community Partnerships: Partnered with schools, libraries, businesses, and community centers, hosting 260 virtual and in-person financial education workshops, 11 student reality fairs, and helping over 19,342 community members increase their financial literacy.

Team Member Service: Prepared 4,000 bags for Gleaners Food Bank food drive, gave 32 pints of blood to the American Red Cross, and donated \$6,900 to Vets Returning Home, Humane Society of Huron Valley, Children's Hospital of Michigan, and Oakland County Foster Closet.

Giving Back: Donated \$17,000 through partnerships with local organizations serving our communities such as multiple fire and police departments in Southeastern Michigan, New Baltimore Parks & Recreation, Clinton-Macomb Public Library, and St. Clair Shores Optimist Club.

Library Grants: Donated \$69,000 to 92 schools after discovering that many library shelves were depleted due to unreturned books following remote learning during the COVID-19 Pandemic, as well as the request to provide books which reflect diversity of experiences and perspectives across the country and around the globe.

Ukraine Support: Donated \$15,000 to provide medical supplies and clothing for Ukrainian refugees.

Member Appreciation and Shred Days: Shredded 74,250 lbs. of sensitive documents and saved 631 trees!

CU Lunch Local: Participated in an industry-wide cash mob by purchasing \$3,536 worth of lunch from locally owned restaurants on October 18.

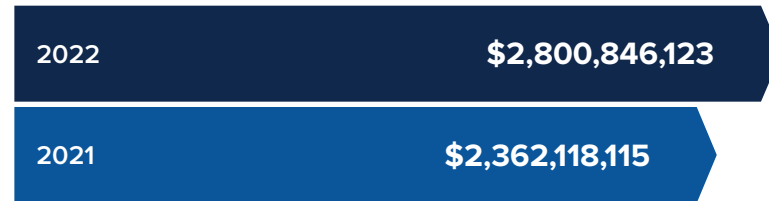


Statistics

Assets



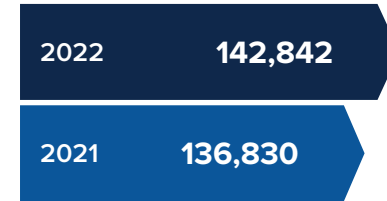
Loans



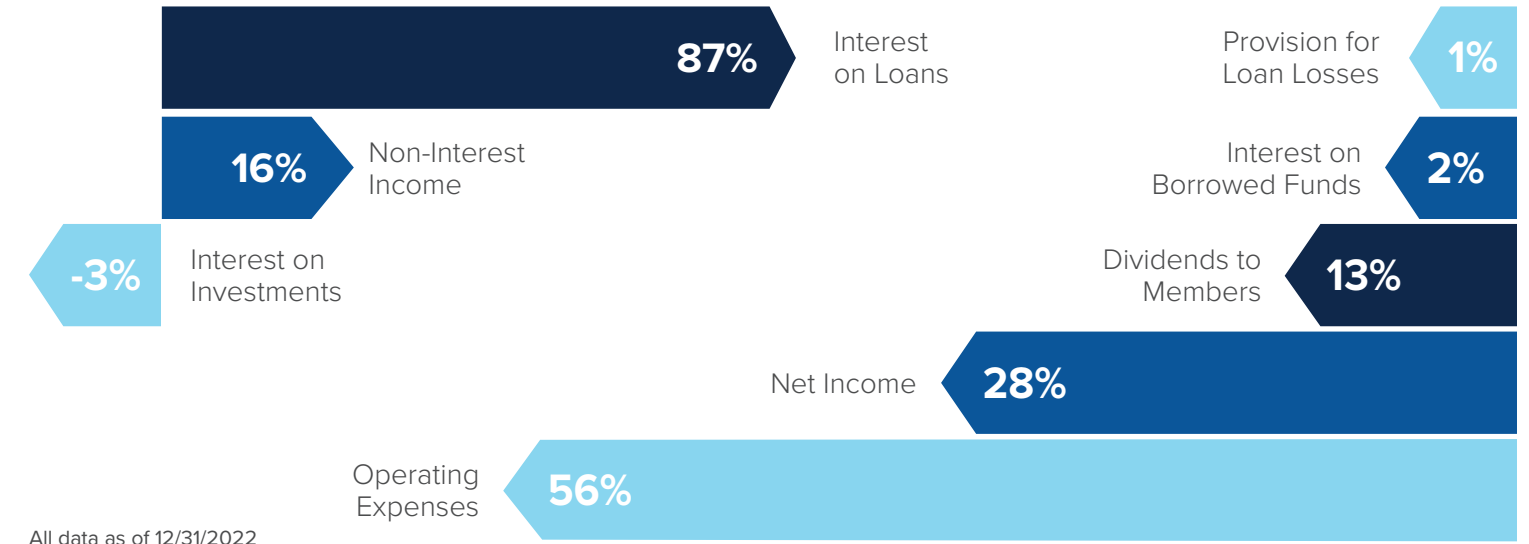
Net Worth



Members

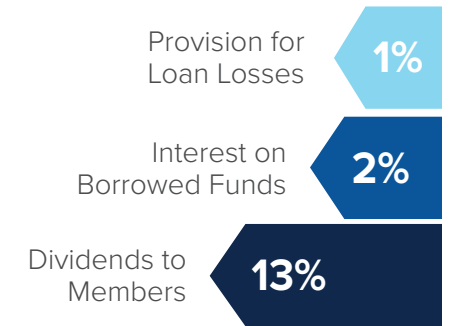


Sources of Revenue



All data as of 12/31/2022

Uses of Revenue



Balance Sheets

	2022	2021
Assets		
Cash and Investments	\$412,752,992	\$602,441,243
Loans to Members	2,800,846,123	2,362,118,115
Land, Buildings, and Equipment	67,829,111	55,817,319
Other Assets	47,412,774	43,568,890
Total Assets	\$3,328,841,000	\$3,063,945,567
Liabilities and Net Worth		
Member Savings	\$2,730,349,166	\$2,626,927,204
Other Liabilities	201,827,328	73,360,569
Net Worth	396,664,506	363,657,794
Total Liabilities and Net Worth	\$3,328,841,000	\$3,063,945,567

Income Statements

	2022	2021
Interest Income	\$96,808,079	\$105,920,698
Cost of Funds	17,174,011	13,952,048
Net Interest Income	79,634,068	91,968,650
Provision for Loan Losses	1,200,000	2,400,000
Net Interest Income After Provision	78,434,068	89,568,651
Non-Interest Income	19,292,604	19,445,290
Salaries and Benefits	37,682,797	35,034,890
Office Operations	12,080,027	12,309,463
Loan Servicing	7,272,357	6,536,902
Other	7,684,779	7,571,655
Total Operating Expenses	64,719,960	61,452,910
Net Income	\$33,006,712	\$47,561,031

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, 2022. An unmodified opinion was received, and any reported suggestions have been forwarded to the Board of Directors and management for their review and handling.

During 2022, the certified public accounting firm of Rehmann conducted various IT, operations and compliance related audits and reported results to the Audit Committee and management. There were no major exceptions in any of their findings.

Sincerely,



Elizabeth Argiri
Treasurer & 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
Chairperson



Douglas Smith
Vice Chairperson



Denise Brooks-Williams
Secretary



Elizabeth Argiri
Treasurer



Christina Ayar
Director



Edward Callaghan
Director



Teresa DiMaria
Director



Richard Maierle
Director



James McCann
Director



Richard Shoemaker
Director



Charles Thomas
Director



MICHIGAN
Schools & Government
CREDIT UNION

YOUR
FINANCIAL
CHAMPION

Michigan Schools and Government Credit Union
is proud to have a 95% member satisfaction rating.*

*Overall member satisfaction rating based on 2022 Member Satisfaction Survey data.