

Form 5500 Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Annual Return/Report of Employee Benefit Plan This form is required to be filed for employee benefit plans under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and sections 6057(b) and 6058(a) of the Internal Revenue Code (the Code). ▶ Complete all entries in accordance with the instructions to the Form 5500.	OMB Nos. 1210-0110 1210-0089 2022 This Form is Open to Public Inspection
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Part I	Annual Report Identification Information
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	
A This return/report is for:	☐ a multiemployer plan ☐ a multiple-employer plan (Filers checking this box must attach a list of participating employer information in accordance with the form instructions.) ☒ a single-employer plan ☐ a DFE (specify) _____
B This return/report is:	☐ the first return/report ☐ the final return/report ☐ an amended return/report ☐ a short plan year return/report (less than 12 months)
C If the plan is a collectively-bargained plan, check here.	☐
D Check box if filing under:	☒ Form 5558 ☐ automatic extension ☐ the DFVC program ☐ special extension (enter description)
E If this is a retroactively adopted plan permitted by SECURE Act section 201, check here.	☐

Part II	Basic Plan Information —enter all requested information
1a Name of plan GREAT LAKES CREDIT UNION 401(K) PLAN	1b Three-digit plan number (PN) ▶ 003
	1c Effective date of plan 01/01/1996
2a Plan sponsor's name (employer, if for a single-employer plan) Mailing address (include room, apt., suite no. and street, or P.O. Box) City or town, state or province, country, and ZIP or foreign postal code (if foreign, see instructions) GREAT LAKES CREDIT UNION 2111 WAUKEGAN RD BANNOCKBURN, IL 60015-1830	2b Employer Identification Number (EIN) 36-1163912 2c Plan Sponsor's telephone number 847-578-7087 2d Business code (see instructions) 522130

Caution: A penalty for the late or incomplete filing of this return/report will be assessed unless reasonable cause is established.

Under penalties of perjury and other penalties set forth in the instructions, I declare that I have examined this return/report, including accompanying schedules, statements and attachments, as well as the electronic version of this return/report, and to the best of my knowledge and belief, it is true, correct, and complete.

SIGN HERE	Filed with authorized/valid electronic signature.	10/11/2023	SHERI MAGRINI
	Signature of plan administrator	Date	Enter name of individual signing as plan administrator
SIGN HERE			
	Signature of employer/plan sponsor	Date	Enter name of individual signing as employer or plan sponsor
SIGN HERE			
	Signature of DFE	Date	Enter name of individual signing as DFE

For Paperwork Reduction Act Notice, see the Instructions for Form 5500.

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v. 220413

3a Plan administrator's name and address ☒ Same as Plan Sponsor		3b Administrator's EIN
		3c Administrator's telephone number
4 If the name and/or EIN of the plan sponsor or the plan name has changed since the last return/report filed for this plan, enter the plan sponsor's name, EIN, the plan name and the plan number from the last return/report: a Sponsor's name c Plan Name		4b EIN 4d PN
5 Total number of participants at the beginning of the plan year		5 488
6 Number of participants as of the end of the plan year unless otherwise stated (welfare plans complete only lines 6a(1) , 6a(2) , 6b , 6c , and 6d).		
a(1) Total number of active participants at the beginning of the plan year		6a(1) 219
a(2) Total number of active participants at the end of the plan year		6a(2) 234
b Retired or separated participants receiving benefits		6b 0
c Other retired or separated participants entitled to future benefits.....		6c 111
d Subtotal. Add lines 6a(2) , 6b , and 6c		6d 345
e Deceased participants whose beneficiaries are receiving or are entitled to receive benefits.		6e 0
f Total. Add lines 6d and 6e		6f 345
g Number of participants with account balances as of the end of the plan year (only defined contribution plans complete this item).....		6g 340
h Number of participants who terminated employment during the plan year with accrued benefits that were less than 100% vested.....		6h 0
7 Enter the total number of employers obligated to contribute to the plan (only multiemployer plans complete this item)		7
8a If the plan provides pension benefits, enter the applicable pension feature codes from the List of Plan Characteristics Codes in the instructions: 2E 2F 2G 2J 2K 2R 2S 2T 3D		
b If the plan provides welfare benefits, enter the applicable welfare feature codes from the List of Plan Characteristics Codes in the instructions:		
9a Plan funding arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor		9b Plan benefit arrangement (check all that apply) (1) ☐ Insurance (2) ☐ Code section 412(e)(3) insurance contracts (3) ☒ Trust (4) ☐ General assets of the sponsor
10 Check all applicable boxes in 10a and 10b to indicate which schedules are attached, and, where indicated, enter the number attached. (See instructions)		
a Pension Schedules (1) ☒ R (Retirement Plan Information) (2) ☐ MB (Multiemployer Defined Benefit Plan and Certain Money Purchase Plan Actuarial Information) - signed by the plan actuary (3) ☐ SB (Single-Employer Defined Benefit Plan Actuarial Information) - signed by the plan actuary		b General Schedules (1) ☒ H (Financial Information) (2) ☐ I (Financial Information – Small Plan) (3) ☐ A (Insurance Information) (4) ☒ C (Service Provider Information) (5) ☒ D (DFE/Participating Plan Information) (6) ☐ G (Financial Transaction Schedules)

Part III Form M-1 Compliance Information (to be completed by welfare benefit plans)

11a If the plan provides welfare benefits, was the plan subject to the Form M-1 filing requirements during the plan year? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

If "Yes" is checked, complete lines 11b and 11c.

11b Is the plan currently in compliance with the Form M-1 filing requirements? (See instructions and 29 CFR 2520.101-2.) ☐ Yes ☐ No

11c Enter the Receipt Confirmation Code for the 2022 Form M-1 annual report. If the plan was not required to file the 2022 Form M-1 annual report, enter the Receipt Confirmation Code for the most recent Form M-1 that was required to be filed under the Form M-1 filing requirements. (Failure to enter a valid Receipt Confirmation Code will subject the Form 5500 filing to rejection as incomplete.)

Receipt Confirmation Code _____

SCHEDULE C (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Service Provider Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ▶ File as an attachment to Form 5500.	OMB No. 1210-0110
		2022
		This Form is Open to Public Inspection.

For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan GREAT LAKES CREDIT UNION 401(K) PLAN	B Three-digit plan number (PN) ▶	003
C Plan sponsor's name as shown on line 2a of Form 5500 GREAT LAKES CREDIT UNION	D Employer Identification Number (EIN) 36-1163912	

Part I	Service Provider Information (see instructions)
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You must complete this Part, in accordance with the instructions, to report the information required for **each person** who received, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of monetary value) in connection with services rendered to the plan or the person's position with the plan during the plan year. If a person received **only** eligible indirect compensation for which the plan received the required disclosures, you are required to answer line 1 but are not required to include that person when completing the remainder of this Part.

1 Information on Persons Receiving Only Eligible Indirect Compensation

- a Check "Yes" or "No" to indicate whether you are excluding a person from the remainder of this Part because they received only eligible indirect compensation for which the plan received the required disclosures (see instructions for definitions and conditions)..... ☒ Yes ☐ No
- b If you answered line 1a "Yes," enter the name and EIN or address of each person providing the required disclosures for the service providers who received only eligible indirect compensation. Complete as many entries as needed (see instructions).

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
PRINCIPAL LIFE INSURANCE COMPANY
42-0127290

(b) Enter name and EIN or address of person who provided you disclosures on eligible indirect compensation
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2. Information on Other Service Providers Receiving Direct or Indirect Compensation. Except for those persons for whom you answered "Yes" to line 1a above, complete as many entries as needed to list each person receiving, directly or indirectly, \$5,000 or more in total compensation (i.e., money or anything else of value) in connection with services rendered to the plan or their position with the plan during the plan year. (See instructions).

(a) Enter name and EIN or address (see instructions)

PRINCIPAL LIFE INSURANCE COMPANY

42-0127290

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
13 37 50 64	CONTRACT ADMINISTRATOR	46970	Yes ☒ No ☐	Yes ☒ No ☐	0	Yes ☐ No ☒

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

(a) Enter name and EIN or address (see instructions)

(b) Service Code(s)	(c) Relationship to employer, employee organization, or person known to be a party-in-interest	(d) Enter direct compensation paid by the plan. If none, enter -0-.	(e) Did service provider receive indirect compensation? (sources other than plan or plan sponsor)	(f) Did indirect compensation include eligible indirect compensation, for which the plan received the required disclosures?	(g) Enter total indirect compensation received by service provider excluding eligible indirect compensation for which you answered "Yes" to element (f). If none, enter -0-.	(h) Did the service provider give you a formula instead of an amount or estimated amount?
			Yes ☐ No ☐	Yes ☐ No ☐		Yes ☐ No ☐

Part I Service Provider Information (continued)

3. If you reported on line 2 receipt of indirect compensation, other than eligible indirect compensation, by a service provider, and the service provider is a fiduciary or provides contract administrator, consulting, custodial, investment advisory, investment management, broker, or recordkeeping services, answer the following questions for (a) each source from whom the service provider received \$1,000 or more in indirect compensation and (b) each source for whom the service provider gave you a formula used to determine the indirect compensation instead of an amount or estimated amount of the indirect compensation. Complete as many entries as needed to report the required information for each source.

(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	
(a) Enter service provider name as it appears on line 2	(b) Service Codes (see instructions)	(c) Enter amount of indirect compensation
(d) Enter name and EIN (address) of source of indirect compensation	(e) Describe the indirect compensation, including any formula used to determine the service provider's eligibility for or the amount of the indirect compensation.	

Part II Service Providers Who Fail or Refuse to Provide Information

4 Provide, to the extent possible, the following information for each service provider who failed or refused to provide the information necessary to complete this Schedule.

(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide
(a) Enter name and EIN or address of service provider (see instructions)	(b) Nature of Service Code(s)	(c) Describe the information that the service provider failed or refused to provide

Part III Termination Information on Accountants and Enrolled Actuaries (see instructions)
(complete as many entries as needed)

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

a Name:	b EIN:
c Position:	
d Address:	e Telephone:

Explanation:

SCHEDULE D (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration	DFE/Participating Plan Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
	For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022	

A Name of plan GREAT LAKES CREDIT UNION 401(K) PLAN		B Three-digit plan number (PN) ►	003
C Plan or DFE sponsor's name as shown on line 2a of Form 5500 GREAT LAKES CREDIT UNION		D Employer Identification Number (EIN) 36-1163912	

Part I	Information on interests in MTIAs, CCTs, PSAs, and 103-12 IEs (to be completed by plans and DFEs) (Complete as many entries as needed to report all interests in DFEs)		
a Name of MTIA, CCT, PSA, or 103-12 IE: PRINCIPAL STABLE VALUE INST			
b Name of sponsor of entity listed in (a): PRINCIPAL GLOBAL INVESTORS TRUST CO			
c EIN-PN 93-6274328-001	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 1226296	
a Name of MTIA, CCT, PSA, or 103-12 IE: BLKROCK RUSSELL 1000 VAL IDX R			
b Name of sponsor of entity listed in (a): WILMINGTON TRUST			
c EIN-PN 81-1009614-188	d Entity code C	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions) 521044	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	
a Name of MTIA, CCT, PSA, or 103-12 IE:			
b Name of sponsor of entity listed in (a):			
c EIN-PN	d Entity code	e Dollar value of interest in MTIA, CCT, PSA, or 103-12 IE at end of year (see instructions)	

a Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
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103-12 IE at end of year (see instructions)**a** Name of MTIA, CCT, PSA, or 103-12 IE:**b** Name of sponsor of entity listed in (a):**c** EIN-PN**d** Entity
code**e** Dollar value of interest in MTIA, CCT, PSA, or
103-12 IE at end of year (see instructions)

Part II Information on Participating Plans (to be completed by DFEs)

(Complete as many entries as needed to report all participating plans)

a Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
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plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN**a** Plan name**b** Name of
plan sponsor**c** EIN-PN

SCHEDULE H (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Financial Information This schedule is required to be filed under section 104 of the Employee Retirement Income Security Act of 1974 (ERISA), and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection
For calendar plan year 2022 or fiscal plan year beginning <u>01/01/2022</u> and ending <u>12/31/2022</u>		
A Name of plan <u>GREAT LAKES CREDIT UNION 401(K) PLAN</u>	B Three-digit plan number (PN) ►	<u>003</u>
C Plan sponsor's name as shown on line 2a of Form 5500 <u>GREAT LAKES CREDIT UNION</u>	D Employer Identification Number (EIN) <u>36-1163912</u>	

Part I	Asset and Liability Statement		
1 Current value of plan assets and liabilities at the beginning and end of the plan year. Combine the value of plan assets held in more than one trust. Report the value of the plan's interest in a commingled fund containing the assets of more than one plan on a line-by-line basis unless the value is reportable on lines 1c(9) through 1c(14). Do not enter the value of that portion of an insurance contract which guarantees, during this plan year, to pay a specific dollar benefit at a future date. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 1b(1), 1b(2), 1c(8), 1g, 1h, and 1i. CCTs, PSAs, and 103-12 IEs also do not complete lines 1d and 1e. See instructions.			
Assets		(a) Beginning of Year	(b) End of Year
a Total noninterest-bearing cash.....		1a	
b Receivables (less allowance for doubtful accounts):			
(1) Employer contributions.....		1b(1)	
(2) Participant contributions.....		1b(2)	
(3) Other.....		1b(3)	
c General investments:			
(1) Interest-bearing cash (include money market accounts & certificates of deposit).....		1c(1)	
(2) U.S. Government securities		1c(2)	
(3) Corporate debt instruments (other than employer securities):			
(A) Preferred		1c(3)(A)	
(B) All other		1c(3)(B)	
(4) Corporate stocks (other than employer securities):			
(A) Preferred		1c(4)(A)	
(B) Common.....		1c(4)(B)	
(5) Partnership/joint venture interests		1c(5)	
(6) Real estate (other than employer real property)		1c(6)	
(7) Loans (other than to participants).....		1c(7)	
(8) Participant loans.....		1c(8)	356892
(9) Value of interest in common/collective trusts.....		1c(9)	1789704
(10) Value of interest in pooled separate accounts		1c(10)	
(11) Value of interest in master trust investment accounts.....		1c(11)	
(12) Value of interest in 103-12 investment entities		1c(12)	
(13) Value of interest in registered investment companies (e.g., mutual funds).....		1c(13)	18511842
(14) Value of funds held in insurance company general account (unallocated contracts).....		1c(14)	14937780
(15) Other		1c(15)	

1d Employer-related investments:		(a) Beginning of Year	(b) End of Year
(1) Employer securities	1d(1)		
(2) Employer real property	1d(2)		
e Buildings and other property used in plan operation	1e		
f Total assets (add all amounts in lines 1a through 1e)	1f	20658438	17063353

Liabilities

g Benefit claims payable	1g		
h Operating payables	1h		
i Acquisition indebtedness	1i		
j Other liabilities	1j		
k Total liabilities (add all amounts in lines 1g through 1j)	1k	0	0

Net Assets

l Net assets (subtract line 1k from line 1f)	1l	20658438	17063353
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Part II Income and Expense Statement

2 Plan income, expenses, and changes in net assets for the year. Include all income and expenses of the plan, including any trust(s) or separately maintained fund(s) and any payments/receipts to/from insurance carriers. Round off amounts to the nearest dollar. MTIAs, CCTs, PSAs, and 103-12 IEs do not complete lines 2a, 2b(1)(E), 2e, 2f, and 2g.

Income

		(a) Amount	(b) Total
a Contributions:			
(1) Received or receivable in cash from: (A) Employers	2a(1)(A)	556343	
(B) Participants	2a(1)(B)	1184944	
(C) Others (including rollovers)	2a(1)(C)	164743	
(2) Noncash contributions	2a(2)		
(3) Total contributions. Add lines 2a(1)(A) , (B) , (C) , and line 2a(2)	2a(3)		1906030
b Earnings on investments:			
(1) Interest:			
(A) Interest-bearing cash (including money market accounts and certificates of deposit)	2b(1)(A)		
(B) U.S. Government securities	2b(1)(B)		
(C) Corporate debt instruments	2b(1)(C)		
(D) Loans (other than to participants)	2b(1)(D)		
(E) Participant loans	2b(1)(E)	10647	
(F) Other	2b(1)(F)		
(G) Total interest. Add lines 2b(1)(A) through (F)	2b(1)(G)		10647
(2) Dividends: (A) Preferred stock	2b(2)(A)		
(B) Common stock	2b(2)(B)		
(C) Registered investment company shares (e.g. mutual funds)	2b(2)(C)	274469	
(D) Total dividends. Add lines 2b(2)(A) , (B) , and (C)	2b(2)(D)		274469
(3) Rents	2b(3)		
(4) Net gain (loss) on sale of assets: (A) Aggregate proceeds	2b(4)(A)		
(B) Aggregate carrying amount (see instructions)	2b(4)(B)		
(C) Subtract line 2b(4)(B) from line 2b(4)(A) and enter result	2b(4)(C)		0
(5) Unrealized appreciation (depreciation) of assets: (A) Real estate	2b(5)(A)		
(B) Other	2b(5)(B)		
(C) Total unrealized appreciation of assets. Add lines 2b(5)(A) and (B)	2b(5)(C)		0

		(a) Amount	(b) Total
(6) Net investment gain (loss) from common/collective trusts	2b(6)		-22465
(7) Net investment gain (loss) from pooled separate accounts	2b(7)		
(8) Net investment gain (loss) from master trust investment accounts	2b(8)		
(9) Net investment gain (loss) from 103-12 investment entities.....	2b(9)		
(10) Net investment gain (loss) from registered investment companies (e.g., mutual funds)	2b(10)		-3893161
c Other income	2c		
d Total income. Add all income amounts in column (b) and enter total	2d		-1724480
Expenses			
e Benefit payment and payments to provide benefits:			
(1) Directly to participants or beneficiaries, including direct rollovers	2e(1)	1822771	
(2) To insurance carriers for the provision of benefits	2e(2)		
(3) Other	2e(3)		
(4) Total benefit payments. Add lines 2e(1) through (3)	2e(4)		1822771
f Corrective distributions (see instructions)	2f		864
g Certain deemed distributions of participant loans (see instructions)	2g		
h Interest expense	2h		
i Administrative expenses: (1) Professional fees	2i(1)		
(2) Contract administrator fees	2i(2)	46970	
(3) Investment advisory and management fees	2i(3)		
(4) Other	2i(4)		
(5) Total administrative expenses. Add lines 2i(1) through (4)	2i(5)		46970
j Total expenses. Add all expense amounts in column (b) and enter total	2j		1870605
Net Income and Reconciliation			
k Net income (loss). Subtract line 2j from line 2d	2k		-3595085
l Transfers of assets:			
(1) To this plan	2l(1)		
(2) From this plan	2l(2)		

Part III Accountant's Opinion

3 Complete lines 3a through 3c if the opinion of an independent qualified public accountant is attached to this Form 5500. Complete line 3d if an opinion is not attached.

a The attached opinion of an independent qualified public accountant for this plan is (see instructions):

(1) ☒ Unmodified (2) ☐ Qualified (3) ☐ Disclaimer (4) ☐ Adverse

b Check the appropriate box(es) to indicate whether the IQPA performed an ERISA section 103(a)(3)(C) audit. Check both boxes (1) and (2) if the audit was performed pursuant to both 29 CFR 2520.103-8 and 29 CFR 2520.103-12(d). Check box (3) if pursuant to neither.

(1) ☒ DOL Regulation 2520.103-8 (2) ☐ DOL Regulation 2520.103-12(d) (3) ☐ neither DOL Regulation 2520.103-8 nor DOL Regulation 2520.103-12(d).

c Enter the name and EIN of the accountant (or accounting firm) below:

(1) Name: **DOEREN MAYHEW**

(2) EIN: **38-2492570**

d The opinion of an independent qualified public accountant is **not attached** because:

(1) ☐ This form is filed for a CCT, PSA, or MTIA. (2) ☐ It will be attached to the next Form 5500 pursuant to 29 CFR 2520.104-50.

Part IV Compliance Questions

4 CCTs and PSAs do not complete Part IV. MTIAs, 103-12 IEs, and GIAs do not complete lines 4a, 4e, 4f, 4g, 4h, 4k, 4m, 4n, or 5. 103-12 IEs also do not complete lines 4j and 4l. MTIAs also do not complete line 4l.

During the plan year:

a Was there a failure to transmit to the plan any participant contributions within the time period described in 29 CFR 2510.3-102? Continue to answer "Yes" for any prior year failures until fully corrected. (See instructions and DOL's Voluntary Fiduciary Correction Program.)

	Yes	No	Amount
4a		X	

	Yes	No	Amount
b Were any loans by the plan or fixed income obligations due the plan in default as of the close of the plan year or classified during the year as uncollectible? Disregard participant loans secured by participant's account balance. (Attach Schedule G (Form 5500) Part I if "Yes" is checked.)			
4b		X	
c Were any leases to which the plan was a party in default or classified during the year as uncollectible? (Attach Schedule G (Form 5500) Part II if "Yes" is checked.)			
4c		X	
d Were there any nonexempt transactions with any party-in-interest? (Do not include transactions reported on line 4a. Attach Schedule G (Form 5500) Part III if "Yes" is checked.)			
4d		X	
e Was this plan covered by a fidelity bond?	X		9000000
f Did the plan have a loss, whether or not reimbursed by the plan's fidelity bond, that was caused by fraud or dishonesty?		X	
4f		X	
g Did the plan hold any assets whose current value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4g		X	
h Did the plan receive any noncash contributions whose value was neither readily determinable on an established market nor set by an independent third party appraiser?			
4h		X	
i Did the plan have assets held for investment? (Attach schedule(s) of assets if "Yes" is checked, and see instructions for format requirements.)	X		
4i	X		
j Were any plan transactions or series of transactions in excess of 5% of the current value of plan assets? (Attach schedule of transactions if "Yes" is checked and see instructions for format requirements.)			
4j		X	
k Were all the plan assets either distributed to participants or beneficiaries, transferred to another plan, or brought under the control of the PBGC?			
4k		X	
l Has the plan failed to provide any benefit when due under the plan?			
4l		X	
m If this is an individual account plan, was there a blackout period? (See instructions and 29 CFR 2520.101-3.)			
4m		X	
n If 4m was answered "Yes," check the "Yes" box if you either provided the required notice or one of the exceptions to providing the notice applied under 29 CFR 2520.101-3.			
4n			

5a Has a resolution to terminate the plan been adopted during the plan year or any prior plan year? ☐ Yes ☒ No
If "Yes," enter the amount of any plan assets that reverted to the employer this year _____.

5b If, during this plan year, any assets or liabilities were transferred from this plan to another plan(s), identify the plan(s) to which assets or liabilities were transferred. (See instructions.)

5b(1) Name of plan(s)	5b(2) EIN(s)	5b(3) PN(s)

5c Was the plan a defined benefit plan covered under the PBGC insurance program at any time during this plan year? (See ERISA section 4021 and instructions.) ☐ Yes ☐ No ☐ Not determined

If "Yes" is checked, enter the My PAA confirmation number from the PBGC premium filing for this plan year _____.

SCHEDULE R (Form 5500) Department of the Treasury Internal Revenue Service Department of Labor Employee Benefits Security Administration Pension Benefit Guaranty Corporation	Retirement Plan Information This schedule is required to be filed under sections 104 and 4065 of the Employee Retirement Income Security Act of 1974 (ERISA) and section 6058(a) of the Internal Revenue Code (the Code). ► File as an attachment to Form 5500.	OMB No. 1210-0110 2022 This Form is Open to Public Inspection.
For calendar plan year 2022 or fiscal plan year beginning 01/01/2022 and ending 12/31/2022		
A Name of plan GREAT LAKES CREDIT UNION 401(K) PLAN		B Three-digit plan number (PN) ► 003
C Plan sponsor's name as shown on line 2a of Form 5500 GREAT LAKES CREDIT UNION		D Employer Identification Number (EIN) 36-1163912
Part I Distributions		
All references to distributions relate only to payments of benefits during the plan year.		
1 Total value of distributions paid in property other than in cash or the forms of property specified in the instructions.....		1 0
2 Enter the EIN(s) of payor(s) who paid benefits on behalf of the plan to participants or beneficiaries during the year (if more than two, enter EINs of the two payors who paid the greatest dollar amounts of benefits): EIN(s): 42-0127290		
Profit-sharing plans, ESOPs, and stock bonus plans, skip line 3.		
3 Number of participants (living or deceased) whose benefits were distributed in a single sum, during the plan year.....		3
Part II Funding Information (If the plan is not subject to the minimum funding requirements of section 412 of the Internal Revenue Code or ERISA section 302, skip this Part.)		
4 Is the plan administrator making an election under Code section 412(d)(2) or ERISA section 302(d)(2)? ☐ Yes ☐ No ☐ N/A If the plan is a defined benefit plan, go to line 8.		
5 If a waiver of the minimum funding standard for a prior year is being amortized in this plan year, see instructions and enter the date of the ruling letter granting the waiver. Date: Month _____ Day _____ Year _____ If you completed line 5, complete lines 3, 9, and 10 of Schedule MB and do not complete the remainder of this schedule.		
6 a Enter the minimum required contribution for this plan year (include any prior year accumulated funding deficiency not waived).....		6a
b Enter the amount contributed by the employer to the plan for this plan year.....		6b
c Subtract the amount in line 6b from the amount in line 6a. Enter the result (enter a minus sign to the left of a negative amount).....		6c
If you completed line 6c, skip lines 8 and 9.		
7 Will the minimum funding amount reported on line 6c be met by the funding deadline? ☐ Yes ☐ No ☐ N/A		
8 If a change in actuarial cost method was made for this plan year pursuant to a revenue procedure or other authority providing automatic approval for the change or a class ruling letter, does the plan sponsor or plan administrator agree with the change? ☐ Yes ☐ No ☐ N/A		
Part III Amendments		
9 If this is a defined benefit pension plan, were any amendments adopted during this plan year that increased or decreased the value of benefits? If yes, check the appropriate box. If no, check the "No" box..... ☐ Increase ☐ Decrease ☐ Both ☐ No		
Part IV ESOPs (see instructions). If this is not a plan described under section 409(a) or 4975(e)(7) of the Internal Revenue Code, skip this Part.		
10 Were unallocated employer securities or proceeds from the sale of unallocated securities used to repay any exempt loan?..... ☐ Yes ☐ No		
11 a Does the ESOP hold any preferred stock?..... ☐ Yes ☐ No		
b If the ESOP has an outstanding exempt loan with the employer as lender, is such loan part of a "back-to-back" loan? (See instructions for definition of "back-to-back" loan.)..... ☐ Yes ☐ No		
12 Does the ESOP hold any stock that is not readily tradable on an established securities market?..... ☐ Yes ☐ No		
For Paperwork Reduction Act Notice, see the Instructions for Form 5500.		
Schedule R (Form 5500) 2022 v. 220413		

Part V Additional Information for Multiemployer Defined Benefit Pension Plans

13 Enter the following information for each employer that (1) contributed more than 5% of total contributions to the plan during the plan year or (2) was one of the top-ten highest contributors (measured in dollars). See instructions. *Complete as many entries as needed to report all applicable employers.*

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

a Name of contributing employer

b EIN

c Dollar amount contributed by employer

d Date collective bargaining agreement expires (If employer contributes under more than one collective bargaining agreement, check box ☐ and see instructions regarding required attachment. Otherwise, enter the applicable date.) Month _____ Day _____ Year _____

e Contribution rate information (If more than one rate applies, check this box ☐ and see instructions regarding required attachment. Otherwise, complete lines 13e(1) and 13e(2).)

(1) Contribution rate (in dollars and cents) _____

(2) Base unit measure: ☐ Hourly ☐ Weekly ☐ Unit of production ☐ Other (specify): _____

14	Enter the number of deferred vested and retired participants (inactive participants), as of the beginning of the plan year, whose contributing employer is no longer making contributions to the plan for:		
	a The current plan year. Check the box to indicate the counting method used to determine the number of inactive participants: ☐ last contributing employer ☐ alternative ☐ reasonable approximation (see instructions for required attachment).....	14a	
	b The plan year immediately preceding the current plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14b	
	c The second preceding plan year. ☐ Check the box if the number reported is a change from what was previously reported (see instructions for required attachment)	14c	
15	Enter the ratio of the number of participants under the plan on whose behalf no employer had an obligation to make an employer contribution during the current plan year to:		
	a The corresponding number for the plan year immediately preceding the current plan year.....	15a	
	b The corresponding number for the second preceding plan year.....	15b	
16	Information with respect to any employers who withdrew from the plan during the preceding plan year:		
	a Enter the number of employers who withdrew during the preceding plan year	16a	
	b If line 16a is greater than 0, enter the aggregate amount of withdrawal liability assessed or estimated to be assessed against such withdrawn employers.....	16b	
17	If assets and liabilities from another plan have been transferred to or merged with this plan during the plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐		

Part VI	Additional Information for Single-Employer and Multiemployer Defined Benefit Pension Plans
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18	If any liabilities to participants or their beneficiaries under the plan as of the end of the plan year consist (in whole or in part) of liabilities to such participants and beneficiaries under two or more pension plans as of immediately before such plan year, check box and see instructions regarding supplemental information to be included as an attachment ☐
19	If the total number of participants is 1,000 or more, complete lines (a) through (c) a Enter the percentage of plan assets held as: Stock: _____% Investment-Grade Debt: _____% High-Yield Debt: _____% Real Estate: _____% Other: _____% b Provide the average duration of the combined investment-grade and high-yield debt: ☐ 0-3 years ☐ 3-6 years ☐ 6-9 years ☐ 9-12 years ☐ 12-15 years ☐ 15-18 years ☐ 18-21 years ☐ 21 years or more c What duration measure was used to calculate line 19(b)? ☐ Effective duration ☐ Macaulay duration ☐ Modified duration ☐ Other (specify): _____
20	PBGC missed contribution reporting requirements. If this is a multiemployer plan or a single-employer plan that is not covered by PBGC, skip line 20. a Is the amount of unpaid minimum required contributions for all years from Schedule SB (Form 5500) line 40 greater than zero? ☐ Yes ☐ No b If line 20a is "Yes," has PBGC been notified as required by ERISA sections 4043(c)(5) and/or 303(k)(4)? Check the applicable box: ☐ Yes. ☐ No. Reporting was waived under 29 CFR 4043.25(c)(2) because contributions equal to or exceeding the unpaid minimum required contribution were made by the 30th day after the due date. ☐ No. The 30-day period referenced in 29 CFR 4043.25(c)(2) has not yet ended, and the sponsor intends to make a contribution equal to or exceeding the unpaid minimum required contribution by the 30th day after the due date. ☐ No. Other. Provide explanation _____

October 9, 2023

Doeren Mayhew
305 West Big Beaver Rd., Ste. 200
Troy, Michigan 48084

Ladies and Gentlemen:

This representation letter is provided in connection with your audit of the financial statements of the Great Lakes Credit Union 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), which comprise the statements of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year ended December 31, 2022, and the related notes to the financial statements.

We have elected to have the audit of the Plan's financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's (DOL) Rules and Regulations for Reporting and Disclosure under ERISA. We acknowledge that the audit did not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier, that is regulated, supervised and subject to periodic examination by a state or federal agency, a qualified institution, that prepared and certified the investment information in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting under ERISA. We have determined that an ERISA Section 103(a)(3)(C) audit is permissible under the circumstances. We have also determined that the investment information is prepared and certified by a qualified institution as described by 29 CFR 2520.103-8, that the certification meets the requirements in 29 CFR 2520.103-5 and, that the certified investment information is appropriately measured, presented, and disclosed in accordance with accounting principles generally accepted in the United States of America (U.S. GAAP).

Certain representations in this letter are described as being limited to matters that are material. Items are considered material, regardless of size, if they involve misstatements, including omissions, are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

We confirm, to the best of our knowledge and belief, having made such inquiries as we considered necessary for the purpose of appropriately informing ourselves as of October 9, 2023, the following representations made to you during your audit.

Financial Statements

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement letter dated June 15, 2023, for the preparation and fair presentation of the financial statements (and disclosures) in accordance with U.S. GAAP.

Financial Statements (Continued)

- We acknowledge our responsibility for administering the Plan and determining the Plan's transactions that are presented and disclosed in the ERISA plan financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants to determine the benefits due or which may become due to such participants.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements, notes, and supplemental schedule that are free from material misstatement, whether due to fraud or error.
- We acknowledge our responsibility for the design, implementation, and maintenance of internal control to prevent and detect fraud.
- The methods, data, and significant assumptions used by us in making accounting estimates and their related disclosures are appropriate to achieve recognition, measurement, or disclosure that is reasonable in the context of the applicable financial reporting framework. The methods and significant assumptions used to estimate fair values are properly disclosed in Note 4. The methods and significant assumptions used result in a measure of fair value appropriate for financial measurement and disclosure purposes.
- We are responsible for the estimation methods and assumptions used in measuring assets and liabilities reported or disclosed at fair value, including information obtained from brokers, pricing services, or other third-parties. Our valuation methodologies have been consistently applied from period to period. The fair value measurements reported or disclosed represent our best estimate of fair value as of the measurement date in accordance with the requirements of Financial Accounting Standards Board (FASB) Accounting Standards Codification (ASC) 820, *Fair Value Measurement*. In addition, our disclosures related to fair value measurements are consistent with the objectives outlined in FASB ASC 820.
- All related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of U.S. GAAP.
- Transactions with parties-in-interest, as defined in Section 3(14) of ERISA and regulations thereunder, including sales, purchases, loans, transfers, leasing arrangements, and guarantees, and amounts receivable from, or payable to, related parties have been appropriately disclosed.
- We are not aware of any events subsequent to the date of the financial statements that require adjustment or disclosure.
- The effects of all known actual or possible litigation and claims have been accounted for and disclosed in accordance with U.S. GAAP.
- We have no intentions to terminate the Plan.
- Guarantees, whether written or oral, under which the Plan is contingently liable to a bank or another lending institution have been properly recorded or disclosed in the financial statements. We have properly reported and disclosed amendments to the plan instrument, if any.

Financial Statements (Continued)

- With respect to the financial statement preparation and supplemental schedule preparation services (including proposed journal entries) provided, we have performed the following:
 - Made all management decisions and performed all management functions;
 - Assigned a competent individual who has suitable knowledge, skill or experience, to oversee the services;
 - Evaluated the adequacy of the services performed;
 - Evaluated and accepted responsibility for the results of the services performed; and
 - Established and maintained controls, including a process to monitor the system of internal control.
- We acknowledge our responsibility for the presentation of the ERISA-required supplemental schedule in accordance with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- We believe the supplemental schedule, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- We have provided you with:
 - Access to all information, of which we are aware that is relevant to the preparation and fair presentation of the financial statements, such as financial records and related data, plan instruments, trust agreements, insurance contracts, as applicable, or investments contracts, as applicable, and amendments to such documents entered into during the year.
 - The most current plan instrument for the audit period, including all amendments.
 - A draft of the Form 5500 that is substantially complete.
 - Additional information that you have requested from us for the purpose of the audit.
 - Unrestricted access to persons within the Plan from whom you determined it necessary to obtain audit evidence.
 - All minutes of the meetings of the Plan's administrative committee or summaries of actions of recent meetings for which minutes have not yet been prepared.

Information Provided

- All transactions have been recorded in the accounting records and are reflected in the financial statements.
- Financial instruments with off-balance-sheet risk and financial instruments with concentrations of credit risk have been properly recorded or disclosed in the financial statements.
- The Plan has satisfactory title to all owned assets that are recorded at fair value, and all liens, encumbrances, or security interest requiring disclosure in the financial statements have been properly disclosed.

Information Provided (Continued)

- We have disclosed to you the results of our assessment of the risk that the financial statements may be materially misstated as a result of fraud.
- We have no knowledge of any fraud or suspected fraud that affects the Plan and involves:
 - Management,
 - Employees who have significant roles in internal control, or
 - Others where the fraud could have a material effect on the financial statements.
- We have no knowledge of any allegations of fraud or suspected fraud affecting the Plan's financial statements communicated by employees, former employees, participants, regulators, beneficiaries, service providers, third-party administrators, or others.
- We have no knowledge of any instances of noncompliance or suspected noncompliance with laws and regulations whose effects should be considered when preparing the financial statements.
- We are not aware of any pending or threatened litigation, claims, and assessments whose effects should be considered when preparing the financial statements and we have not consulted legal counsel concerning litigation, claims, or assessments.
- There are no other matters (e.g., breach of fiduciary responsibilities, nonexempt transactions, loans or loans in default, or events that may jeopardize the tax status) that legal counsel has advised us must be disclosed.
- We have disclosed to you the identity of the Plan's related parties and parties-in-interest and the nature of all the related party and party-in-interest relationships and transactions of which we are aware.
- We have apprised you of all communications, whether written or oral, with regulatory agencies concerning the operation of the Plan.
- The Plan has complied with all aspects of debt and other contractual agreements that would have a material effect on the financial statements in the event of noncompliance.
- All required filings with the appropriate agencies have been made.
- The Plan is qualified under the appropriate section of the Internal Revenue Code and intends to continue as a qualified Plan. The Plan Sponsor has operated the Plan in a manner that did not jeopardize this tax status. Required nondiscrimination testing related to Code Section 401(k) and 401(m) arrangements, as applicable, has been completed for the Plan, and any excess deferrals or contributions have been disposed of in accordance with regulations.
- The Plan has complied with the DOL's regulations concerning the timely remittance of participants' contributions to trusts containing assets for the Plan.
- The Plan has complied with the fidelity bonding requirements of ERISA.

Information Provided (Continued)

- There are no:
 - Nonexempt party-in-interest transactions (as defined in ERISA Section 3[l] and regulations under that section) that were not disclosed in the supplemental schedule or financial statements.
 - Investments in default or considered to be uncollectible that were not disclosed in the supplemental schedule.
 - Reportable transactions (as defined in ERISA Section 103[b][3][H] and regulations under that section) that were not disclosed in the supplemental schedule.
- We have obtained appropriate fee disclosures from covered service providers and have concluded the fees are reasonable. The Plan is in compliance with DOL regulations regarding ERISA Section 408(b)(2).
- We acknowledge our responsibility for presenting the "Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year)" in accordance with U.S. GAAP and in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. We believe the form and content of the "Form 5500, Schedule H, Line 4i - Schedule of Assets (Held at End of Year)" is fairly presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. The methods of measurement and presentation of the supplemental schedule has not changed from those used in the prior period, and we have disclosed to you any significant assumptions or interpretations underlying the measurement and presentation of the supplemental schedule.
- We have obtained the service auditor's report from our service organizations, Principal Life Insurance Company and Paylocity Corporation. We have reviewed such report, including the complementary user controls. We have implemented the relevant user controls, and they were in operation for the year ended December 31, 2022.
- The Plan's Form 5500 returns for 2019 - 2022, which include the Plan's audited financial statements, are subject to examination by the IRS and the DOL, generally for three to four years after they were filed. The Plan Sponsor recognizes tax positions on the Form 5500 only to the extent that we believe it is "more likely than not" that those tax positions will be sustained upon IRS/DOL examination.

Very truly yours,

GREAT LAKES CREDIT UNION 401(k) PLAN



Michael Hersch, Chief Administrative Officer



Diana Byers, SVP, Risk Management

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

G L C U 401() P

EIN 36 1163912
 PLAN NUMBER 003
 PLAN YEAR 01/01/2022 TO 12/31/2022

(A)	(B) Identity of issuer, borrower, lessor or similar party.	(C) Description of investment including maturity date, rate of interest, collateral, par or maturity value.	(D) Cost	(E) Current Value
	The American Funds	Registered Investment Company Am Fds EuroPacific Grth R6 Fd	\$ 0.00	\$ 321,017.29
	Wilmington Trust	Common/Collective Trust BlkRock Russell 1000 Val Idx R	\$ 0.00	\$ 521,043.91
	Cohen & Steers	Registered Investment Company Cohen & Steers Realty Sh Fund	\$ 0.00	\$ 322,201.68
	Dodge and Cox Funds	Registered Investment Company Dodge & Cox Income I Fund	\$ 0.00	\$ 1,047,528.27
	Fidelity Investments	Registered Investment Company Fidelity Sm Cap Index Fund	\$ 0.00	\$ 687,498.56
	Fidelity Investments	Registered Investment Company Fidelity 500 Index Fund	\$ 0.00	\$ 1,889,197.23
	Oppenheimer	Registered Investment Company Inv Dev Mark Y Fd	\$ 0.00	\$ 302,118.65
*	Principal Global Investors Trust Co	Common/Collective Trust Principal Stable Value Inst	\$ 0.00	\$ 1,226,296.00
	PIMCO Funds	Registered Investment Company PIMCO RealPath Bld Inc Inst Fd	\$ 0.00	\$ 1,059,995.48
	PIMCO Funds	Registered Investment Company PIMCO RealPath Bld 2025 Ins Fd	\$ 0.00	\$ 1,866,343.06
	PIMCO Funds	Registered Investment Company PIMCO RealPath Bld 2030 Ins Fd	\$ 0.00	\$ 2,198,866.80
	PIMCO Funds	Registered Investment Company PIMCO RealPath Bld 2035 Ins Fd	\$ 0.00	\$ 854,431.49
	PIMCO Funds	Registered Investment Company PIMCO RealPath Bld 2040 Ins Fd	\$ 0.00	\$ 913,863.42
	PIMCO Funds	Registered Investment Company PIMCO RealPath Bld 2045 Ins Fd	\$ 0.00	\$ 962,631.24
	PIMCO Funds	Registered Investment Company PIMCO RealPath Bld 2050 Ins Fd	\$ 0.00	\$ 541,978.74

SCHEDULE H, line 4i - SCHEDULE OF ASSETS (HELD AT END OF YEAR)

EIN 36 1163912
PLAN NUMBER 003
PLAN YEAR 01/01/2022 TO 12/31/2022

[illegible]

To the Plan Administrator of the
Great Lakes Credit Union 401(k) Plan

We have conducted an ERISA Section 103(a)(3)(C) audit of the financial statements of the Great Lakes Credit Union 401(k) Plan (the Plan) as of and for the year ended December 31, 2022, and have issued our report thereon dated October 9, 2023. Professional standards require that we advise you of the following matters relating to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter dated June 15, 2023, our responsibility, as described by professional standards, is to conduct our audit in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Therefore, as permitted by ERISA Section 103(a)(3)(C), the audit need not extend to any statements of information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution). For an ERISA Section 103(a)(3)(C) audit, the audit will not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirement of accounting principles generally accepted in the United States of America (GAAP). Accordingly, the objective of the ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the Plan solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgment, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance With All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Significant Risks Identified

We have identified the following significant risks:

Management Override of Controls

The potential for management to override important controls in the Credit Union's internal control system is inherent in all audits and is a required assumption by the audit standards.

Improper Revenue Recognition

The potential for management to overstate revenue is inherent in all audits and is a required assumption by the audit standards.

These risks were considered in the design of our audit procedures and were used to focus our audit testing in the areas of highest risk.

Qualitative Aspects of the Plan's Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the Plan is included in Note 2 to the financial statements. There have been no initial selection of accounting policies and no changes in significant accounting policies or their application during 2022. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgments. Those judgments are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgments.

The most sensitive accounting estimate affecting the financial statements is:

Fair Value Measurements

Mutual Funds: Valued at daily closing prices as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. Mutual funds held by the Plan are deemed to be actively traded.

Common/Collective Trust Funds: Valued at fair value based on the Net Asset Value (NAV) of units held of the collective fund. The NAV, as provided by the Trustee/Custodian, is used as a practical expedient to estimate fair value. The NAV is based on the observable market prices of the underlying investments within the fund less liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

We have evaluated the key factors and assumptions used to develop these fair value measurements in determining that they are reasonable in relation to the financial statements taken as a whole.

Qualitative Aspects of the Plan's Significant Accounting Practices (Continued)

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The fair value measurements described above were the most sensitive disclosures affecting the Plan's financial statements.

Significant Unusual Transactions

For purposes of this communication, professional standards require us to communicate to you significant unusual transactions identified during our audit. There were no significant unusual transactions identified as a result of our audit procedures.

Form 5500 Procedures

We are required to obtain and read a substantially complete draft of Form 5500 prior to dating our auditor's report. The purpose of this procedure is to identify any material inconsistencies between the draft Form 5500 and the Plan's financial statements. We identified no material inconsistencies in performing and completing our audit.

Identified or Suspected Fraud

We have not identified or obtained information that indicates that fraud may have occurred.

Significant Difficulties Encountered During the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effect of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements as a whole. There were no such misstatements requiring communication.

Disagreements With Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the Plan's financial statements or the auditor's report. No such disagreements arose during the course of the audit.

Circumstances that Affect the Form and Content of the Auditor's Report

For purposes of this letter, professional standards require that we communicate any circumstances that affect the form and content of our auditor's report.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter dated October 9, 2023.

Management's Consultations With Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings or Issues

In the normal course of our professional association with the Plan, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, significant events or transactions that occurred during the year, business conditions affecting the Plan, and business plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the Plan's auditors.

Other Matters

The ERISA-required supplemental schedule, other than that agreed to or derived from the certified investment information, was subjected to the audit procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with GAAS.

Our responsibility also includes communicating to you any information which we believe is a material misstatement of fact. Nothing came to our attention that caused us to believe that such information, or its manner of presentation, is materially inconsistent with the information, or manner of its presentation, appearing in the financial statements.

This information is intended solely for the use of the Plan Administrator and management of the Great Lakes Credit Union 401(k) Plan and is not intended to be and should not be used by anyone other than these specified parties.

Doeren Mayhew

Troy, Michigan
October 9, 2023

**GREAT LAKES CREDIT UNION
401(k) PLAN**

FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021
(With Independent Auditor's Report Thereon)

GREAT LAKES CREDIT UNION 401(k) PLAN

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INDEPENDENT AUDITOR'S REPORT

To the Plan Administrator of the
Great Lakes Credit Union 401(k) Plan

Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2022 Financial Statements

We have performed an audit of the financial statements of the Great Lakes Credit Union 401(k) Plan (the Plan), an employee benefit plan subject to the Employee Retirement Income Security Act of 1974 (ERISA), as permitted by ERISA Section 103(a)(3)(C) (ERISA Section 103(a)(3)(C) audit). The financial statements comprise the statement of net assets available for benefits as of December 31, 2022, and the related statement of changes in net assets available for benefits for the year then ended, and the related notes to the financial statements (2021 Financial Statements).

Management, having determined it is permissible in the circumstances, has elected to have the audit of the 2022 financial statements performed in accordance with ERISA Section 103(a)(3)(C) pursuant to 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted by ERISA Section 103(a)(3)(C), our audit need not extend to any statements or information related to assets held for investment of the Plan (investment information) by a bank or similar institution or insurance carrier that is regulated, supervised, and subject to periodic examination by a state or federal agency, provided that the statements or information regarding assets so held are prepared and certified by the bank or similar institution or insurance carrier in accordance with 29 CFR 2520.103-5 of the DOL's Rules and Regulations for Reporting and Disclosure under ERISA (qualified institution).

Management has obtained a certification from a qualified institution as of and for the year-ended December 31, 2022, stating that the certified investment information, as described in Note 3 to the financial statements, is complete and accurate.

Opinion on the 2022 Financial Statements

In our opinion, based on our audit and on the procedures performed as described in the Auditor's Responsibilities for the Audit of the 2022 Financial Statements section:

- The amounts and disclosures in the accompanying 2022 financial statements, other than those agreed to or derived from the certified investment information, are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America (GAAP).
- The information in the accompanying 2022 financial statements related to assets held by and certified by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Basis for Opinion on the 2022 Financial Statements

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the 2022 Financial Statements section of our report. We are required to be independent of the Plan and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our ERISA Section 103(a)(3)(C) audit opinion.

Responsibilities of Management for the 2022 Financial Statements

Management is responsible for the preparation and fair presentation for the 2022 financial statements in accordance with GAAP, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error. Management's election of the ERISA Section 103(a)(3)(C) audit does not affect management's responsibility for the financial statements.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Plan's ability to continue as a going concern for one year after the date the 2022 financial statements are issued.

Management is also responsible for maintaining a current Plan instrument, including all Plan amendments, administering the Plan, and determining that the Plan's transactions that are presented and disclosed in the financial statements are in conformity with the Plan's provisions, including maintaining sufficient records with respect to each of the participants, to determine the benefits due or which may become due to such participants.

Auditor's Responsibilities for the Audit of the 2022 Financial Statements

Except as described in the Scope and Nature of the ERISA Section 103(a)(3)(C) Audit for the 2022 Financial Statements section of our report, our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users made on the basis of the 2022 financial statements.

In performing audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the 2022 financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Plan's internal control. Accordingly, no such opinion is expressed.

Auditor's Responsibilities for the Audit of the 2022 Financial Statements (Continued)

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the 2022 financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Plan's ability to continue as a going concern for a reasonable period of time.

Our audit did not extend to the certified investment information, except for obtaining and reading the certification, comparing the certified investment information with the related information presented and disclosed in the 2022 financial statements, and reading the disclosures relating to the certified investment information to assess whether they are in accordance with the presentation and disclosure requirements of GAAP.

Accordingly, the objective of an ERISA Section 103(a)(3)(C) audit is not to express an opinion about whether the financial statements as a whole are presented fairly, in all material respects, in accordance with GAAP.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Other Matter - 2022 Supplemental Schedule Required by ERISA

The supplemental schedule of assets (held at end of year) is presented for the purpose of additional analysis and is not a required part of the 2022 financial statements, but is supplemental information required by the DOL's Rules and Regulations for Reporting and Disclosure under ERISA. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the 2022 financial statements. The information included in the supplemental schedule, other than that agreed to or derived from the certified investment information, has been subjected to auditing procedures applied in the audit of the 2022 financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the 2022 financial statements or to the 2022 financial statements themselves, and other additional procedures in accordance with GAAS. For information included in the supplemental schedule that agreed to or is derived from the certified investment information, we compared such information to the related certified investment information.

In forming our opinion on the supplemental schedule, we evaluated whether the supplemental schedule, other than the information agreed to or derived from the certified investment information, including its form and content, is presented in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.

In our opinion:

- The form and content of the supplemental schedule, other than the information in the supplemental schedule that agreed to or is derived from the certified investment information, is presented, in all material respects, in conformity with the DOL's Rules and Regulations for Reporting and Disclosure under ERISA.
- The information in the supplemental schedule related to assets held by and certified by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C).

Other Matter - 2021 Financial Statements

The 2021 financial statements of the Plan were audited by predecessor auditors. In accordance with ERISA Section 103(a)(3)(C) pursuant to CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA, the prior year audit did not extend to any statements or information related to assets held for investment of the Plan that were certified by a qualified institution. Their report dated September 19, 2022 indicated that: (a) the amounts and disclosures in the 2021 financial statements, other than those agreed to or derived from the certified investment information, were presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America, and (b) the information in the 2021 financial statements related to assets held by and certified by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determined meets the requirements of ERISA Section 103(a)(3)(C). Their report also indicated that the form and content of the 2021 supplemental schedule, other than the information in the 2021 supplemental schedule that agreed to or is derived from the certified investment information, were presented, in all material respects, in conformity with the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA; and the information in the 2021 supplemental schedule related to assets held by and certified by a qualified institution agrees to, or is derived from, in all material respects, the information prepared and certified by an institution that management determines meets the requirements of ERISA Section 103(a)(3)(C).

Doeren Mayhew

Troy, Michigan
October 9, 2023

**GREAT LAKES CREDIT UNION
401(k) PLAN**

**STATEMENTS OF NET ASSETS AVAILABLE FOR BENEFITS
DECEMBER 31, 2022 AND 2021**

	<u>2022</u>	<u>2021</u>
Assets:		
Investments, at fair value (notes 2, 3 and 4)	\$ 16,685,120	\$ 20,301,546
Participant notes receivable (note 2)	<u>378,233</u>	<u>356,892</u>
Net assets available for benefits	<u>\$ 17,063,353</u>	<u>\$ 20,658,438</u>

See accompanying notes to financial statements

**GREAT LAKES CREDIT UNION
401(k) PLAN**

**STATEMENT OF CHANGES IN NET ASSETS AVAILABLE FOR BENEFITS
YEAR ENDED DECEMBER 31, 2022**

Additions:

Investment income:

Interest and dividend income	\$ 274,469
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Contributions:

Employee contributions:

401(k) elective contributions	1,184,944
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Rollover contributions	164,743
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Employer matching contributions	<u>556,343</u>
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Total contributions	1,906,030
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Interest income - participant notes receivable	<u>10,587</u>
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Total additions	2,191,086
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Deductions:

Net depreciation in fair value of investments	3,915,566
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Distributions to participants	1,823,635
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Administrative expenses	<u>46,970</u>
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Total deductions	<u>5,786,171</u>
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Net decrease in net assets	(3,595,085)
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Net assets available for benefits - January 1, 2022	<u>20,658,438</u>
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Net assets available for benefits - December 31, 2022	<u><u>\$ 17,063,353</u></u>
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See accompanying notes to financial statements

GREAT LAKES CREDIT UNION 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

Note 1 - Description of the Plan

General

The Plan is a defined contribution plan covering all eligible non-contract employees of Great Lakes Credit Union (the Credit Union), as defined. The Plan is subject to the provisions of the Employee Retirement Income Security Act of 1974, as amended (ERISA). The following description of the Plan is provided for general information purposes only. Participants should refer to the Summary Plan Description or the Adoption Agreement, including amendments thereto, for a complete description of the Plan's provisions.

Administration

The Plan Sponsor and named Plan Administrator is Great Lakes Credit Union. The Plan Administrator is responsible for oversight of the Plan. The Plan Administrator determines the appropriateness of the Plan's investment offerings, monitors investment performance and fees, and reports to the Plan's Trustee. The Plan's Trustee and Investment Custodian is Principal Trust Company. The Investment Custodian holds all of the Plan's assets and executes all of the Plan's transactions. The Credit Union has also retained Principal Trust Company to provide participant recordkeeping and administration services.

Eligibility

Employees are eligible for the Plan on the first day of employment. However, participants are not eligible to receive employer contributions until they have completed six months of service.

Contributions

Each year, participants may contribute on a pre-tax basis, post-tax basis (Roth) or a combination of both at a specified amount up to 100% of their annual compensation, as defined in the Plan, subject to limitations imposed by the Internal Revenue Service (IRS). Participants who have attained age 50 before the end of the plan year are eligible to make catch-up contributions. Participants may also contribute amounts representing distributions from other qualified defined benefit or defined contribution plans (rollovers). The Plan includes an auto-enrollment provision whereby all newly eligible employees are automatically enrolled in the Plan unless they affirmatively elect not to participate. Automatically enrolled participants have their deferral rate set at 7% of eligible compensation and their contributions invested in a designated fund until changed by the participant. If an employee is auto-enrolled into the Plan and they make no changes on their own to their deferral rate, their rate will automatically increase by 1% on January 1st of each year until they reach a 10% maximum deferral rate. If an employee does not make an affirmative election to their deferral rate, they get removed from the auto-escalation. The Plan has the option for those participants to opt back into the auto-escalation if they choose.

GREAT LAKES CREDIT UNION

401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

Note 1 - Description of the Plan (Continued)

Contributions (Continued)

Each pay period, the Credit Union may make discretionary matching contributions to the account of each eligible employee. During the year ended December 31, 2022, the Credit Union made discretionary matching contributions totaling \$556,343, which were equal to 100% of the first 3% of deferred contributions, plus 50% of the deferred contributions that are between 4% and 7% of eligible compensation. Contributions are subject to certain limitations. Additional amounts may be contributed annually at the option of the Credit Union's Board of Directors. Amounts of any additional employer annual contributions are based on the availability of the Credit Union's profits.

Participant Accounts

Each participant's account is credited with the participant's contributions and the Credit Union's discretionary matching contributions, as well as an allocation of the Credit Union's additional contributions, if any, and the Plan's earnings. Participant accounts are charged with an allocation of administrative expenses that are paid by the Plan. Allocations are based on participant earnings, participant contributions, or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account. Each participant directs the investment of his or her account to any of the investment options available under the Plan.

Vesting

Effective January 1, 2021, upon the Plan adopting safe harbor provisions, plan participants are immediately 100% vested in their employee-directed, employer discretionary matching, rollover, and other contributions plus actual earnings thereon.

Investment Options

Upon enrollment in the Plan, participants may direct their account balances into a variety of investment options as more fully described in the Plan's literature. Participants may change their investment options at any time.

Notes Receivable from Participants

Participants may borrow from their fund accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account reduced by any outstanding loan balance on the date the new loan is made. Loan terms are available up to five years, or longer if used to purchase a residence. The loans are secured by the balance in the participant's account. A participant may be granted one loan during any one-year period with a maximum of two loans outstanding at a time. Interest rates range from 3.05% to 7.30% for loans outstanding at December 31, 2022 and 2021, which are commensurate with market rates for similar loans. Principal and interest are paid ratably through payroll deductions.

GREAT LAKES CREDIT UNION 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

Note 1 - Description of the Plan (Continued)

Forfeited Accounts

Forfeited nonvested accounts totaled \$-0- as of December 31, 2022 and 2021. Any forfeited nonvested accounts may be used to pay administrative expenses or to reduce employer contributions. During the year ended December 31, 2022, forfeitures of \$13,600 was used on employer contributions and \$8,000 was used on administrative expenses.

Payment of Benefits

On termination of service, participants with vested account balances of \$5,000 or less are subject to involuntary cash-outs, in which automatic distribution of their account balance will occur without direct consent unless they elect a rollover. Participants whose vested account balances exceed \$5,000 may elect a lump sum distribution, periodic equal installment payments, a partial withdrawal, or a rollover of their account balance to another qualified account. Additionally, they may also elect to defer the distribution of their plan balance. Participants who elect to have their benefit payments deferred continue to share in allocations of investment income and losses, but do not share in subsequent allocations of employer contributions. Special rules apply to distributions due to death, disability and retirement. Participants should refer to the full plan document for details.

The Plan allows for in-service distributions upon attainment of age 59 1/2 for all deferral contributions, discretionary employer matching contributions, and rollover contributions for any reason. The Plan also allows for in-service distributions prior to attainment of the Plan's normal retirement age due to financial hardship, as defined in the plan document, from vested account balances.

Note 2 - Summary of Significant Accounting Policies

Basis of Accounting

The Plan's financial statements have been prepared on the accrual basis of accounting. Income from investments is recorded when it is earned. Expenses are recorded in the accounting period in which they are incurred.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires the Plan's management to make use of estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

GREAT LAKES CREDIT UNION

401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

Note 2 - Summary of Significant Accounting Policies (Continued)

Investment Valuation and Income Recognition

The Plan's investments are reported at fair value. Fair value is the price that would be received by the Plan for an asset or paid by the Plan to transfer a liability (at exit price) in an orderly transaction between market participants on the measurement date in the Plan's principal or most advantageous market for the asset or liability. The Plan's management determines the Plan's valuation policies utilizing information provided by the investment trustee. See Note 4 for discussion of fair value measurements.

Purchases and sales of investments are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date. Net appreciation or depreciation includes the Plan's gains and losses on investments bought and sold as well as held during the year.

Notes Receivable from Participants

Notes receivable from participants are measured at their unpaid principal balance plus any accrued but unpaid interest. Interest income is recorded on the accrual basis. Related fees are recorded as administrative expenses and are expensed when they are incurred. No allowance for credit losses has been recorded as of December 31, 2022 and 2021. If a participant ceases to make repayments on a note receivable and the Plan Administrator deems the note receivable to be uncollectible, the balance on the note receivable from the participant is reclassified to benefits paid to participants.

Payment of Benefits

Benefits are recorded when paid

Administrative Expenses

Certain expenses of maintaining the Plan are paid directly by the Credit Union and are excluded from these financial statements. Investment-related expenses are included in net appreciation or depreciation in fair value of investments. Plan recordkeeping and trustee fees are paid by the Plan and are reflected in the financial statements as administrative expenses. Fees related to the administration of notes receivable from participants are charged directly to the participant's account and are included in administrative expenses. Investment management fees are charged to the Plan as a reduction of investment return and included in the investment income/(loss) reported by the Plan.

Subsequent Events

Effective January 1, 2024, the Plan was amended and restated in its entirety, as a result of the restatement and amendment of the adoption agreement to reflect the change of the employer matching contributions from discretionary match to 401(k) safe harbor.

The financial statements and related disclosures include evaluation of events up through and including October 9, 2023, which is the date the financial statements were available to be issued.

GREAT LAKES CREDIT UNION 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

Note 3 - Unaudited Investment Information Certified by Principal Trust Company

Plan management has elected the method of compliance permitted by 29 CFR 2520.103-8 of the Department of Labor's Rules and Regulations for Reporting and Disclosure under ERISA. As permitted under such election, the following information has been certified by Principal Trust Company as to its completeness and accuracy and was not subjected to any auditing procedures performed by the Plan's independent auditors:

1. All investment balances reflected in the accompanying statements of net assets available for plan benefits as of December 31, 2022 and 2021;
2. All investment activity reflected in the statement of changes in net assets available for plan benefits for the year ended December 31, 2022;
3. All investment-related information included in the Supplemental Schedule H, Line 4i - Schedule of Assets (Held at End of Year) as of December 31, 2022; and
4. Notes receivable from participants as of December 31, 2022 and 2021 and the related income on notes receivable from participants for the year ended December 31, 2022.

Note 4 - Fair Value Measurements

The framework for measuring fair value provides a fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). The three levels of the fair value hierarchy under FASB ASC 820 are described as follows:

- Level 1 - Inputs to the valuation methodology are unadjusted quoted prices for identical assets or liabilities in active markets that the Plan has the ability to access.
- Level 2 - Inputs to the valuation methodology include quoted prices for similar assets or liabilities in active markets; quoted prices for identical or similar assets or liabilities in inactive markets; inputs other than quoted prices that are observable for the asset or liability; inputs that are derived principally from or corroborated by observable market data by correlation or other means. If the asset or liability has a specified contractual term, the Level 2 input must be observable for substantially the full term of the asset or liability.
- Level 3 - Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

GREAT LAKES CREDIT UNION 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

Note 4 - Fair Value Measurements (Continued)

The following is a description of the valuation methodologies used for assets measured at fair value. There have been no changes in the methodologies used as of December 31, 2022 and 2021.

Mutual Funds: Valued at daily closing prices as reported by the fund. Mutual funds held by the Plan are open-ended mutual funds that are registered with the SEC. These funds are required to publish their daily net asset value and to transact at that price. Mutual funds held by the Plan are deemed to be actively traded.

Common/Collective Trust Funds: Valued at fair value based on the Net Asset Value (NAV) of units held of the collective fund. The NAV, as provided by the Trustee/Custodian, is used as a practical expedient to estimate fair value. The NAV is based on the observable market prices of the underlying investments within the fund less liabilities. This practical expedient is not used when it is determined to be probable that the fund will sell the investment for an amount different than the reported NAV.

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2022:

	Assets at Fair Value as of December 31, 2022			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	<u>\$ 14,937,780</u>	<u>\$ 14,937,780</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets in the fair value hierarchy	14,937,780	<u><u>\$ 14,937,780</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Investments measured at net asset value ^(a)	<u>1,747,340</u>			
Investments, at fair value	<u><u>\$ 16,685,120</u></u>			

GREAT LAKES CREDIT UNION 401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS DECEMBER 31, 2022 AND 2021

Note 4 - Fair Value Measurements (Continued)

The following table sets forth by level, within the fair value hierarchy, the Plan's assets at fair value as of December 31, 2021:

	Assets at Fair Value as of December 31, 2021			
	<u>Total</u>	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Mutual Funds	<u>\$ 18,511,842</u>	<u>\$ 18,511,842</u>	<u>\$ -</u>	<u>\$ -</u>
Total assets in the fair value hierarchy	18,511,842	<u><u>\$ 18,511,842</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
Investments measured at net asset value ^(a)	<u>1,789,704</u>			
Investments, at fair value	<u><u>\$ 20,301,546</u></u>			

- (a) In accordance with Subtopic 820-10, certain investments that were measured at net asset value per share (or its equivalent) and have not been classified in the fair value hierarchy. The fair value amounts presented in this table are intended to permit reconciliation of the fair value hierarchy to the line items presented in the statements of net assets available for benefits.

The following table summarizes investments for which fair value is measured using the net asset value per share practical expedient as of December 31, 2022 and 2021:

	As of December 31,		<u>Unfunded Commitments</u>	<u>Redemption Frequency</u>	<u>Redemption Notice Period</u>
	<u>2022</u>	<u>2021</u>			
	<u>Fair Value</u>	<u>Fair Value</u>			
Collective Investment Trust ^(b)	<u><u>\$ 1,747,340</u></u>	<u><u>\$ 1,789,704</u></u>	<u><u>\$ -</u></u>	Daily	Daily

- (b) The objective of the Collective Investment Trust is to provide a moderate total return over a full market cycle with commensurate risk. The fund pursues its investment objective by investing primarily in a professionally managed portfolio of registered investment companies and collective investment trusts, which in turn, invest in equity securities and fixed income securities.

GREAT LAKES CREDIT UNION

401(k) PLAN

NOTES TO THE FINANCIAL STATEMENTS

DECEMBER 31, 2022 AND 2021

Note 5 - Party-in-Interest Transactions

Parties-in-interest are defined under DOL regulations as any fiduciary of the Plan, any party rendering service to the Plan, the employer, and certain others. Certain administrative functions are performed by officers or employees of the Credit Union. No such officer or employee receives compensation from the Plan. Some administrative expenses of the Plan are paid directly by the Credit Union.

Certain plan investments are shares of registered investment companies and units of a collective trust fund managed by the Trustee, as defined by the Plan, and its related entities, and, therefore, these transactions qualify as party-in-interest. Participant loans also qualify as party-in-interest transactions. The Plan made payments to the third-party administrator and investment advisors which qualify as party-in-interest transactions.

Note 6 - Plan Termination

Although it has not expressed any intent to do so, the Credit Union has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of plan termination, participants will become 100 percent vested in their accounts. Any unallocated assets of the Plan would be allocated to participants' accounts and distributed in such manner as the sponsor may determine.

Note 7 - Tax Status

The Plan adopted a non-standardized prototype plan sponsored by Principal Financial Group. The prototype plan has received an opinion letter from the IRS dated June 30, 2020 as to its qualified status. The prototype plan opinion letter has been relied upon by this Plan. The Plan has been amended since adopting the non-standardized prototype plan document. However, the Plan Administrator believes the Plan is designed and being operated in compliance with the applicable provisions of the Internal Revenue Code (IRC).

Accounting principles generally accepted in the United States of America requires plan management to evaluate tax positions taken by the Plan and recognize a tax liability if the Plan has taken an uncertain position that more likely than not would be sustained upon examination by the Department of Labor or IRS. The Plan Administrator has analyzed the tax positions taken by the Plan, and has concluded that as of December 31, 2022 and 2021, there are no uncertain positions taken or expected to be taken that would require disclosure in the financial statements. The Plan is subject to routine audits by taxing jurisdictions; however, there are currently no audits for any tax periods in progress. The Plan Administrator believes it is no longer subject to income tax examinations for years prior to 2019.

**GREAT LAKES CREDIT UNION
401(k) PLAN**

**NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

Note 8 - Risks and Uncertainties

The Plan invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investments will occur in the near term and that such changes could materially affect participants' account balances and the amounts reported in the statements of net assets available for benefits.

*** * * End of Notes * * ***

**GREAT LAKES CREDIT UNION
401(k) PLAN**

**SCHEDULE OF ASSETS (HELD AT END OF YEAR)
DECEMBER 31, 2022**

**- Form 5500, Schedule H, Line 4i -
EIN #36-1163912/PLAN 003**

(a)	(b) Identity of Issuer, Borrower, Lessor, or Similar Party	(c) Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value	(e) Current Value
	Dodge & Cox	Dodge & Cox Income Fund	\$ 1,047,529
	PIMCO Funds	PIMCO RealPath Blend Income Fund	1,059,996
	PIMCO Funds	PIMCO RealPath 2025 Fund	1,866,343
	PIMCO Funds	PIMCO RealPath 2030 Fund	2,198,867
	PIMCO Funds	PIMCO RealPath 2035 Fund	854,431
	PIMCO Funds	PIMCO RealPath 2040 Fund	913,863
	PIMCO Funds	PIMCO RealPath 2045 Fund	962,631
	PIMCO Funds	PIMCO RealPath 2050 Fund	541,979
	PIMCO Funds	PIMCO RealPath 2055 Fund	706,436
	PIMCO Funds	PIMCO RealPath 2060 Fund	239,890
	Fidelity Investments	Fidelity 500 Index Fund	1,889,197
	T. Rowe Price Investment Services, Inc.	Blue Chip Growth Fund	1,023,781
	Cohen & Steers Securities, LLC	Reality Shares Fund	322,202
	Fidelity Investments	Fidelity Small Capital Index Fund	687,499
	American Funds	EuroPacific Growth Fund Class R6 Fund	321,017
	Invesco Oppenheimer	Developing Markets Fund Class Y	302,119
		Investments, at fair value	14,937,780
*	Principal Trust Company	Principal Stable Institutional Fund	1,226,296
	Wilmington Trust Co.	BlackRock Russell 1000 Value Index R Fund	521,044
		Investments, at net asset value	1,747,340
*	Notes to Participants Receivable	Loans to participants, interest rates ranging from 3.05% to 7.30% with various maturities	378,233
		Total assets (held at end of year)	<u>\$ 17,063,353</u>

Note: Information provided is based on reports certified by the Plan's Custodian. Column (d), "Cost" is omitted as the cost of participant-directed investments is not required to be disclosed.

* Party-in-interest as defined by ERISA.

GREAT LAKES CREDIT UNION
Bannockburn, Illinois

FINANCIAL STATEMENTS
December 31, 2022 and 2021

GREAT LAKES CREDIT UNION
Bannockburn, Illinois

FINANCIAL STATEMENTS
December 31, 2022 and 2021

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INDEPENDENT AUDITOR'S REPORT

Board of Directors and
Supervisory Committee
Great Lakes Credit Union
Bannockburn, Illinois

Opinion

We have audited the financial statements of Great Lakes Credit Union, which comprise the balance sheets as of December 31, 2022 and 2021, and the related statements of income, comprehensive income, changes in members' equity, and cash flows for the years then ended, and the related notes to the financial statements.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of Great Lakes Credit Union as of December 31, 2022 and 2021, and the results of its operations and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of Great Lakes Credit Union and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Great Lakes Credit Union's ability to continue as a going concern for one year from the date the financial statements are available to be issued.

(Continued)

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Great Lakes Credit Union's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Great Lakes Credit Union's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.



Crowe LLP

Oak Brook, Illinois
March 30, 2023

GREAT LAKES CREDIT UNION
BALANCE SHEETS
December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
ASSETS		
Cash and due from financial institutions	\$ 58,118,358	\$ 67,892,255
Interest bearing deposits in other financial institutions	<u>7,864,240</u>	<u>7,962,605</u>
Total cash and cash equivalents	65,982,598	75,854,860
Interest bearing time deposits in other financial institutions	3,755,308	10,184,000
Equity securities	3,000,744	3,408,362
Securities available-for-sale	112,433,328	128,727,861
Federal Home Loan Bank stock	14,328,107	7,570,519
Loans held for sale	-	128,000
Loans to members, net of allowance of \$2,810,513 and \$3,657,209 as of December 31, 2022 and 2021, respectively	1,080,032,321	763,988,535
Accrued interest receivable	3,431,775	2,639,137
Premises and equipment, net	18,475,100	18,871,090
Share insurance deposit	8,167,970	7,980,296
Servicing rights	623,765	845,767
Real estate owned	2	2
Corporate owned life insurance	12,808,295	12,555,309
Intangible assets	159,166	264,583
Other assets	<u>18,347,563</u>	<u>12,657,915</u>
	<u>\$ 1,341,546,042</u>	<u>\$ 1,045,676,236</u>
LIABILITIES AND MEMBERS' EQUITY		
Members' and nonmember shares	\$ 952,341,881	\$ 827,973,880
Borrowings	269,229,378	93,507,045
Subordinated debt	10,000,000	10,000,000
Accrued interest payable and other liabilities	<u>14,059,077</u>	<u>13,241,093</u>
Total liabilities	1,245,630,336	944,722,018
Members' equity:		
Undivided earnings	98,818,638	89,640,449
Equity acquired in merger	11,315,706	11,315,706
Accumulated other comprehensive income (loss)	<u>(14,218,638)</u>	<u>(1,937)</u>
Total members' equity	<u>95,915,706</u>	<u>100,954,218</u>
	<u>\$ 1,341,546,042</u>	<u>\$ 1,045,676,236</u>

See accompanying notes to financial statements.

GREAT LAKES CREDIT UNION
STATEMENTS OF INCOME
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Interest and dividend income:		
Loans	\$ 35,552,489	\$ 28,261,147
Securities	2,284,634	2,278,051
Other financial institutions	<u>1,406,020</u>	<u>603,868</u>
Total interest income	39,243,143	31,143,066
Interest expense:		
Members' shares	2,501,536	2,435,394
Borrowed funds	<u>5,436,374</u>	<u>2,325,944</u>
Total interest expense	7,937,910	4,761,338
Net interest income	31,305,233	26,381,728
Provision for loan losses	<u>(289,167)</u>	<u>(2,645,514)</u>
Net interest income after provision for loan losses	31,594,400	29,027,242
Non-interest income:		
Service fees	4,425,487	4,210,770
Credit card and ATM card income	3,865,495	4,976,836
Gain on the sale of loans	346,436	5,065,741
Gain (loss) on the sale of securities	-	207,978
Gain on equity securities	(407,618)	221,197
Other	<u>6,583,851</u>	<u>5,155,504</u>
Total non-interest income	14,813,651	19,838,026
Non-interest expense:		
Salaries and employee benefits	20,471,731	16,230,012
Occupancy and operations	10,794,717	9,901,042
Loan collection and real estate owned	407,545	282,199
Credit card and ATM card	1,199,577	1,187,473
Depreciation	1,269,516	1,556,009
Advertising	1,432,798	1,341,189
Professional and outside services	808,599	832,598
Other	<u>845,379</u>	<u>740,627</u>
Total non-interest expense	37,229,862	32,071,149
Net income	<u>\$ 9,178,189</u>	<u>\$ 16,794,119</u>

See accompanying notes to financial statements.

GREAT LAKES CREDIT UNION
STATEMENTS OF COMPREHENSIVE INCOME
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Net income	\$ 9,178,189	\$ 16,794,119
Other comprehensive income		
Unrealized losses on securities:		
Unrealized holding gain (loss) arising during the year	(14,428,343)	(4,088,108)
Reclassification adjustment of (gains) losses included in net income	-	(207,978)
Defined benefit pension plan:		
Reclassification adjustment for amortization of prior service cost and net gain in net income	<u>211,642</u>	<u>(12,004)</u>
Total other comprehensive loss	<u>(14,216,701)</u>	<u>(4,308,090)</u>
Comprehensive (loss) income	<u>\$ (5,038,512)</u>	<u>\$ 12,486,029</u>

See accompanying notes to financial statements.

GREAT LAKES CREDIT UNION
STATEMENTS OF CHANGES IN MEMBERS' EQUITY
Years ended December 31, 2022 and 2021

	Undivided <u>Earnings</u>	Equity Acquired <u>In Merger</u>	Accumulated Other Comprehensive <u>Income (Loss)</u>	Total Members' <u>Equity</u>
Balance at January 1, 2021	\$ 72,846,330	\$ 11,315,706	\$ 4,306,153	\$ 88,468,189
Net income	16,794,119	-	-	16,794,119
Other comprehensive income	<u>-</u>	<u>-</u>	<u>(4,308,090)</u>	<u>(4,308,090)</u>
Balance at December 31, 2021	89,640,449	11,315,706	(1,937)	100,954,218
Net income	9,178,189	-	-	9,178,189
Other comprehensive loss	<u>-</u>	<u>-</u>	<u>(14,216,701)</u>	<u>(14,216,701)</u>
Balance at December 31, 2022	<u>\$ 98,818,638</u>	<u>\$ 11,315,706</u>	<u>\$ (14,218,638)</u>	<u>\$ 95,915,706</u>

See accompanying notes to financial statements.

GREAT LAKES CREDIT UNION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from operating activities:		
Net income	\$ 9,178,189	\$ 16,794,119
Adjustment to reconcile net income to net cash provided by operating activities:		
Provision for loan losses	(289,167)	(2,645,514)
Amortization and accretion on securities, net	251,914	186,430
Loss (Gain) on equity securities	407,618	(221,197)
Gain on sale of securities	-	(207,978)
Gain on sale of loans	(346,436)	(5,065,741)
Gain on sale of premises and equipment	-	(7,307)
Amortization of servicing rights	316,308	365,598
Depreciation and amortization of premises and equipment	1,269,515	1,556,009
Intangible assets amortization	105,417	151,130
Earnings on corporate owned life insurance	(252,986)	(258,629)
Changes in:		
Loans held for sale	380,130	5,086,649
Accrued interest receivable	(792,638)	161,067
Other assets	(5,689,648)	(1,096,642)
Deferred loan fees	(1,446,875)	(56,159)
Accrued interest payable and other liabilities	<u>1,029,626</u>	<u>297,210</u>
Net cash provided by operating activities	4,120,967	15,039,045
Cash flows from investing activities:		
Proceeds from:		
Maturities, calls and principal paydowns of securities available-for-sale	20,931,968	65,253,191
Sale of securities available-for-sale	-	16,201,658
Disposal of premises and equipment	264	566,129
Purchases of:		
Securities available-for-sale	(19,295,000)	(33,000,000)
Premises and equipment	(873,789)	(460,401)
Loans to members, net of repayments	(314,307,744)	(55,374,924)
Net change in interest-bearing time deposits	6,406,000	2,136,000
Net change in share insurance deposits	(187,674)	(821,097)
Proceeds from redemptions of FHLB Stock	3,123,834	-
Purchases of FHLB stock	<u>(9,881,422)</u>	<u>-</u>
Net cash from investing activities	(314,083,563)	(5,499,444)

(Continued)

GREAT LAKES CREDIT UNION
STATEMENTS OF CASH FLOWS
Years ended December 31, 2022 and 2021

	<u>2022</u>	<u>2021</u>
Cash flows from financing activities:		
Net change in members' shares	\$ 124,368,001	\$ 46,494,405
Proceeds from subordinated debt	-	10,000,000
Proceeds from Federal Home Loan Bank advances	563,013,606	55,000,000
Repayments of Federal Home Loan Bank advances	<u>(387,291,273)</u>	<u>(106,241,250)</u>
Net cash provided by financing activities	<u>300,090,334</u>	<u>5,253,155</u>
Increase (decrease) in cash and cash equivalents	(9,872,262)	14,792,756
Cash and cash equivalents at beginning of year	<u>75,854,860</u>	<u>61,062,104</u>
Cash and cash equivalents at end of year	<u>\$ 65,982,598</u>	<u>\$ 75,854,860</u>
Supplemental disclosure of cash flow information:		
Cash paid during the year for interest	\$ 7,749,375	\$ 4,758,541
Supplemental noncash disclosures:		
Transfer from loans to real estate owned	\$ -	\$ 2

See accompanying notes to financial statements.

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Nature of Operations and Concentrations of Credit Risk: Great Lakes Credit Union (Credit Union) is a state chartered credit union operating in northeast Illinois, providing a broad range of products and services to its members. The Credit Union holds a community charter and its field of membership includes anyone living or working in Lake, McHenry, Kane, Kendall, Will and DuPage County and parts of Cook County in Illinois and Kenosha County in Wisconsin. The Credit Union's primary services include accepting member deposits and making loans. The Credit Union grants consumer loans, business loans, and mortgage and home equity loans to its members. Collateral for loans consists of consumer assets and commercial real estate. On December 31, 2019, GLCU was approved for low income designation by the NCUA.

Subsequent Events: The Credit Union has evaluated subsequent events for recognition and disclosure through March 30, 2023, which is the date the financial statements were available to be issued.

Use of Estimates: To prepare financial statements in conformity with accounting principles generally accepted in the United States of America management makes estimates and assumptions based on available information. These estimates and assumptions affect the amounts in the financial statements and disclosures provided, and actual results could differ.

Concentrations of Credit Risk: The loan portfolio is well-diversified and the Credit Union does not have any significant concentrations of credit risk by loan type. The Credit Union is subject to additional credit risk due to the concentration of its members in the designated counties and direct or indirect relationship to sponsors, which include many select employee groups (SEGs) located in northeast Illinois.

Cash Flows: Cash and cash equivalents include cash and deposits with other financial institutions with maturities fewer than 90 days. Net cash flows are reported for member loan and share transactions and interest bearing deposits in other financial institutions.

Equity Securities: Equity securities are carried at fair value, with changes in fair value reported in net income. Equity securities without readily determinable fair values are carried at cost, minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for the identical or a similar investment.

Securities: Debt securities are classified as held to maturity and carried at amortized cost when management has the positive intent and ability to hold them to maturity. Debt securities are classified as available for sale when they might be sold before maturity. Securities available for sale are carried at fair value, with unrealized holding gains and losses reported in other comprehensive income.

Interest income includes amortization of purchase premium or discount. Premiums and discounts on securities are amortized on the level-yield method without anticipating prepayments, except for mortgage backed securities where prepayments are anticipated. Gains and losses on sales are recorded on the trade date and determined using the specific identification method.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Securities (continued): Management evaluates securities for other-than-temporary impairment ("OTTI") on at least a quarterly basis, and more frequently when economic or market conditions warrant such an evaluation. For securities in an unrealized loss position, management considers the extent and duration of the unrealized loss, and the financial condition and near-term prospects of the issuer. Management also assesses whether it intends to sell, or it is more likely than not that it will be required to sell, a security in an unrealized loss position before recovery of its amortized cost basis. If either of the criteria regarding intent or requirement to sell is met, the entire difference between amortized cost and fair value is recognized as impairment through earnings. For debt securities that do not meet the aforementioned criteria, the amount of impairment is split into two components as follows: 1) OTTI related to credit loss, which must be recognized in the income statement and 2) other-than-temporary impairment (OTTI) related to other factors, which is recognized in other comprehensive income. The credit loss is defined as the difference between the present value of the cash flows expected to be collected and the amortized cost basis.

Federal Home Loan Bank (FHLB) Stock: The Credit Union is a member of the FHLB of Chicago. FHLB stock is carried at cost, classified as a restricted security, and periodically evaluated for impairment based on ultimate recovery of par value. Both cash and stock dividends are reported as income.

Loans Held for Sale: Mortgage loans originated and intended for sale in the secondary market are carried at the lower of aggregate cost or fair value, as determined by outstanding commitments from investors. Net unrealized losses, if any, are recorded as a valuation allowance and charged to earnings.

Mortgage loans held for sale are generally sold with servicing rights retained. The carrying value of mortgage loans sold is reduced by the amount allocated to the servicing right. Gains and losses on sales of mortgage loans are based on the difference between the selling price and the carrying value of the related loan sold. All sales are made without recourse subject to the customary representations and warranties.

Loans: Loans that management has the intent and ability to hold for the foreseeable future or until maturity or payoff are reported at the principal balance outstanding, net of deferred loan fees and costs, and an allowance for loan losses.

Interest income is reported on the interest method and includes amortization of net deferred loan fees and costs over the loan term. Interest income is not reported when full loan repayment is in doubt, typically when the loan is impaired or payments are past due over 60 days (90 days for mortgage loans).

The accrual of interest income on loans, except for credit card loans that accrue interest until charge-off, is discontinued at the time the loan is 60 or 90 days past due, depending on the type of loan. Other personal loans are typically charged off no later than 180 days past due. Past due status is based on the contractual terms of the loan. In all cases, loans are placed on nonaccrual or charged off at an earlier date if the collection of principal and interest is considered doubtful. All interest accrued but not collected for loans that are placed on non-accrual or charged off is reversed against interest income. Interest received is recognized on the cash basis or cost recovery method, until qualifying for return to accrual status. Loans are return to accrual status when all principal and interest amounts are brought current and future payments are reasonably assured.

Loan fees and certain direct loan origination costs are deferred, and the net fee or cost is recognized as an adjustment to interest income using the interest method over the contractual life of the loans, adjusted for estimated prepayments based on the Credit Union's historical prepayment experience.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Allowance for Loan Losses: The allowance for loan losses is a valuation allowance for probable incurred credit losses increased by the provision for loan losses and decreased by charge-offs less recoveries. The allowance for loan losses is evaluated based on management's periodic review of loan collectability using historical experience, the nature and volume of the loan portfolio, adverse situations that may affect the member's ability to repay, estimated value of any underlying collateral, and prevailing economic conditions. Allocations of the allowance may be made for specific loans, but the entire allowance is available for any loan that, in management's judgment, should be charged off. Loan losses are charged against the allowance when management believes the uncollectibility of a loan balance is confirmed.

The allowance consists of specific and general components. The specific component relates to loans that are individually classified as impaired, primarily due to delinquent status. A loan is considered impaired when, based on current information and events; it is probable that the Credit Union will be unable to collect all amounts due according to the contractual terms of the loan agreement. Loans for which the terms have been modified resulting in a concession, and for which the borrower is experiencing financial difficulties, are considered troubled debt restructurings (TDRs) and classified as impaired.

Factors considered by management in determining impairment include payment status, collateral value, and the probability of collecting scheduled principal and interest payments when due. Loans that experience insignificant payment delays and payment shortfalls generally are not classified as impaired. Management determines the significance of payment delays and payment shortfalls on a case-by-case basis, taking into consideration all of the circumstances surrounding the loan and the borrower, including the length of the delay, the reasons for the delay, the borrower's prior payment record, and the amount of the shortfall in relation to the principal and interest owed. If a loan is impaired, a portion of the allowance is allocated so that the loan is reported, net, at the present value of estimated future cash flows using the loan's existing rate or at the fair value of collateral if repayment is expected solely from the collateral. Large groups of smaller balance homogenous loans, such as consumer and residential real estate loans, are collectively evaluated for impairment, and accordingly, they are not separately identified for impairment disclosures.

Troubled debt restructurings are separately identified for impairment disclosures and are measured at the present value of estimated future cash flows using the loan's effective rate at inception. If a TDR is considered to be a collateral dependent loan, the loan is reported, net, at the fair value of the collateral less estimated costs to sell. For TDRs that subsequently default, the Credit Union determines the amount of the allowance on that loan in accordance with the accounting policy for the allowance for loan losses.

The general component covers non-impaired loans and is based on historical loss experience adjusted for current factors. The historical loss experience is determined by portfolio segment and is based on the actual loss history experienced by the Credit Union depending on the loan type. The Credit Union considers other economic factors based on the risks present for each portfolio segment.

When establishing the allowance for loan losses, management categorizes loans into risk categories generally based on the nature of the collateral and the basis of repayment. These risk categories and the relevant risk characteristics are as follows:

Business loans - These loans are commercial participation loans that are collateralized by commercial real estate properties. The degree of risk in these loans depends primarily on the loan amount in relation to collateral value and the successful operation of the property securing the loan or the business conducted on the property securing the loan.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Real estate loans - The degree of risk in residential mortgage lending depends primarily on the loan amount in relation to collateral value, the interest rate and the borrower's ability to repay in an orderly fashion. First mortgage loans generally possess a lower inherent risk of loss than other real estate loans due to collateral existing even in a declining real estate market. All other real estate loans include home equity lines of credit and second mortgage loans. As these loans are in a second or later position, they represent greater risk than first mortgage loans.

Consumer loans - Consumer loans consist of direct and indirect vehicle loans, credit cards and other unsecured loans. The credit quality of consumer loans vary depending on the collateral, if any, and economic trends determined by unemployment rates and other key economic indicators.

Servicing Rights: Servicing rights are recognized separately when they are acquired through sales of loans. When mortgage loans are sold, servicing rights are initially recorded at fair value with the income statement effect recorded in gains on sales of loans. Fair value is based on market prices for comparable mortgage servicing contracts, when available or alternatively, is based on a valuation model that calculates the present value of estimated future net servicing income. All classes of servicing assets are subsequently measured using the amortization method which requires servicing rights to be amortized into non-interest income in proportion to, and over the period of, the estimated future net servicing income of the underlying loans.

Servicing assets are evaluated for impairment based upon the fair value of the rights as compared to carrying amount. Impairment is determined by stratifying rights into groupings based on predominant risk characteristics, such as interest rate, loan type and investor type. Impairment is recognized through a valuation allowance for an individual grouping, to the extent that fair value is less than the carrying amount. If the Credit Union later determines that all or a portion of the impairment no longer exists for a particular grouping, a reduction of the allowance may be recorded as an increase to income. The fair values of servicing rights are subject to significant fluctuations as a result of changes in estimated and actual prepayment speeds and default rates and losses.

Mortgage servicing fee income, which is reported on the statements of income as part of other income, is recorded for fees earned for servicing loans. The fees are based on a contractual percentage of the outstanding principal or a fixed amount per loan and are recorded as income when earned. The amortization of mortgage servicing rights is netted against mortgage servicing fee income.

Transfers of Financial Assets: Transfers of financial assets are accounted for as sales, when control over the assets has been surrendered. Control over transferred assets is deemed to be surrendered when (1) the assets have been isolated from the Credit Union, (2) the transferee obtains the right (free of conditions that constrain it from taking advantage of that right) to pledge or exchange the transferred assets, and (3) the Credit Union does not maintain effective control over the transferred assets through an agreement to repurchase them before their maturity.

Real Estate Owned: Assets acquired through repossession are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. Physical possession of residential real estate property collateralizing a consumer mortgage loan occurs when legal title is obtained upon completion of foreclosure or when the borrower conveys all interest in the property to satisfy the loan through completion of a deed in lieu of foreclosure or through a similar legal agreement. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. If fair value declines, a valuation allowance is recorded through expense. Costs after acquisition are expensed. Gain or loss on disposition of the asset is recognized in earnings.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Premises and Equipment: Land is carried at cost. Land improvements, buildings and building improvements, leasehold improvements, and furniture and equipment are carried at cost, less accumulated depreciation and amortization. Land improvements, buildings and building improvements, and furniture and equipment are depreciated using the straight-line method over the estimated useful lives of the assets. The cost of leasehold improvements is amortized using the straight-line method over the lesser of the useful life of the assets or the expected terms of the related leases. Expected terms include lease option periods to the extent that the exercise of such options is reasonably assured. Management reviews property and equipment for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable.

Corporate Owned Life Insurance: The Credit Union has purchased life insurance policies on certain key executives and officers. Corporate owned life insurance is recorded at the amount that can be realized under the insurance contract at the balance sheet date, which is the cash surrender value adjusted for other changes or other amounts due that are probable at settlement.

Collateral Assigned Split Dollar Notes: The Credit Union has split dollar loan agreements for certain executives. A term note is executed between the executive and the Credit Union to fund the premiums on the insurance policy. The policy is assigned as collateral to the Credit Union. The note is recorded at the amount that is due to the Credit Union, net of changes in cash surrender value. Further information regarding the nature of the arrangements and dollar amounts is disclosed in Note 11 – Employee Benefits.

Share Insurance Deposits: The deposit in the National Credit Union Share Insurance Fund (NCUSIF) is in accordance with National Credit Union Administration (NCUA) regulations, which require the maintenance of a deposit by each insured credit union in an amount equal to one percent of its insured shares. The deposit would be refunded to the Credit Union if its insurance coverage is terminated, it converts to insurance coverage from another source or the operations of the fund are transferred from the NCUA Board. The NCUSIF insurance covers the members' accounts for \$250,000.

Members' Shares: Members' shares are the savings deposit accounts of the owners of the Credit Union. Share ownership entitles the members to vote in the annual elections of the Board of Directors and on other corporate matters. Irrespective of the amount of shares owned, no member has more than one vote. Members' shares are subordinated to all other liabilities of the Credit Union upon liquidation. Dividends on members' shares are based on available earnings at the end of a dividend period and are not guaranteed by the Credit Union.

Loan Commitments and Related Financial Instruments: Financial instruments include off-balance-sheet credit instruments, such as commitments to make loans and available lines of credit, issued to meet member financing needs. The face amount for these items represents the exposure to loss, before considering collateral or ability to repay. Such financial instruments are recorded when they are funded.

Regular Reserve - Restricted: The Credit Union is required by regulation to maintain a statutory reserve. This reserve, which represents a regulatory restriction of members' equity, is not available for the payment of interest to members. The restricted reserve amount was \$13,144,303 at December 31, 2022 and 2021.

Income Taxes: The Credit Union is exempt, by statute, from federal and state income taxes. The Credit Union did not incur any unrelated business income tax in 2022 and 2021.

(Continued)

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

A tax position will be recognized as a benefit only if it is “more likely than not” that the tax position would be sustained in a tax examination, with a tax examination being presumed to occur. The amount recognized will be the largest amount of tax benefit that is greater than 50 percent likely of being realized on examination.

For tax positions not meeting the “more likely than not” test, no tax benefit will be recorded. Management evaluated the Credit Union's tax positions and concluded that the Credit Union had taken no uncertain tax positions that require adjustment to the financial statements.

Comprehensive Income: Comprehensive income consists of net income and other comprehensive loss. Other comprehensive loss includes unrealized gains and losses on securities available-for-sale and changes in the funded status of the post retirement benefit plan which are also recognized as a separate component of members' equity.

Loss Contingencies: Loss contingencies, including claims and legal actions arising in the ordinary course of business, are recorded as liabilities when the likelihood of loss is probable and an amount or range of loss can be reasonably estimated. The Credit Union accrued for loss contingencies of \$200,000 and \$1,800,000 at December 31, 2022 and 2021, respectively.

Fair Value of Financial Instruments: Fair values of financial instruments are estimated using relevant market information and other assumptions, as more fully disclosed in a separate note. Fair value estimates involve uncertainties and matters of significant judgment regarding interest rates, credit risk, prepayments, and other factors, especially in the absence of broad markets for particular items. Changes in assumptions or in market conditions could significantly affect the estimates.

Other Intangibles: The Credit Union's other intangible assets consist of core deposit and member intangibles obtained through acquisitions. Core deposit intangibles have finite lives and are amortized on a straight-line basis over the estimated life of the intangible. Other intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying amount of the assets may not be recoverable from future undiscounted cash flows. If impaired, the assets are recorded at fair value.

Adoption of New Accounting Standards: On January 1, 2022, the Credit Union adopted ASU No. 2016-02 “Leases (Topic 842)” and subsequent amendments thereto, which requires the Company to recognize most leases on the balance sheet. The standard was adopted under a modified retrospective approach as of the date of adoption.

Adoption of the leasing standard resulted in the recognition of operating right-of-use assets of \$394,406, and operating lease liabilities of \$394,406 as of January 1, 2022. These amounts were determined based upon the present value of the remaining lease payments, discounted using the incremental borrowing rate as of the date of the adoption. There was no material impact to the timing expense or income recognition in the Company's Consolidated Income Statements. At December 31, 2022, there are operating right-of-use-assets of \$251,515 included in other assets, and operating lease liabilities of \$261,809 included in accrued interest payable and other liabilities.

Risks and Uncertainties: Recent bank failures may cause disruptions to the economy and the U.S. banking system. In March 2023, two large banks were closed and placed into receivership with the FDIC, which have led to uncertainty and concerns regarding the liquidity positions of the banking sector. Although the Credit Union is not significantly affected by these bank failures, this news could cause depositors to withdraw funds from banking institutions. The Company does have unrealized security losses as discussed in Note 4. However, the unrealized security losses do not exceed the excess capital presented in Note 15. The Credit Union has access to multiple on and off balance sheet liquidity sources to support their continued operations.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 2 - CONCENTRATION OF FUNDS

At December 31, 2022 and 2021, the Credit Union had the following balances with other financial institutions:

	<u>2022</u>	<u>2021</u>
Other interest-earning balances:		
Alloya Corporate Federal Credit Union	\$ 3,194,348	\$ 4,389,944
Associated Bank	3,681,767	5,464,291
Federal Home Loan Bank	5,577,598	302,283
Other institutions with less than \$250,000 deposited	165,435	153,049
Outstanding clearing items	(4,754,908)	(2,346,962)
Certificates of deposits:		
Brokered	<u>3,755,308</u>	<u>10,184,000</u>
	<u>\$ 11,619,548</u>	<u>\$ 18,146,605</u>

Of the balances at each institution, only \$250,000 is insured by the NCUSIF or Federal Deposit Insurance Corporation (FDIC). Brokered certificates of deposits held with other institutions are at or below the \$250,000 insured limit. The Credit Union had \$53,371,985 and \$63,754,612 at the Federal Reserve Bank as of December 31, 2022 and 2021, respectively.

At December 31, 2022, scheduled maturities of certificates of deposit were as follows:

2023	\$ 2,274,450
2024	<u>1,480,858</u>
	<u>\$ 3,755,308</u>

NOTE 3 - EQUITY SECURITIES

The Credit Union's equity securities are held in a charitable donation account which is a hybrid charitable and investment vehicle that is funded as a means to provide contributions to qualified charities. The value of the charitable donation account cannot exceed 5% of the Credit Union's net worth and the Credit Union is required to distribute a minimum of 51% of the total return on assets no less frequently than every five years or upon termination of the charitable donation account. The charitable donation account has no stated maturity date, is owned by the Credit Union, and may be terminated at the sole discretion of the Credit Union. The fair values of equity securities held in a charitable donation account are as follows at December 31:

	<u>2022</u>	<u>2021</u>
Money Market Funds	\$ 35,501	\$ 45,502
Associated Bank		
Fixed Income	1,342,043	1,716,946
Common Stock	<u>1,623,200</u>	<u>1,645,914</u>
	<u>\$ 3,000,744</u>	<u>\$ 3,408,362</u>

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 4 - SECURITIES AVAILABLE-FOR-SALE

The following table summarizes the amortized cost and fair value of the available-for-sale securities portfolio as of December 31, 2022 and 2021, and the corresponding amounts of gross unrealized gains and losses recognized in accumulated other comprehensive (loss) income were as follows:

	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Fair Value
2022 Available for Sale				
U.S. government and federal agency	\$ 35,156,023	\$ -	\$ (3,890,105)	\$ 31,265,918
Mortgage-backed securities:				
residential, agency	45,291,022	-	(7,013,050)	38,277,972
Corporate bonds	17,690,567	-	(743,311)	16,947,256
Municipal securities	1,493,256	-	(72,111)	1,421,145
Mortgage-backed securities - commercial	492,029	-	(2,339)	489,690
Collateralized mortgage obligations	21,876,400	-	(2,382,276)	19,494,124
Small Business Administration securities	4,975,923	-	(438,700)	4,537,223
	<u>\$ 126,975,220</u>	<u>\$ -</u>	<u>\$ (14,541,892)</u>	<u>\$ 112,433,328</u>
2021 Available for Sale				
U.S. government and federal agency	\$ 35,175,697	\$ -	\$ (448,236)	\$ 34,727,461
Mortgage-backed securities:				
residential, agency	56,523,831	829,805	(708,408)	56,645,228
Mortgage-backed securities - commercial	2,891,275	37,713	-	2,928,988
Collateralized mortgage obligations	27,846,373	258,500	(288,517)	27,816,356
Small Business Administration securities	6,426,927	182,901	-	6,609,828
	<u>\$ 128,864,103</u>	<u>\$ 1,308,919</u>	<u>\$ (1,445,161)</u>	<u>\$ 128,727,861</u>

Securities with unrealized losses as of December 31, 2022 and 2021, aggregated by investment category and length of time that individual securities have been in a continuous loss position, are as follows:

	Less Than 12 Months		12 Months or Longer		Total	
	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses	Fair Value	Unrealized Losses
2022 Available for Sale						
U.S. government and federal agency	\$ -	\$ -	\$ 31,265,918	\$ (3,890,105)	\$ 31,265,918	\$ (3,890,105)
Mortgage-backed:						
residential	12,591,636	(1,110,637)	25,686,336	(5,902,413)	38,277,972	(7,013,050)
Corporate Bonds	14,161,617	(537,170)	2,785,639	(206,141)	16,947,256	(743,311)
Municipal securities	1,421,145	(72,111)	-	-	1,421,145	(72,111)
Mortgage-backed securities - commercial	489,690	(2,339)	-	-	489,690	(2,339)
Collateralized mortgage obligations	10,382,595	(619,427)	9,111,529	(1,762,849)	19,494,124	(2,382,276)
Small Business Administration securities	2,020,645	(137,362)	2,516,578	(301,338)	4,537,223	(438,700)
	<u>\$ 41,067,328</u>	<u>\$ (2,479,046)</u>	<u>\$ 71,366,000</u>	<u>\$ (12,062,846)</u>	<u>\$ 112,433,328</u>	<u>\$ (14,541,892)</u>

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 4 - SECURITIES AVAILABLE-FOR-SALE (Continued)

	<u>Less Than 12 Months</u>		<u>12 Months or Longer</u>		<u>Total</u>	
	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>	<u>Fair Value</u>	<u>Unrealized Losses</u>
<u>2021 Available for Sale</u>						
U.S. government and federal agency	\$ 30,816,066	\$ (359,631)	\$ 3,911,395	\$ (88,605)	\$ 34,727,461	\$ (448,236)
Mortgage-backed: residential	6,542,107	(173,394)	18,200,265	(535,014)	24,742,372	(708,408)
Collateralized mortgage obligations	11,174,866	(177,185)	1,637,883	(111,332)	12,812,749	(288,517)
Small Business Administration securities	-	-	-	-	-	-
	<u>\$ 48,533,039</u>	<u>\$ (710,210)</u>	<u>\$ 23,749,543</u>	<u>\$ (734,951)</u>	<u>\$ 72,282,582</u>	<u>\$ (1,445,161)</u>

Unrealized losses on debt securities have not been recognized into income because the securities are of high credit quality (rated AA or higher), management does not intend to sell and it is likely that management will not be required to sell the securities prior to their anticipated recovery, and the decline in fair value is largely due to changes in interest rates and other market conditions. The fair value is expected to recover as the securities approach maturity.

The proceeds from sales of securities and the associated gains and losses for 2022 and 2021 are listed below:

	<u>2022</u>	<u>2021</u>
Proceeds	\$ -	\$ 16,201,658
Gross gains	-	207,978
Gross losses	-	-

At December 31, 2022, the amortized cost and fair value of debt securities are shown by contractual maturity. Expected maturities may differ from contractual maturities if borrowers have the right to call or prepay obligations with or without call or prepayment penalties. Securities not due at a single maturity date are shown separately.

	<u>Amortized Cost</u>	<u>Fair Value</u>
<u>Available for sale</u>		
Due in one year or less	\$ -	\$ -
Due from one to five years	54,339,846	49,634,319
Mortgage-backed securities: residential agency	45,291,022	38,277,972
Mortgage-backed securities: commercial	492,029	489,690
Collateralized mortgage obligations	21,876,400	19,494,124
Small Business Administration securities	<u>4,975,923</u>	<u>4,537,223</u>
Total	<u>\$ 126,975,220</u>	<u>\$ 112,433,328</u>

Securities pledged at years-end 2022 and 2021 had a fair value of \$79,234,548 and \$95,821,030 and were pledged to secure public deposits and FHLB borrowings.

At December 31, 2022 and 2021, there were no holdings of securities of any one issuer, other than the U.S. Government and its agencies, in an amount greater than 10% of members' equity.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 - LOANS TO MEMBERS

Year-end loans to members as of December 31, 2022 and 2021, were as follows:

	<u>2022</u>	<u>2021</u>
Automobile and other vehicles	\$ 139,232,727	\$ 135,490,846
First mortgage	620,060,439	364,500,345
Home equity and second mortgage	127,194,220	97,663,211
Business	170,710,686	146,169,503
Credit card	-	-
Share secured	717,580	735,730
Other	<u>19,380,329</u>	<u>18,852,270</u>
	1,077,295,981	763,411,905
Deferred loan fees and costs	4,931,567	3,484,690
Premium on purchased loans, net	615,286	749,149
Allowance for loan losses	<u>(2,810,513)</u>	<u>(3,657,209)</u>
	<u>\$1,080,032,321</u>	<u>\$ 763,988,535</u>

Included in Business loans are \$0 and \$790,422 of loans made in 2022 and 2021 under the Payroll Protection Program (PPP), which are guaranteed by the Small Business Administration (SBA). The loans have a term of 24 months but are eligible for forgiveness by the SBA. The Credit Union recognized \$0 and \$354,505 in fee income during 2022 and 2021, respectively, on the PPP loan originations.

The premium, net on purchased loans is the credit and interest rate premiums and discounts associated with the various mergers during previous years. Loans are accounted for at fair value as of the dates of the acquisitions, with adjustments to fair value recorded in the premium or discount on purchased loans.

Included in automobile loans are \$11,790,000 and \$16,658,000 of indirect used car loans at December 31, 2022 and 2021, respectively. The Credit Union underwrites all indirect loans.

The following tables present the activity in the allowance for loan losses by portfolio segment for the years ended December 31, 2022 and 2021:

	<u>Business</u>	<u>Real Estate</u>	<u>Consumer</u>	<u>Total</u>
<u>2022</u>				
Allowance for loan losses:				
Beginning balance	\$ 983,277	\$ 1,010,276	\$ 1,663,656	\$ 3,657,209
Provision for loan losses	(558,868)	(390,982)	660,683	(289,167)
Loans charged-off	-	(270,799)	(1,956,529)	(2,227,328)
Recoveries	<u>175</u>	<u>521,126</u>	<u>1,148,498</u>	<u>1,669,799</u>
Total ending allowance balance	<u>\$ 424,584</u>	<u>\$ 869,621</u>	<u>\$ 1,516,308</u>	<u>\$ 2,810,513</u>
<u>2021</u>				
Allowance for loan losses:				
Beginning balance	\$ 1,298,560	\$ 1,760,547	\$ 4,258,498	\$ 7,317,605
Provision for loan losses	(738,363)	(506,976)	(1,400,175)	(2,645,514)
Loans charged-off	(9,460)	(911,096)	(2,735,413)	(3,655,969)
Recoveries	<u>432,540</u>	<u>667,801</u>	<u>1,540,746</u>	<u>2,641,087</u>
Total ending allowance balance	<u>\$ 983,277</u>	<u>\$ 1,010,276</u>	<u>\$ 1,663,656</u>	<u>\$ 3,657,209</u>

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 - LOANS TO MEMBERS (Continued)

The following tables present the balance in the allowance for loan losses and the recorded investment in loans by portfolio segment and based on the impairment method as of December 31, 2022 and 2021:

<u>2022</u>	<u>Business</u>	<u>Real Estate</u>	<u>Consumer</u>	<u>Total</u>
Allowance for loan losses:				
Ending allowance balance attributable to loans:				
Individually evaluated for impairment	\$ 246,762	\$ 689,911	\$ 266,804	\$ 1,203,477
Collectively evaluated for impairment	<u>177,822</u>	<u>179,710</u>	<u>1,249,504</u>	<u>1,607,036</u>
Total ending allowance balance	<u>\$ 424,584</u>	<u>\$ 869,621</u>	<u>\$ 1,516,308</u>	<u>\$ 2,810,513</u>
Loans:				
Individually evaluated for impairment	\$ 2,246,675	\$ 7,362,710	\$ 1,204,759	\$ 10,814,144
Collectively evaluated for impairment	<u>168,464,011</u>	<u>739,891,949</u>	<u>158,125,877</u>	<u>1,066,481,837</u>
Total ending loan balance	<u>\$ 170,710,686</u>	<u>\$ 747,254,659</u>	<u>\$ 159,330,636</u>	<u>\$1,077,295,981</u>
<u>2021</u>				
Allowance for loan losses:				
Ending allowance balance attributable to loans:				
Individually evaluated for impairment	\$ 505,714	\$ 492,298	\$ 237,421	\$ 1,235,433
Collectively evaluated for impairment	<u>477,563</u>	<u>517,978</u>	<u>1,426,235</u>	<u>2,421,776</u>
Total ending allowance balance	<u>\$ 983,277</u>	<u>\$ 1,010,276</u>	<u>\$ 1,663,656</u>	<u>\$ 3,657,209</u>
Loans:				
Individually evaluated for impairment	\$ 2,517,165	\$ 5,052,654	\$ 892,053	\$ 8,461,872
Collectively evaluated for impairment	<u>143,652,338</u>	<u>457,110,902</u>	<u>154,186,793</u>	<u>754,950,033</u>
Total ending loan balance	<u>\$ 146,169,503</u>	<u>\$ 462,163,556</u>	<u>\$ 155,078,846</u>	<u>\$ 763,411,905</u>

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 - LOANS TO MEMBERS (Continued)

The following tables present information related to impaired loans by segment of loans as of and for the years ended December 31, 2022 and 2021:

	<u>Unpaid Principal Balance</u>	<u>Recorded Investment</u>	<u>Allowance for Loan Losses Allocated</u>	<u>Average Recorded Investment</u>	<u>Interest Income Recognized</u>	<u>Cash Basis Interest Recognized</u>
<u>2022</u>						
With no related allowance recorded:						
Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real estate	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
With an allowance recorded:						
Business	2,246,675	2,246,675	246,762	2,381,920	86,857	80,194
Real estate	7,362,710	7,362,710	689,911	7,534,647	148,291	148,291
Consumer	<u>1,204,759</u>	<u>1,204,759</u>	<u>266,804</u>	<u>1,029,602</u>	<u>15,824</u>	<u>15,824</u>
Subtotal	<u>10,814,144</u>	<u>10,814,144</u>	<u>1,203,477</u>	<u>10,946,169</u>	<u>250,972</u>	<u>244,309</u>
Total	<u>\$ 10,814,144</u>	<u>\$ 10,814,144</u>	<u>\$ 1,203,477</u>	<u>\$ 10,946,169</u>	<u>\$ 250,972</u>	<u>\$ 244,309</u>
<u>2021</u>						
With no related allowance recorded:						
Business	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Real estate	-	-	-	-	-	-
Consumer	-	-	-	-	-	-
Subtotal	-	-	-	-	-	-
With an allowance recorded:						
Business	2,517,165	2,517,165	505,714	2,881,942	129,354	120,146
Real estate	5,052,653	5,052,653	492,298	9,260,456	215,108	215,108
Consumer	<u>892,053</u>	<u>892,053</u>	<u>237,421</u>	<u>1,617,896</u>	<u>14,944</u>	<u>14,944</u>
Subtotal	<u>8,461,871</u>	<u>8,461,871</u>	<u>1,235,433</u>	<u>13,760,294</u>	<u>359,406</u>	<u>350,198</u>
Total	<u>\$ 8,461,871</u>	<u>\$ 8,461,871</u>	<u>\$ 1,235,433</u>	<u>\$ 13,760,294</u>	<u>\$ 359,406</u>	<u>\$ 350,198</u>

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 - LOANS TO MEMBERS (Continued)

The recorded investment in loans excludes accrued interest receivable and loan origination fees, net due to immateriality.

The following tables present the recorded investment in nonaccrual and loans past due over 60 days still on accrual by segment of loans as of December 31, 2022 and 2021:

	<u>Nonaccrual</u>	<u>Loans Past Due Over 60 Days Still Accruing</u>
<u>2022</u>		
Business	\$ -	\$ -
Real estate	881,187	-
Consumer	<u>1,006,321</u>	<u>-</u>
Total	<u>\$ 1,887,508</u>	<u>\$ -</u>
<u>2021</u>		
Business	\$ 182,271	\$ -
Real estate	370,974	-
Consumer	<u>714,789</u>	<u>-</u>
Total	<u>\$ 1,268,034</u>	<u>\$ -</u>

The following tables present the aging of the recorded investment in past due loans as of December 31, 2022 and 2021, by segment of loans:

	<u>30-59 Days Past Due</u>	<u>60-89 Days Past Due</u>	<u>Greater than 89 Days Past Due</u>	<u>Total Past Due</u>	<u>Loans Not Past Due</u>	<u>Total Loans</u>
<u>2022</u>						
Business	\$ -	\$ -	\$ -	\$ -	\$ 170,710,686	\$ 170,710,686
Real estate	2,798,283	429,761	451,426	3,679,470	743,575,189	747,254,659
Consumer	<u>1,253,507</u>	<u>410,390</u>	<u>595,931</u>	<u>2,259,828</u>	<u>157,070,808</u>	<u>159,330,636</u>
Total	<u>\$ 4,051,790</u>	<u>\$ 840,151</u>	<u>\$ 1,047,357</u>	<u>\$ 5,939,298</u>	<u>\$ 1,071,356,683</u>	<u>\$ 1,077,295,981</u>
<u>2021</u>						
Business	\$ 34,348	\$ -	\$ 182,271	\$ 216,619	\$ 145,952,884	\$ 146,169,503
Real estate	2,326,583	100,079	270,895	2,697,557	459,465,999	462,163,556
Consumer	<u>1,458,298</u>	<u>293,935</u>	<u>420,854</u>	<u>2,173,087</u>	<u>152,905,759</u>	<u>155,078,846</u>
Total	<u>\$ 3,819,229</u>	<u>\$ 394,014</u>	<u>\$ 874,020</u>	<u>\$ 5,087,263</u>	<u>\$ 758,324,642</u>	<u>\$ 763,411,905</u>

Troubled Debt Restructurings

At December 31, 2022 and 2021, the Credit Union had \$3,714,155 and \$4,858,944, respectively, of loans accounted for as troubled debt restructurings. The Credit Union has allocated \$349,858 and \$509,592 of specific reserves to members whose loan terms have been modified in troubled debt restructurings as of December 31, 2022 and 2021, respectively. The Credit Union has not committed to lend additional amounts as of December 31, 2022, to members with outstanding loans that are classified as troubled debt restructurings.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 - LOANS TO MEMBERS (Continued)

The following tables present loans by class modified as troubled debt restructurings, mostly due to interest rate reductions and some due to maturity date extensions that occurred during the years ended December 31, 2022 and 2021:

	Number of <u>Loans</u>	Pre-Modification Outstanding Recorded <u>Investment</u>	Post-Modification Outstanding Recorded <u>Investment</u>
<u>2022</u>			
Troubled debt restructurings:			
Home equity and second mortgage	-	\$ -	\$ -
Credit Cards	-	-	-
Other	-	-	-
Automobile and other vehicles	<u>1</u>	<u>21,369</u>	<u>21,369</u>
Total	<u>1</u>	<u>\$ 21,369</u>	<u>\$ 21,369</u>

The troubled debt restructurings described above increased the allowance for loan losses by \$206,077 and resulted in no charge-offs during the year ending December 31, 2022.

	Number of <u>Loans</u>	Pre-Modification Outstanding Recorded <u>Investment</u>	Post-Modification Outstanding Recorded <u>Investment</u>
<u>2021</u>			
Troubled debt restructurings:			
Home equity and second mortgage	-	\$ -	\$ -
Credit Cards	1	13,674	13,674
Other	1	7,722	7,722
Automobile and other vehicles	<u>-</u>	<u>-</u>	<u>-</u>
Total	<u>2</u>	<u>\$ 21,396</u>	<u>\$ 21,396</u>

The troubled debt restructurings described above decreased the allowance for loan losses by \$11,150 and resulted in no charge-offs during the year ending December 31, 2021.

The Credit Union did not have loans modified as troubled debt restructurings for which there was a payment default within one year of the modification during the years ended December 31, 2022 and 2021.

Credit Quality Indicators

The Credit Union categorizes business loans into risk categories based on relevant information about the ability of borrowers to service their debt such as: current financial information, historical payment experience, credit documentation, public information, and current economic trends, among other factors. The Credit Union analyzes loans individually by classifying the loans as to credit risk. This analysis is performed on a quarterly basis.

The Credit Union uses the following definitions for risk ratings:

Pass - A pass asset is well protected by the current worth and paying capacity of the obligator (or guarantors, if any) or by the fair value, less cost to acquire and sell, of any underlying collateral in a timely manner.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 5 - LOANS TO MEMBERS (Continued)

Special Mention - Loans classified as special mention have a potential weakness that deserves management's close attention. If left uncorrected, these potential weaknesses may result in deterioration of the repayment prospects for the loan or of the institution's credit position at some future date.

Substandard - Loans classified as substandard are inadequately protected by the current net worth and paying capacity of the obligor or of the collateral pledged, if any. Loans so classified have a well-defined weakness or weaknesses that jeopardize the liquidation of the debt. They are characterized by the distinct possibility that the institution will sustain some loss if the deficiencies are not corrected.

Doubtful - Loans classified as doubtful have all the weaknesses inherent in those classified as substandard, with the added characteristic that the weaknesses make collection or liquidation in full, on the basis of currently existing facts, conditions, and values, highly questionable and improbable.

Loans not meeting the criteria above that are analyzed individually as part of the above described process are considered to be pass rated loans.

Based on the most recent analysis performed, the risk category of loans by business loans is as follows:

	<u>Pass</u>	<u>Special Mention</u>	<u>Substandard</u>	<u>Doubtful</u>	<u>Total</u>
<u>2022</u>					
Business	\$ 168,778,684	\$ 1,553,720	\$ 378,282	\$ -	\$ 170,710,686
<u>2021</u>					
Business	\$ 142,588,515	\$ 1,591,033	\$ 1,989,955	\$ -	\$ 146,169,503

Based on the most recent analysis performed, the risk category of Real Estate and Consumer loans is as follows for the years ended December 31, 2022 and 2021:

	<u>Classified</u>	<u>Not Classified</u>	<u>Total</u>
<u>2022</u>			
Real estate	\$ 7,362,710	\$ 739,891,949	\$ 747,254,659
Consumer	1,104,775	158,225,861	159,330,636
Total	\$ 8,467,485	\$ 898,117,810	\$ 906,585,295
<u>2021</u>			
Real estate	\$ 7,706,584	\$ 454,456,982	\$ 462,163,566
Consumer	800,901	154,277,945	155,078,846
Total	\$ 8,507,485	\$ 608,734,927	\$ 617,242,412

Loans to Credit Union officials including directors and executive officers were approximately \$363,000 and \$947,000 as of December 31, 2022 and 2021, respectively.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 6 - SECONDARY MARKET LOAN ACTIVITIES

The Credit Union sells fixed and variable rate mortgage loans in the secondary market and receives servicing fees of 0.25% of the outstanding principal balance of fixed rate loans and 0.375% of the outstanding principal balance of variable rate loans per year.

Mortgage loans serviced for others, which are not reported as assets, were \$294,364,112 and \$322,407,520 at December 31, 2022 and 2021, respectively.

Activity for capitalized servicing rights is summarized as follows:

	<u>2022</u>	<u>2021</u>
Servicing rights:		
Beginning of year	\$ 845,767	\$ 670,898
Additions	94,306	540,467
Amortized to expense	<u>(316,308)</u>	<u>(365,598)</u>
End of year	<u>\$ 623,765</u>	<u>\$ 845,767</u>

Mortgage servicing fees, net of amortization, totaled \$331,665 and \$301,425 for the years ended December 31, 2022 and 2021, respectively. Late fees and ancillary fees related to loan servicing are not material.

There was no valuation allowance at December 31, 2022 and 2021.

NOTE 7 - PREMISES AND EQUIPMENT, NET

Year-end premises and equipment are summarized as follows:

	<u>2022</u>	<u>2021</u>
Land and land improvements	\$ 8,469,055	\$ 8,451,764
Building and improvements	21,011,517	20,832,271
Construction in progress	70,429	133,663
Furniture, fixtures and equipment	7,433,570	8,218,822
Automobiles	<u>139,404</u>	<u>139,404</u>
	37,123,975	37,775,924
Less accumulated depreciation	<u>(18,648,875)</u>	<u>(18,904,834)</u>
	<u>\$ 18,475,100</u>	<u>\$ 18,871,090</u>

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 8 - INTANGIBLE ASSETS

	<u>2022</u>	<u>2021</u>
Balance at beginning of period	\$ 264,583	\$ 415,713
Amortization expense	<u>(105,417)</u>	<u>(151,130)</u>
Balance at December 31	<u>\$ 159,166</u>	<u>\$ 264,583</u>
Gross carrying amount	\$ 2,575,955	\$ 2,575,955
Accumulated amortization	<u>(2,416,789)</u>	<u>(2,311,372)</u>
Net book value	<u>\$ 159,166</u>	<u>\$ 264,583</u>

Amortization expense was \$105,417 and \$151,130 for 2022 and 2021.

Estimated amortization expense for each of the next two years:

2023	\$ 105,417
2024	53,749

NOTE 10 - MEMBERS' AND NONMEMBER SHARES

Members' and nonmember shares at year-end are summarized as follows:

	<u>2022</u>	<u>2021</u>
Shares	\$ 336,825,682	\$ 344,944,124
Share drafts	191,012,864	188,774,192
Money market	201,721,475	186,952,935
Share and IRA certificates	130,895,354	107,302,629
Nonmember shares	<u>91,886,506</u>	<u>-</u>
	<u>\$ 952,341,881</u>	<u>\$ 827,973,880</u>

At December 31, 2022, scheduled maturities of share and IRA certificates for the next five years were as follows:

2023	\$ 91,566,038
2024	29,146,298
2025	4,332,085
2026	3,395,055
2027	<u>2,455,878</u>
	<u>\$ 130,895,354</u>

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 10 - MEMBERS' AND NONMEMBER SHARES (Continued)

At December 31, 2022, nonmember shares consisted of \$35,130,249 in money market accounts and \$56,756,257 in share certificates with scheduled maturities for the next five years were as follows:

2023	\$ 30,047,257
2024	13,216,000
2025	5,906,000
2026	1,984,000
2027	<u>5,603,000</u>
	<u>\$ 56,756,257</u>

Members' and nonmember shares in denominations of \$250,000 or more were approximately \$191,280,000 and \$88,558,000 at December 31, 2022 and 2021, respectively.

At December 31, 2022 and 2021, shares of Credit Union officials including directors and executive officers were \$570,011 and \$541,692, respectively.

Interest expense on members' and nonmember shares as of December 31, 2022 and 2021 is summarized as follows:

	<u>2022</u>	<u>2021</u>
Shares	\$ 150,421	\$ 195,042
Share drafts	471,056	502,860
Money market	406,779	347,756
Share and IRA certificates	815,517	1,389,736
Nonmember shares	<u>657,763</u>	<u>-</u>
	<u>\$ 2,501,536</u>	<u>\$ 2,435,394</u>

NOTE 11 - BORROWED FUNDS

At year-end, loans and lines of credit with other financial institutions are as follows:

	<u>2022</u>	<u>2021</u>
FHLB advances: maturities from 2023 through 2029, fixed rates from 0.77% to 4.89%, averaging 3.05% for 2022	\$ 269,229,378	\$ 93,507,045

Interest is payable monthly, with principal due in full at the maturity date. The advances are subject to penalty for prepayment. The advances are collateralized by available-for-sale investments and \$740,935,351 and \$506,159,987 of loans at years-end December 31, 2022 and 2021. Based upon this collateral, the Credit Union is eligible to borrow up to a total of \$628,682,163 at year-end 2022.

The Credit Union has lines of credit with Alloya Corporate Credit Union for \$11,500,000 and Associated Bank for \$15,000,000, with no outstanding amounts at December 31, 2022 and 2021. The Alloya Corporate Credit Union line of credit is secured by automobile loans and the Associated Bank line of credit is unsecured. The Credit Union also has a line of credit with the Federal Reserve Bank of \$85,753,188, which is secured by second mortgages and investments.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 11 - BORROWED FUNDS (Continued)

FHLB payments over the next five years are as follows:

<u>Year</u>	<u>Amount Due</u>
2023	\$ 83,000,000
2024	70,000,000
2025	63,000,000
2026	11,089,840
2027	30,000,000
Thereafter	<u>12,139,538</u>
	<u>\$ 269,229,378</u>

NOTE 12 - EMPLOYEE BENEFITS

The Credit Union maintains a money purchase thrift plan (Plan), which covers all eligible employees after the first month of employment. The Plan is a defined contribution plan under which participants may contribute up to \$20,500 and \$19,500 of eligible salary, plus additional catch-up contributions of \$6,500 and \$6,500 and for employees aged 50 and over, for 2022 and 2021 and which provides for employer matching contributions up to 7% for 2022 and 2021 of the employee's annual contribution of which 100% of employee's deferral, up to 3% of wages, and \$0.50 on the dollar for the 4th through 7th percent of deferral for 2022 and 2021 as a matching contribution. Effective January 1, 2021, employees now immediately vest in employer contributions. Expense under the Plan was approximately \$546,000 and \$477,000 for December 31, 2022 and 2021, respectively.

The Credit Union provides for certain postretirement medical and life insurance benefits to full-time employees who meet minimum age and service requirements, and were hired prior to July 2006. The Credit Union contributes 65% of the cost of monthly medical premium expense. In addition, retirees' life insurance coverage is 50% of annual salary. The liability associated with this plan was \$1,018,000 and \$1,289,000 and was included in other liabilities as of December 31, 2022 and 2021, respectively.

Information about plan assets, obligations and contributions as of December 31 is summarized as follows:

	<u>2022</u>	<u>2021</u>
Benefit obligation	\$ 964,345	\$ 1,207,771
Funded status	(964,345)	(1,207,771)
Accrued post-retirement benefit cost	1,310,291	1,342,075
Benefit cost (credit)	22,797	994
Employer contribution	54,581	56,616
Benefits paid	(54,581)	(56,616)
Assumptions used to determine benefit obligation:		
Discount rate	4.94%	2.58%
Rate of compensation increase	0.00%	0.00%
Assumptions used to determine benefit cost:		
Discount rate	2.58%	2.18%
Rate of compensation increase	0.00%	0.00%

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 12 - EMPLOYEE BENEFITS (Continued)

Amounts recognized in accumulated other comprehensive income at December 31, 2022 and 2021, consist of:

	<u>2022</u>	<u>2021</u>
Net gain	\$ 312,767	\$ 93,532
Prior service cost	<u>33,179</u>	<u>40,772</u>
	<u>\$ 345,946</u>	<u>\$ 134,304</u>

Components of net periodic benefit cost and other amounts recognized in other comprehensive income at December 31, 2022 and 2021, are summarized as follows:

	<u>2022</u>	<u>2021</u>
Net periodic benefit credit	\$ 22,797	\$ 994
Net (gain) loss	(219,235)	(13,627)
Prior service cost	-	-
Amortization of prior service cost	7,593	25,631
Amortization of net actuarial gain	-	-
Total recognized in other comprehensive loss	<u>(211,642)</u>	<u>12,004</u>
Total recognized in periodic benefit cost and other comprehensive loss	<u>\$ (188,845)</u>	<u>\$ 12,998</u>

The prior service costs for the plan that is amortized from accumulated other comprehensive income into net periodic benefit costs over the next fiscal year is \$7,593. There is no estimated net loss or transition obligation at December 31, 2022.

For 2022 and 2021, the initial trend rate in per capita health care benefits was 7.50%, with an ultimate trend rate of 4.00% and 4.50% to be achieved in 2029.

The Credit Union expects to contribute approximately \$64,235 in 2023.

The following benefit payments, which reflect expected future service, are as follows:

2023	\$ 64,235
2024	66,450
2025	69,153
2026	70,809
2027	72,750
2028-2032	340,645

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 12 - EMPLOYEE BENEFITS (Continued)

The Credit Union has established a Collateral Assignment Split-Dollar Arrangement to help the President/CEO provide insurance for the benefit and protection of his family by providing a source of funds for the payments of the premiums due on the policy. The President/CEO is the sole owner of the insurance policy issued by Minnesota Life Insurance Company. The Credit Union provides funding to the President/CEO in the form of a loan that is used to pay the premiums due on the policy. It is anticipated that premiums will be paid annually over a seven-year period. The President/CEO has assigned the policy to the Credit Union as collateral for the loan. This assignment secures repayment of any advances and accrued interest for policy premiums and any other advances under the arrangement. The Note was executed on March 20, 2019 for a total amount of \$3,800,000 with an interest rate of 2.91% compounded annually and shall be due and payable in a single payment upon the death of the insured. The Note is non-recourse to the President/CEO in the event the proceeds from the policy do not cover the outstanding balance plus accrued interest. At December 31, 2022 and 2021, the outstanding balance plus accrued interest on the Note was approximately \$4,231,634 and \$4,111,975 and included in other assets.

The Credit Union has a Collateral Assignment Split-Dollar Arrangement to help the former CFO provide insurance for the benefit and protection of his family by providing a source of funds for the payments of the premiums due on the policy. Effective November 10, 2020, the CFO terminated his service with the Credit Union; however, the Collateral Assignment Split-Dollar Arrangement remains in effect. The former CFO is the sole owner of the insurance policy issued by Massachusetts Mutual Life Insurance Company. The Credit Union provided funding to the former CFO in the form of a loan that is used to pay the premiums due on the policy. It is anticipated that premiums will be paid annually over a ten-year period. The former CFO has assigned the policy to the Credit Union as collateral for the loan. This assignment secures repayment of any advances and accrued interest for policy premiums and any other advances under the arrangement. The Note was executed on October 18, 2015 for a total amount of \$2,146,753 with an interest rate of 2.58% compounded annually and shall be due and payable in a single payment upon the death of the insured. This Note was replaced by a new Note on July 15, 2021 for a total amount of \$1,945,188 with the same terms as the prior Note. The Note is full recourse to the former CFO in the event the proceeds from the policy do not cover the outstanding balance plus accrued interest. At December 31, 2022 and 2021, the outstanding balance plus accrued interest on the Note was approximately \$2,018,377 and \$1,968,191 and is included in other assets.

The Credit Union has a Collateral Assignment Split-Dollar Arrangement as part of a prior merger to help the former President/CEO provided insurance for the benefit and protection of his family by providing a source of funds for the payments of the premiums due on the policy. The former President/CEO is the sole owner of the insurance policy issued by Massachusetts Mutual Life Insurance Company. The Credit Union provides funding to the former President/CEO in the form of a loan that is used to pay the premiums due on the policy. The policy premiums have been fully paid under the terms of arrangement. The former President/CEO has assigned the policy to the Credit Union as collateral for the loan. This assignment secures repayment of any advances and accrued interest for policy premiums and any other advances under the arrangement. The Note was amended and executed on May 31, 2015 for a total amount of \$2,760,781 with an interest rate of 2.3% compounded annually and shall be due and payable in a single payment upon the death of the insured. The former President/CEO is fully vested under the change in control clause of the split dollar arrangement. At December 31, 2022 and 2021, the outstanding balance plus accrued interest on the Note was approximately \$3,280,365 and \$3,206,612 and is included in other assets.

The Credit Union maintains a 457(f) plan for the prior chief executive officer. The accrued liability for 2022 and 2021 was \$336,686 and \$370,000, respectively. No additional amounts will be contributed to the plan, which will be distributed out over a 10-year period, beginning in 2018. Expense related to this plan was not significant in either year.

(Continued)

GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 12 - EMPLOYEE BENEFITS (Continued)

The Credit Union maintains 457(b) plans for certain officers. The expense related to these plans during 2022 and 2021 was \$103,381 and \$849,562, respectively.

NOTE 13 - COMMITMENTS AND CONTINGENCIES

The Credit Union is a party to financial instruments with off-balance-sheet risk in the normal course of business to meet financing needs of its members. These financial instruments include commitments to make loans and open-end revolving lines of credit to members. The Credit Union's exposure to credit loss in the event of non-performance by the other party to the financial instrument for commitments to make loans and open-end revolving lines of credit is represented by the contractual amount of those instruments. The Credit Union uses the same credit policy to make such commitments as it uses for on-balance-sheet items.

The Credit Union's outstanding loan commitments and unused open-end revolving lines of credit at year end are as follows:

	<u>2022</u>	<u>2021</u>
Commitments to extend credit:		
Business	\$ -	\$ -
Mortgage	976,640	6,376,460
Unused lines of credit:		
Fixed:		
Credit cards	-	-
Overdraft	22,478,750	21,233,000
Variable - home equity	<u>100,721,957</u>	<u>62,896,980</u>
	<u>\$ 124,177,347</u>	<u>\$ 90,506,440</u>

Since many commitments to make loans and unused open-end revolving lines of credit expire without being used, the amount does not necessarily represent future cash commitments. In addition, commitments to extend credit are agreements to lend to a member as long as there is no violation of any condition established in the contract. No significant losses are anticipated as a result of these transactions.

The Credit Union, as an original Visa member institution, received shares of Class B common stock at a cost of \$0. These shares are subject to various restrictions. At the time of Visa's initial public offering, they established a retrospective responsibility plan whereby certain Visa member institutions are responsible for outstanding litigation at the time of the IPO. In 2017 the outstanding shares were sold to a third party at a gain of \$1,178,155. The sale does not remove the Credit Union's obligation to cover any shortfall through the retrospective responsibility plan. As of December 31, 2022 and 2021, no liability has been accrued.

NOTE 14 - FAIR VALUE

Fair value is the exchange price that would be received for an asset or paid to transfer a liability (exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. There are three levels of inputs that may be used to measure fair values:

(Continued)

NOTE 14 - FAIR VALUE (Continued)

Level 1: Quoted prices (unadjusted) for identical assets or liabilities in active markets that the entity has the ability to access as of the measurement date.

Level 2: Significant other observable inputs other than Level 1 prices such as quoted prices for similar assets or liabilities; quoted prices in markets that are not active; or other inputs that are observable or can be corroborated by observable market data.

Level 3: Significant unobservable inputs that reflect a Credit Union's own assumptions about the assumptions that market participants would use in pricing an asset or liability.

The Credit Union used the following methods and significant assumptions to estimate the fair value of each type of financial instrument:

Investment Securities: The fair values of securities available for sale are determined by obtaining quoted prices on nationally recognized securities exchanges (Level 1 inputs) or matrix pricing, which is a mathematical technique widely used in the industry to value debt securities without relying exclusively on quoted prices for the specific securities but rather by relying on the securities' relationship to other benchmark quoted securities (Level 2 inputs).

Impaired Loans: The fair value of impaired loans with specific allocations of the allowance for loan losses is generally based on recent real estate appraisals. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach. Adjustments are routinely made in the appraisal process by the appraisers to adjust for differences between the comparable sales and income data available. Such adjustments are typically significant and result in a Level 3 classification of the inputs for determining fair value.

Real Estate Owned: Assets acquired through or instead of loan foreclosure are initially recorded at fair value less costs to sell when acquired, establishing a new cost basis. These assets are subsequently accounted for at lower of cost or fair value less estimated costs to sell. Fair value is commonly based on recent real estate appraisals which are updated no less frequently than annually. These appraisals may utilize a single valuation approach or a combination of approaches including comparable sales and the income approach with data from comparable properties. Adjustments are routinely made in the appraisal process by the independent appraisers to adjust for differences between the comparable sales and income data available and result in a Level 3 classification of the inputs for determining fair value. Real estate owned properties are evaluated on a quarterly basis for additional impairment and adjusted accordingly. Assets measured at fair value on a recurring basis are summarized below:

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GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 14 - FAIR VALUE (Continued)

	Fair Value Measurements at December 31, 2022 Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Securities Available for Sale</u>				
U.S. government and federal agency	\$ 31,265,918	\$ 15,345,156	\$ 15,920,762	\$ -
Mortgage-backed securities: residential, agency	38,277,972	-	38,277,972	-
Mortgage-backed securities: commercial	489,690	-	489,690	-
Collateralized mortgage obligations	19,494,124	-	19,494,124	-
Small Business Administration securities	4,537,223	-	4,537,223	-
Corporate Bonds	16,947,256	-	16,947,256	-
Municipal Securities	1,421,145	-	1,421,145	-
Total securities available for sale	<u>\$ 112,433,328</u>	<u>\$ 15,345,156</u>	<u>\$ 97,088,172</u>	<u>\$ -</u>
Equity securities	\$ 3,000,744	\$ 3,000,744	\$ -	\$ -
	Fair Value Measurements at December 31, 2021 Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
<u>Securities Available for Sale</u>				
U.S. government and federal agency	\$ 34,727,461	\$ 17,001,953	\$ 17,725,508	\$ -
Mortgage-backed securities: residential, agency	56,645,228	-	56,645,228	-
Mortgage-backed securities: commercial	2,928,988	-	2,928,988	-
Collateralized mortgage obligations	27,816,356	-	27,816,356	-
Small Business Administration securities	6,609,828	-	6,609,828	-
Total securities available for sale	<u>\$ 128,727,861</u>	<u>\$ 17,001,953</u>	<u>\$ 111,725,908</u>	<u>\$ -</u>
Equity securities	\$ 3,408,362	\$ 3,408,362	\$ -	\$ -

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GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 14 - FAIR VALUE (Continued)

Assets measured at fair value on a non-recurring basis are summarized below:

	Fair Value Measurements at December 31, 2022 Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Impaired loans:				
Business	\$ 1,999,913	\$ -	\$ -	\$ 1,999,913
Real estate	6,672,799	-	-	6,672,799

For the year ended December 31, 2022, impaired loans, which are measured for impairment using the fair value of the collateral for collateral dependent loans, had a carrying amount of approximately \$9,609,385 with a valuation allowance of approximately \$936,673.

	Fair Value Measurements at December 31, 2021 Using			
	Fair Value	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Impaired loans:				
Business	\$ 2,011,451	\$ -	\$ -	\$ 2,011,451
Real estate	4,560,355	-	-	4,560,355

For the year ended December 31, 2021, impaired loans, which are measured for impairment using the fair value of the collateral for collateral dependent loans, had a carrying amount of approximately \$7,569,818 with a valuation allowance of approximately \$998,012.

NOTE 15 - PROMPT CORRECTIVE ACTION AND MINIMUM REGULATORY CAPITAL REQUIREMENTS

The Credit Union is subject to various regulatory capital requirements administered by the National Credit Union Administration (NCUA). Failure to meet minimum capital requirements can initiate mandatory-and possibly additional discretionary-actions by regulators that, if undertaken, could have a direct material effect on the Credit Union's financial statements. Under capital adequacy regulations and the regulatory framework for prompt corrective action, the Credit Union must meet specific capital regulations that involve quantitative measures of the Credit Union's assets, liabilities, and certain off-balance-sheet items as calculated under accounting principles generally accepted in the United States of America. The Credit Union's capital amounts and net worth calculation are also subject to qualitative judgments by the regulators about components, risk weightings, and other factors.

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GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 15 - PROMPT CORRECTIVE ACTION AND MINIMUM REGULATORY CAPITAL REQUIREMENTS (Continued)

Quantitative measures established by regulation to ensure capital adequacy require the Credit Union to maintain minimum amounts and ratios (set forth in the following table) of net worth (as defined) to total assets (as defined). Further, in performing its calculation of total assets, the Credit Union used the most recent quarter-end balances. Credit unions are also required to calculate a risk-based net worth requirement (RBNWR) that establishes whether the Credit Union will be considered "complex" under the regulatory framework. The Credit Union's risk-based net worth ratio as of December 31, 2022 and 2021, was less than 7.0%. The minimum ratio to be considered complex under the regulatory framework is 6.00%. Management believes, as of December 31, 2022 and 2021, that the Credit Union meets all capital adequacy requirements to which it is subject.

As of December 31, 2022 and 2021, the most recent call reporting period, the NCUA categorized the Credit Union as "well capitalized" under the regulatory framework for prompt corrective action. To be categorized as "well capitalized," the Credit Union must maintain a minimum net worth ratio of 7.00% of assets. There are no conditions or events since that notification that management believes have changed the institution's category.

Actual and required capital amounts (in thousands) and ratios are presented below at years-end 2022 and 2021. The risk-based net worth requirements were not applicable at both year-ends presented.

	<u>Actual</u>		<u>Minimum Required to be Well Capitalized</u>		<u>Risk-Based Requirement</u>	
	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>	<u>Amount</u>	<u>Ratio</u>
<u>2022</u>						
Net worth to total assets	\$110,134	8.21%	\$ 93,908	7.0%	\$ N/A	N/A
Risk-based net worth	N/A	N/A	-	-	N/A	N/A
<u>2021</u>						
Net worth to total assets	\$111,221	10.59%	\$ 73,197	7.0%	\$ N/A	N/A
Risk-based net worth	N/A	N/A	-	-	N/A	N/A

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GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
December 31, 2022 and 2021

NOTE 16 - REVENUE FROM CONTRACTS WITH CUSTOMERS

All of the Credit Union's revenue from contracts with customers in the scope of ASC 606 is recognized within Non-Interest Income. The following table presents the Credit Union's sources of Non-Interest Income for the twelve months ended December 31, 2022 and 2021. Items outside the scope of ASC 606 are noted as such.

	Year Ended December 31, <u>2022</u>	Year Ended December 31, <u>2021</u>
Non-interest income		
Service charges on shares		
Overdraft fees	\$ 3,487,508	\$ 3,268,063
Other	616,107	750,024
Interchange income	3,896,073	4,742,260
Wealth management fees ^(a)	184,614	222,718
Net gains on sales of loans ^(a)	346,436	5,065,741
Net gains (losses) on sales of securities ^(a)	-	207,978
(Loss) Gain on equity securities ^(a)	(407,618)	221,197
Loan servicing fees ^(c)	805,285	1,003,389
Other ^(b)	<u>5,885,246</u>	<u>4,356,656</u>
 Total non-interest income	 <u>\$ 14,813,651</u>	 <u>\$ 19,838,026</u>

^(a) Not within the scope of ASC 606.

^(b) The Other category includes member service fees totaling \$633,730 and \$638,959, which is within the scope of ASC 606; the remaining balance of \$5,251,516 and \$3,717,697 represents various revenue non-fee revenue streams, which are outside the scope of ASC 606.

^(c) Loan servicing fees include late charge fees totaling \$475,971 and \$701,966 which are within scope of ASC 606; the remaining balance consists of servicing income, which is outside the scope of ASC 606.

A description of the Credit Union's revenue streams accounted for under ASC 606 follows:

Service Charges on Share Accounts: The Credit Union earns fees from its deposit customers for transaction-based, account maintenance, and overdraft services. Transaction-based fees, which include services such as ATM use fees, stop payment charges, statement rendering, and ACH fees, are recognized at the time the transaction is executed as that is the point in time the CU fulfills the customer's request. Account maintenance fees, which relate primarily to monthly maintenance, are earned over the course of a month, representing the period over which the CU satisfies the performance obligation. Overdraft fees are recognized at the point in time that the overdraft occurs. Service charges on deposits are withdrawn from the customer's account balance.

Interchange Income: The Credit Union earns interchange fees from debit/credit cardholder transactions conducted through the Visa payment network. Interchange fees from cardholder transactions represent a percentage of the underlying transaction value and are recognized daily, concurrently with the transaction processing services provided to the cardholder.

Late Charge Fees on Loan Accounts: The Credit Union collects late charges on loan accounts based upon the terms of the signed notes with their members. Late fees are recognized at the time of the charge to the member, which occurs when the payment is not made in accordance with the loan agreement.

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GREAT LAKES CREDIT UNION
NOTES TO FINANCIAL STATEMENTS
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NOTE 17 - SUBORDINATED DEBT

In December 2021, the Credit Union entered into Promissory Notes and Note Purchase Agreements with five other credit unions for a total of \$10,000,000. The funds received under these agreements were committed to an uninsured secondary capital account and classified on the balance sheet as subordinated debt. The terms of the notes require annual principal payments of 20% of the outstanding principal, beginning December 2027. Each note carries an interest rate of 4%, which the Credit Union pays quarterly beginning March 2022. All notes have a scheduled maturity of December 2031. The Credit Union may redeem the subordinated debt in whole prior to the maturity date upon prior approval from the NCUA.

The subordinated debt may be included in Net Worth under current regulatory guidelines and interpretations, which is reflected in Net Worth to Total Assets ratio as disclosed in Note 15 for 2022 and 2021.