

10/19/2022 ANNUAL MEMBERSHIP MEETING MINUTES

The LM Federal Credit Union Annual meeting was held via ZOOM and the meeting was called to order by Board Vice Chairman Tim Preston at 5:21 pm. Other board members present included Mark Bold, Kim Hughes and Rich Coleman. A quorum was established (25 attendees).

Tim Preston and Mark Bold, LMFCU President, introduced board members, committee members and LMFCU staff.

2021 Annual Meeting Minutes were reviewed by all in attendance. There was a motion from the floor and second from the floor to approve the 2021 Annual Meeting Minutes. Minutes were approved as submitted.

Tim Preston presented the Chairman's Report and reviewed the following:

- Purpose of the annual meeting
 - Allows the members to ask questions, make comments & suggestions
 - Review the last year's activity
 - Election of officers/committee members

- Duties of the board of directors/committees
 - Hold monthly meetings
 - Review and set policies
 - Set share and loan rates
 - Oversee the committees
 - Oversee investments
 - Approve expenses
 - Oversee operations and staff

- Credit Union Highlights
 - CU Continues to Grow
 - Strong Management and Staff
 - Solid Balance Sheet
 - Reached \$50 million in assets

Highlight –

- Computer system conversion from Fiserv to Sharetec page #9
- Lockheed Martin Middle River closing page #8
- Small net losses in 2021 due to low interest rates

There were no questions.

CREDIT COMMITTEE REPORT (MARK BOLD)

CC report page 13

summary of loan actions page

New service: credit card program page #8

Mark Bold presented the Credit Committee Report. (There was a question from the floor)

Question on applying for a credit card, how does debt ratio fit in? Mark answered question.

SUPERVISORY COMMITTEE REPORT (KIMBERLY HUGHES)

The committee is made up of member volunteers who are appointed by the board of directors. The committee reports directly to the board of directors.

Current members are Kim Hughes (Chair), Mike Wade, and Chavonne Epps.

Duties of the committee;

- To act as the Credit Union's internal auditor
- To hire a CPA accounting firm to perform an annual review of the various records
- To handle any issues with board or senior staff misconduct
- To monitor the NCUA annual examination findings to confirm compliance
- To provide an annual audit report for the board of directors
- To perform independent testing of member and other activity

Independent testing includes sample testing of;

- Verification of closed and new accounts
- Activity on dormant accounts
- Surprise office cash counts and verification of negotiable items
- Spot checking member account changes (addresses, etc.)
- Member activity to confirm compliance with the Bank Secrecy Act (BSA)
- Bi-annual verification of member accounts through the quarterly statement mailing (which was last performed in 2021)
- Reviews of the monthly settlement account reconciliations

There were no questions.

OTHER DIRECTORS: ANY COMMENTS?

PRESIDENT'S & TREASURER'S REPORT (MARK BOLD)

Page 11, 12, page 13 (year-end stats)

Balance Sheet Page 11

- Cash and investments up over \$1.5 million
- Real estate loans up \$1 million
- Unsecured loans/credit cards up \$60k
- Auto loans up \$320k
- Other loans up \$31k
- Total loans up \$1.5 million 6%
- Total assets up \$3.3 million, 7%
- Member deposits up \$3.4 million
- Capital ratio of 7.1%

Factors; due to the pandemic, members increased savings, paid down loans, borrowed less, and refinanced their 1st mortgages and paid off LMFCU home equity loans.

Income statement; Page 12

- interest on loans down \$72k, lower rates & balances
- investment income down \$96k, reduced investment yields
- other income up \$87k, mostly fee and card interchange income
- Total income down \$82k
- salaries down \$28k: benefits up due to rising health ins.
Restored staff pay cut in Q3 2021
- Total expenses down \$43k
 - Other services up: credit card program, additional audit fees, increased docusign fees,
 - Online/mobile fees up: for RDC & mobile wallet
 - Dividend expense down \$38k
- Net loss of \$33,728, compared to \$75,804 last year
2022 net income thru August is \$182k

PRESIDENT'S REPORT

Page #3 thru #6: Credit Union Difference

Page #7: The People,
New employees; Ginny and Rita

Page #8: Review news for 2021/2022:
Debit card suspect fraud notifications
Coming in 2023 – contactless cards
Expanded website educational articles – Financial planning
Facebook
Hopkins children's center donation
Low loan rates in 2021

PAGE #9
First mortgage program
System conversion
RV loans
Staff anniversary – Cathy 15 years
Review staff changes
COVID-19 – masks not required

PAGE #10
Current promotions

Page #13:
Deposit account growth - unprecedented
Summary of loans outstanding (low delinquency) of 0.9%
Year-end statistical

Page #15: Miscellaneous services
Aquarium tickets, True stage insurance, tickets-at-work, financial planning

Last Page: Privacy Policy – don't share info

Reminders:

Biweekly e-mail update/newsletter – scam alerts, latest news, new services

Thanks to all the volunteers

(There was a question from the floor)
John Ward had question about receiving insurance information in the mail? Mark answered the question.

OLD BUSINESS (IF ANY): None

NEW BUSINESS (IF ANY): None

ELECTION OF OFFICERS:

Board of Directors: Mark Bold, Rich Coleman

Credit Committee: n/a

-Any nominations from the floor?

"As there are no nominations from the floor, I instruct the secretary to cast one vote and the slate is elected by acclamation"

CU Secretary Rich Coleman cast one vote for slate of Board & Committee Members.

OTHER QUESTIONS/COMMENTS?

HOLD DRAWING FOR DOOR PRIZES (Bart) There were three \$75.00 gift cards for door prizes.

MOTION TO ADJOURN

There was a motion from the floor and second from the floor to adjourn the meeting. Meeting was adjourned at 6:11 pm by Vice Chairman Tim Preston.

Tim Preston

Tim Preston, Vice Chairman

Richard Coleman

Rich Coleman, Secretary