

LM FEDERAL CREDIT UNION
10/17/2023 ANNUAL MEMBERSHIP MEETING MINUTES

The LM Federal Credit Union Annual meeting was held at Victory Villa Baptist Church and the meeting was called to order by Board Chairman Bob Caswell at - 5:35 pm. Other board members present included Mark Bold, Tim Preston, Kim Hughes, Rick Mattox and Rich Coleman. A quorum was established (36 attendees).

Bob Caswell and Mark Bold, LMFCU President, introduced board members, committee members and LMFCU staff.

2022 Annual Meeting Minutes were reviewed by all in attendance. There was a motion from the floor and second from the floor to approve the 2022 Annual Meeting Minutes. Minutes were approved as submitted.

Bob Caswell 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
 - Low loan delinquency and loan losses
 - Reached \$53 million in assets

Highlight –

- Lockheed Martin Middle River closed on March 31st 2023
- Significant net gain in 2022 due to rising interest rates and efforts to hold down costs

CREDIT COMMITTEE REPORT (BOB CASWELL)

Report on page 13

summary of loan actions page

Large growth in loans issued in 2022

Any Questions? There were none.

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

OTHER DIRECTORS: ANY COMMENTS? There were none.

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

Reviewed the following in the annual report;

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

Balance Sheet Page 11

- Real estate loans up \$2.4 million
- Unsecured loans/credit cards up over \$500k
- Auto loans up over \$1.4m
- Other loans up over \$390k

- Total loans up \$1.5 million 18.5%
- Total assets up over \$2 million, 4%
- Member deposits up \$1.4 million
- Capital ratio of 7.88%

Factors; As the pandemic was coming to an end, members increased savings at a lessor rate and resumed spending.

Income statement; Page 12

- interest on loans up \$217k, loan growth and increased rates
- investment income up \$266k, increased investment yields
- other income up \$5k, lower account fees and increased card interchange
And GAP/Warranty income
- Total income up \$500k
- salaries down \$77k due to COVID salary relief payment from IRS
Restored staff pay cut in Q3 2022
- Total expenses down \$96k
 - Online/mobile fees up: for RDC & mobile wallet
 - Dividend expense down \$1k
- Net gain of \$562k, compared to \$33k loss last year
2023 net income thru September is \$781k

Any Questions? There were none.

PRESIDENT'S REPORT

Mark Bold reviewed the following in the annual report;
Page #3 thru #6: Credit Union Difference

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

Page #8: Review news for 2022/2023:
Debit card suspect fraud notifications by text
Discontinued telephone banking
2023 – contactless cards introduced
Expanded website educational articles – Financial planning
3d secure visa program in progress
New branch ATM also in progress

Page #9

LMFCU Facebook page – educational information

Lockheed Martin closing at Middle River and service to Moorestown NJ

3.99% Credit card balance transfer offer

Loan growth in 2022

Angela Laisure- 15 year anniversary

PAGE #10

Current promotions

Page #13:

Deposit account growth moderated

Summary of loans outstanding (low delinquency) of 0.42%

Year-end statistical review

Loan to share ratio up

Capital ratio up; 7.88% as of December 2022, 8.44% as of June 2023

Page #15: Miscellaneous services

Reviewed Aquarium tickets, True stage insurance, tickets-at-work, financial planning

Last Page: Privacy Policy

Any Questions? There were none.

Reminders:

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

Thanks to all the volunteers on the Board and the Committees.

Also thanks to our dedicated employees

OLD BUSINESS (IF ANY): None

NEW BUSINESS (IF ANY): None

ELECTION OF OFFICERS:

Board of Directors: Bob Caswell, Kim Hughes & Donald (Dino) Pusinsky

Credit Committee: Bob Caswell & Bill Cosden

-Any nominations from the floor?

There were none.

Bob Caswell; 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? None

HOLD DRAWING FOR DOOR PRIZES (Janelle) There were three \$75.00 gift cards for door prizes. (Michael's Café, Amazon, Target)

MOTION TO ADJOURN

There was a motion from the floor and second from the floor to adjourn the meeting. Meeting was adjourned at 6:20 pm by Chairman Bob Caswell.

Richard Coleman, Secretary

Robert Caswell, Chairman