

2021 ANNUAL REPORT

WHAT'S ON THE AGENDA?

- Determination of Quorum (15 or more members)
- Reading of the 39th Annual Meeting Minutes
- CEO's Report
- Report of Supervisory Committee (Read by CEO)
- Speaker – Denise Wymore on the Benefits of Small Credit Union Membership
- Q&A for Speaker
- Elections
- Adjournment

MINUTES OF THE 39TH ANNUAL MEETING

The 39th annual meeting of Lion's Share Federal Credit Union was held virtually on Thursday, April 15, 2021 via Microsoft Teams, due to the COVID-19 virus outbreak. There were at least 32 members on the call.

The meeting was called to order by Mark Curran, who announced that a quorum was present. The minutes of the 2020 annual meeting were read aloud. A motion to approve the minutes was made by Ronnie Smith, seconded by Rick Gardner and approved by voice vote.

Mark then began a review of the December 31, 2019 financial reports by sharing a PowerPoint slide show. The Balance Sheet showed that Cash had increased to \$22,042,237 while Loans decreased to \$34,703,241. Assets increased to \$61,357,294 during the year. Member Shares had increased by nearly \$10.7 million to \$56,080,512. Net Income was \$170,676 for the year, due primarily to a reduction in overall Operating Expenses. Mark shared 6 year trend graphs for Loans, Shares, Assets and Members. He pointed out that our Average Member Share balance was now \$4,600, compared to just \$3,000 at the end of 2014.

Mark gave a brief President's Update, highlighting our response to the COVID-19 pandemic and its impact on the credit union. We were able to rely on our extensive technology to serve our members remotely during this time. Mark then announced that he would be retiring on June 30th and outlined the steps being taken to find and hire the next CEO.

Mark then talked about the role of the Supervisory Committee and listed the names of each committee volunteer.

He then reviewed the list of our current board members and described the role of our volunteer board.

There were no items of Unfinished Business or New Business to come before the membership.

Mark reported that there were 3 seats up for election to the board, with Dave Bass, Tom Kelly and Deneen Maready-Jones being nominated to fill those seats. No nominations were heard from the floor and a motion was made by Ronnie Smith with a second from Rick Gardner to close the nominations and elect all candidates by acclamation. The motion passed by unanimous voice vote.

The meeting was adjourned following a motion from Teross Young and a second from Kim Lyda at approximately 5:55 p.m.

James McBride
President/CEO



MESSAGE FROM THE SUPERVISORY COMMITTEE

The Supervisory Committee appointed by the Board of Directors, has the responsibility to determine the financial soundness of the Credit Union and to ensure that it operates within established laws and regulations. The Supervisory Committee regularly attended the Board of Directors' monthly meetings this past year and observed the continued consistency and professionalism of the Directors and Management. In addition, the Supervisory Committee reports monthly to the Board of Directors on reviews, audits, verifications, security findings and discussions that has been conducted since the last board meeting. The Supervisory Committee exists to protect the assets of the Members and to report back to them the financial condition of the Credit Union.

In accordance with these responsibilities, the Supervisory Committee contracted with the Carolinas Credit Union League for audit services to perform the annual audit of the Credit Union's records, policies, and procedures. As external auditors, their primary responsibility is to attest to the accuracy of the Credit Union's financial data and ensure compliance with Generally Accepted Accounting Principles (GAAP). To accomplish this, they review the appropriate documentation to support the financial statements balances and evaluate the overall financial condition and disclosures. Based on the results of the audit as of June 30, 2021, the auditor's found the Credit Union's accounting records to be in good condition.

The Supervisory Committee is pleased to report that in its judgement, Lion's Share Federal Credit Union continues to be competently managed, financially sound, and operates in the best interests of the Membership. It is the belief of the Supervisory Committee that LSFCU is financially strong and continues to operate in adherence to its governing laws and regulations and in conformity with the highest ethical standards. The Supervisory Committee extends its appreciation to the Board of Directors, Management and Staff for their continued commitment to the Credit Union.

FINANCIAL STATEMENTS



Balance Sheet (Unaudited)

Assets	2020	2021
Cash and Cash Equivalents	\$ 22,042,237	\$ 25,002,731
Loans to Members	34,703,241	34,826,037
Allowance for Loan Losses	(460,427)	(381,878)
Investments	3,383,398	4,719,978
Accrued Interest Income	57,257	59,765
Property and Equipment	41,762	34,213
Building and Improvements	1,021,210	970,217
Deposit for Federal Insurance of Ac-	485,335	555,155
Other Assets	83,281	177,383
Total Assets	\$ 61,357,294	\$ 65,963,601
Liabilities and Equity		
Members' Deposits	\$ 56,080,512	\$ 60,054,089
Other Liabilities	561,927	554,040
Equity		
Statutory Reserves	794,521	794,521
Undivided Earnings	3,920,334	4,560,951
	4,714,855	5,355,472
Total Liabilities & Equity	\$ 61,357,294	\$ 65,963,601

Statement of Earnings (Unaudited)

Income	2020	2021
Interest Income		
Interest on Loans	\$ 2,450,864	\$ 2,353,130
Interest on Investments	85,029	59,085
Interest Paid on Members' Deposits	(357,081)	(178,719)
Net Interest Income	2,178,812	2,233,496
Provision for Loan Losses	(322,500)	(235,864)
Net Interest Income After Provision for Loan Losses	1,856,312	1,997,632
Non-Interest Income	1,395,837	1,753,871
Total Income	\$ 3,252,149	\$ 3,751,503
Expense		
Non-Interest Expense		
Salaries	\$ 1,098,176	\$ 1,038,806
Other Employee Benefits	324,828	294,712
Office Occupancy	124,118	117,847
Office Operations	1,131,187	1,179,264
Other Operating Expenses	403,164	480,257
Total Expense	3,081,473	3,110,886
Total Net Income	\$ 170,676	\$ 640,617



MESSAGE FROM THE PRESIDENT / CEO

I just want to take a moment to impress upon you just how great 2021 was for Lion's Share. In fact, it was our best financial year in more than 20 years with \$640,616.59 in revenue. It was such a good year that our loan portfolio, which was negative in 2020, rebounded and showed growth. 2021 also saw us being able to help more members than ever, we ended the year with nearly 12,000 LSFCU members. Lastly, I want to take a moment to thank our truly remarkable CEO, Mark Curran for more than a decade of service to our credit union. Thank you, Mark, we wouldn't be as great without you. I am so excited for what 2022 has in store and I'm even more excited for the future of Lion's Share Federal Credit Union.

James McBride
President/CEO



LIONSHARECU.ORG



850 HARRISON ROAD | SALISBURY, NC 28147



704-636-0643 | 800-889-2393



704-637-6311

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FEDERAL CREDIT UNION

WHERE MEMBERS MATTER MOST.



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