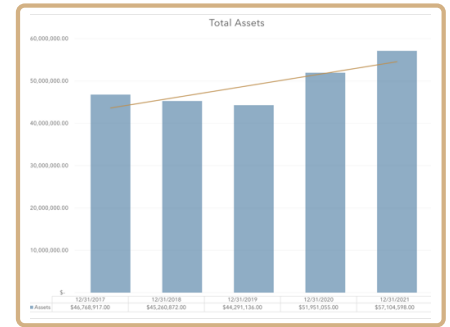
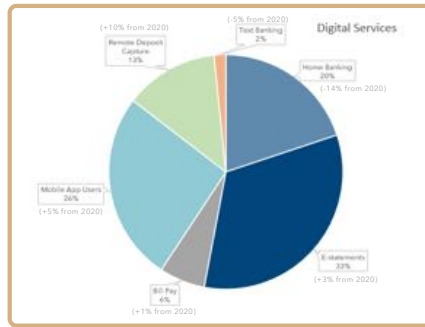
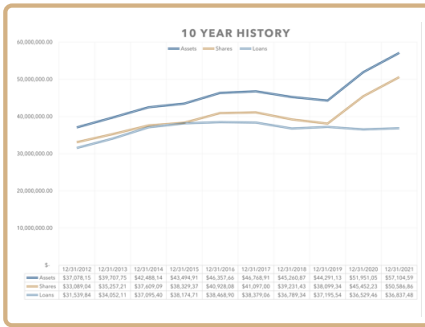




# 2022 ANNUAL REPORT

## At a glance...



## CHAIRMAN'S REPORT

Limestone Federal Credit Union stands on solid ground today and is well positioned for a bright future for our members, staff, and our community. Despite the challenges that we faced in 2021, we emerged stronger with significant asset growth, improved technology, and broadened accessibility.

We have done much to increase our loan portfolio of products and services. Our lending team has worked diligently to be able to meet the needs of members with new ways to make loans available for a wide variety of needs. We continue to provide members with more loan options at competitive rates. We want to be the choice for members' loan needs.

We make this possible through a highly skilled staff and improved technology. Our core conversion in 2021 enables us to enhance the product offers and improve delivery systems for member services. The addition of The Hub to our existing member services has enabled more member support by providing an ATM, lending staff, and extended hours at our branch located at Jacks.

*Continued on p. 02*



## RON PROVO, LFCU BOARD OF DIRECTORS



After 35 years as a board member, Ron Provo announced his retirement effective 12/31/2021. Serving from 2012 to 2021 as the Chairman, Ron has been instrumental in the success of our organization.

As a long-term director he has been a voice of the membership, while working for the good of the organization. Taking his role as director seriously; Ron rarely missed a meeting, attending both internal and external educational sessions, took an active role in strategic planning, all while working diligently to move the organization forward. Recognized in 2017 by the Michigan Credit Union League as UP Credit Union Person of the Year, Mr. Provo has been a cornerstone of our organization for the past 35 years. He will be missed in his role as a director. However, we look forward to working with him as a committee member.

## CHAIRMAN'S REPORT CONT...

As more of our member population embraces technology, we are appropriately focused on cyber-security. We are providing a valuable resource for both members and our community with strategic partnerships and enhanced financial security services.

In the midst of these changes, we never lose sight that each and every member is why we exist. We are there for our members, in person or virtually. We appreciate that members must adapt to changes and trust that our members have like appreciation for the work and effort our staff invests to make our credit union the financial institution of choice for our members.

We thank everyone for toughing out 2021 and look forward to a prosperous and exciting 2022.

*James Blanchard, Chairman*

### WE ARE FAMILY

In 2021, Sydney Chartier was formally appointed as a Board Member. Sydney is a familiar face to members and staff as she has worked the front line while attending Grand Valley State University. Graduating in April of 2020 with a Bachelor of Science in Psychology, she was identified as a candidate for the Board of Directors.

Sydney is currently attending Ohio State University and is studying for her Master's in Social Work. Sydney is the granddaughter of Liz Chartier, who served on the Limestone FCU Board of Directors from 1990 until 2013, making Sydney a second generation board member with LFCU.



Sydney Chartier  
Board Member



Liz Chartier  
LFCU Board Member  
1990-2013

## CEO REPORT

At Limestone Federal Credit Union, we are committed to building a better financial tomorrow through service, education, and advocacy. 2021 has been no exception, amidst what we had hoped would be a post-pandemic environment, we continued to work toward building a better financial tomorrow for our staff, the organization, and our membership.

In April, we opened a second location at Jack's Fresh Market. This location, coined The Hub, differs from a traditional branch as this is a self-service location to assist members with our digital products and services. Paired with a state-of-the-art ATM, members are able to conduct their banking or obtain assistance with digital products. This location was well-received during our core conversion for members who needed assistance with our new online tools. Staffed with a Branch Manager and an MSR, The Hub is well equipped to meet the day-to-day banking needs of our members. This model will serve as a footprint for future locations, allowing us to expand without the capital expenses traditionally associated with new branches.

*Continued on p. 03*

## CURRENT BOARD MEMBERS

James Blanchard  
Board Chairman

Amy Braun  
Board Treasurer

Sydney Chartier  
Board Member

Julie Roscioli  
Board Co-Chairman

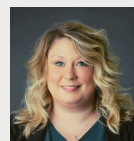
Judie Zerilli  
Board Secretary



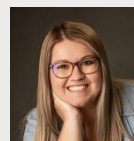
Patricia Mickelson  
Supervisory Committee

*We welcomed new team members, celebrated promotions, and achieved additional educational milestones!*

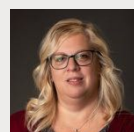
*We encourage staff to achieve certain educational designations in compliance, financial education, technology, and finance. We are extremely pleased to have staff with this level of education, which is reflective of their personal drive to continuously improve their skills.*



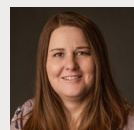
**MAGAN PETERSON**  
Chief Lending Officer  
Completed the Credit Union  
Compliance Expert Designation.



**HALLE POTVIN**  
Member Service  
Representative



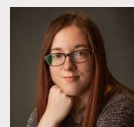
**SANDRA DECHOW**  
Deposit Operations  
Specialist



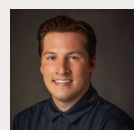
**LUCY BERRY**  
Lending Operations  
Specialist



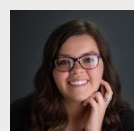
**KRISTINE ECCLESINE**  
Branch Operations  
Manager



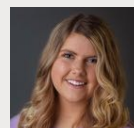
**KATANA FREED**  
Member Service  
Representative



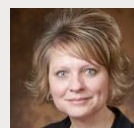
**KYLE KEEHEN**  
Member Service  
Representative @ The Hub



**CASSIDY CAYEMBERG**  
Mortgage/Consumer Loan Officer  
Completed the Credit Union  
Compliance Expert Designation.



**VALERIE MIOTKE**  
Promoted to Member Service  
Representative - Lending



**JENNIFER WATSON**  
Chief Executive Officer  
Completed the Credit Union  
Compliance Expert Designation.

After twelve months of planning and preparation, in May of 2021 we went live on our new core processing platform. This conversion allowed us to upgrade our online banking, mobile app, offer near real-time remote deposit, increase up-time, all while improving our overall security posture. While change is always difficult, it is important that we recognize the need to keep up with new technology, not only to offer new functionality but to ensure we are offering products and services that meet the data security standards our members expect.



We have taken significant steps in the past twelve months to improve our data security profile. However, much of the fraud that exists today requires not only secure systems but educated employees and members. In 2021, we worked diligently to increase consumer awareness, and sought out resources to help our members avoid falling victim to scams. We recently announced a partnership with local IT and Cybersecurity service provider, SineTech, to offer our members significant resources to protect their systems while improving their knowledge to help combat fraud. This is an important step toward improving the financial security of our member owners. As part of this partnership we have held three live sessions aimed at educating members and arming them with current information designed to protect themselves and loved ones from financial loss.

We are excited to announce Daren & Hali Holt are the new owners of The Grind Coffee House. The coffee shop has operated since 2017 as a student run small business. As reported previously, this venture exceeded initial expectations and is ready for a full-time owner operator. We are excited at the opportunity for the new owner to take the business to the next level. The Holt's will facilitate the work study program until the end of the school year. Looking to the future, we are excited to once again partner with Manistique Area Schools to recreate this project with planning and development expected to begin during the 2022/2023 school year.



Throughout 2021 member service remained our priority; in addition to improving our digital services we also expanded our staff. We added key positions such as our Chief Lending Officer, Magan Peterson, and a Branch Operations Manager, Kristine Ecclesine. We also have several new staff members in support positions as well as front-line to fill positions vacated when existing staff were promoted to lending. 2022 will bring a renewed focus on serving our membership via all channels.



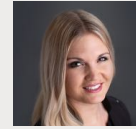
2021 began with renewed hope of a post pandemic world where we would find some semblance of normalcy both socially and economically, however, the pandemic continued and we simply learned to adapt while living with the virus. Few could have predicted the civil and economic unrest that has plagued the nation for the past two years. As an organization, I am proud of the work our team has done to continue serving the membership during these challenging times. Our staff and volunteers continue to rise to the challenge of doing more with less.

Looking forward to 2022, we anticipate continued expansion of member benefits through partnerships, increased products and services, and education. We hope, as a member owner, you have found value in your participation in the cooperative and invite you to reach out to me to share your thoughts.

*Jennifer C. Watson, CEO*

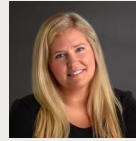
*Committed to building a better financial tomorrow through service, education, and advocacy*

*Meet the rest of our wonderful team!*



**JESSICA BAKER**

Mortgage/Consumer Loan Officer  
Promoted to Branch Manager @  
The Hub



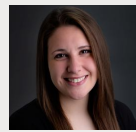
**JENNIFER BENEDETTO**

Information Systems  
Coordinator



**ROCHELLE BLIXT**

Member Service  
Representative



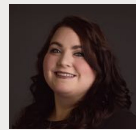
**LEAH COOK**

Executive Assistant



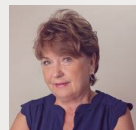
**ARIEL COUSINEAU**

Promoted to Member  
Service Representative -  
Lending



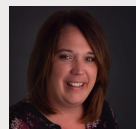
**MALLARY DILLON**

Promoted to Member  
Service Representative -  
Lending



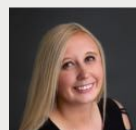
**VICKIE HEWITT**

Communication Support  
Representative



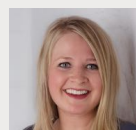
**SUSAN HINKSON**

Compliance Associate



**HAILEY HOHOLIK**

Head Teller



**ALYSSA SWANSON**

Chief Operations  
Officer



*The strength of the team is each individual member. The strength of each member is the team.*

*-Phil Jackson*

# We ♥ Our Community

We strive to uphold our fundamental responsibility to actively serve people within our field of membership and, as appropriate, the communities they live in. Make banking local one of your 2022 New Years resolutions. When you bank with us, you help to expand our ability to invest in our community. Help us make a difference and continue to expand our member benefits by making LFCU your primary financial institution.



## Skate Card Program

As a member of LFCU, we offered 10 free skate sessions for members to enjoy with their family.



## Small Business Saturday

We were excited to take part in Small Business Saturday by offering custom scratch-offs that awarded up to \$25 off local small business purchases!



## Credit Union Week

We had a blast celebrating International Credit Union Week! Winners received local gift cards all week long, along with a chance to win up to \$500 in cash!



## Instant Issue Debit Cards

At The Hub, located in Jack's Fresh Market, we have a brand new debit card printer - making access to your new debit card faster than ever. Our MasterCard Debit Cards make it easy to use and manage your money and earn awesome rewards like cash back! For every 2 dollars you spend, you earn 1 reward point.



## Military Benefits Program

The Military Benefits Program is yet another example of how LFCU provides its members with benefits aimed at building a better financial tomorrow. Through enrollment in this program Veterans, Active Duty Members, and Gold Star Families will receive benefits designed to provide economic value specific to this group of members.



## Toys for Tots

LFCU partnered with Toys for Schoolcraft County and collected donations totaling \$1,440, plus lots of toys, to benefit families in our community this holiday season.



## Debit Card Rewards

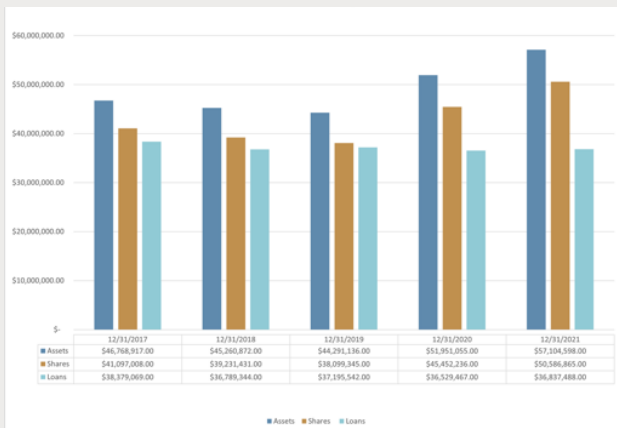
Our members redeemed a total of \$97,007.55 in Debit Card Rewards! When using a LFCU debit card, members earn 1 reward point for every 2 dollars spent which then can be redeemed for cash back, gift cards, and more!



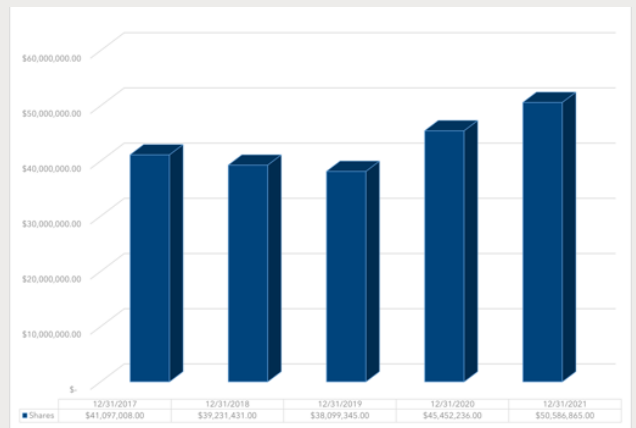
## MHS Baseball

The Water Tower Field, where MHS plays their home baseball games, has undergone several projects to improve the facility since 2017. LFCU is proud to have been a part in the improvement efforts, and to have pledged to cover the cost of a new scoreboard!

### 5-YEAR HISTORY



### TOTAL SHARES



# Minutes of the 2021 Annual Meeting:

The 66th Annual Meeting of Limestone Federal Credit Union was called to order by Ron Provo at 3:00 p.m. in the lobby of Limestone Federal Credit Union.

Roll Call:

Present: Ron Provo  
Julie Roscioli  
Amy Braun  
Judie Zerilli  
Jim Blanchard  
Patricia Mickelson

Absent: Matt Block

26 Members were present.

The minutes of the 2020 Annual Meeting were included in the program. Ron called for a motion to approve the minutes. Alan Barr made a motion to approve the minutes as presented. Cindy King seconded the motion. Motion carried unanimously.

The Chairman/CEO Report, Supervisory Committee Report, and Loan Committee Report were included in the annual meeting program.

A motion to approve the Supervisory Committee Report and the Loan Committee Report was made by Alan Barr. Wilbur Labar seconded the motion. Motion carried unanimously.

Old Business: NONE

New Business: NONE

Chairman/CEO Report-

Ron reported on the efforts of 2020. He complimented management and staff on their work throughout the pandemic including technology implementation and meeting member service expectations. Jennifer reported staff were fully remote within a few days of the Stay at Home order. Ron reported on the financials, stating Assets and Shares increased largely due to the Economic Impact Payments. Jennifer reported on the upcoming system upgrade, The Hub, and thanked the members of LFCU for their commitment to their financial cooperative.

Election of Officers:

Ron Provo, Board Chairman, called for nominations for the Board of Directors from the floor three times. Hearing none, he closed the nominations for the Board of Directors and called for a motion. Wilbur Labar made a motion to cast a unanimous ballot as printed in the programs. Alan Barr seconded the motion. Motion carried unanimously.

Nominees for the Board of Directors:

Amy Braun  
Judie Zerilli

Betty Labar made a motion to adjourn the 66th Annual Meeting of Limestone Federal Credit Union at 3:11 p.m. Patricia Mickelson seconded the motion. Motion carried unanimously.

# Loan Committee Report

The loan committee consists of three credit union employees who are appointed by the Board of Directors. This committee meets bi-weekly to review member loan applications and consider the ability of each member to repay the loan. These decisions are not made lightly, as they are made in compliance with the lending policies established by the credit union Board of Directors and with state and federal regulations.

Jennifer Watson      Alyssa Swanson      Susan Hinkson

Loan Statistics			
	2021	2020	2019
Number of Loans Disbursed	1052	898	1288
Total Loans Disbursed	\$ 20,082,445.00	\$ 16,662,770.00	\$ 14,243,694.00
2-6 Months Delinquent	\$ 249,833.00	\$ 414,769.00	\$ 214,316.00
6-12 Months Delinquent	\$ 30,861.00	\$ 3,608.00	\$ 65,825.00
12 Months and Over	\$ -	\$ -	\$ -
Total Delinquent Loans	\$ 280,694.00	\$ 418,377.00	\$ 280,141.00

# Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors and consists of three credit union members. This committee volunteers their time and talent to ensure the financial condition of the credit union is accurately and fairly presented in accordance with rules and regulations required by the National Credit Union Administration (NCUA). They verify procedures are in place to safeguard our member's assets. To ensure these requirements are met, they engaged the services of Audit ThreeSixty to provide an audit of Credit Union records and found our credit union continues to perform well. The committee met monthly to perform a variety of functions including surprise cash counts, reviewing supervisory logs, and following up on audit and exam items. These audits assure us that our credit union is properly managed and in compliance with regulatory requirements. As always, it's a pleasure to serve our membership!

Judie Zerilli    Patricia Mickelson

# 2022 Board of Directors Elections

There are three positions up for election in 2022.

Current members running for these positions:

Julie Roscioli (incumbent)      James Blanchard (incumbent)

Sydney Chartier (incumbent)

# Financials

## 2021 - 2020 - 2019

	2021	2020	2019
<b>ASSETS</b>			
LOANS TO MEMBERS (Less Allowance)	\$ 36,641,822.00	\$ 36,363,434.00	\$ 37,045,775.00
OREO-Other Real Estate Owned (Foreclosures)	\$ -	\$ -	\$ 53,646.00
REPOSSESSED ASSETS	\$ -	\$ -	\$ -
CASH ON HAND	\$ 14,619,640.00	\$ 10,215,795.00	\$ 4,650,255.00
INVESTMENTS	\$ 3,829,806.00	\$ 3,306,422.00	\$ 753,054.00
FIXED ASSETS (Net)	\$ 1,484,103.00	\$ 1,459,942.00	\$ 1,497,483.00
CUSOs- Credit Union Service Organizations	\$ 330,100.00	\$ 374,192.00	\$ 44,192.00
OTHER ASSETS	\$ 51,132.00	\$ 68,991.00	\$ 87,600.00
ACCRUED INTEREST	\$ 147,995.00	\$ 162,279.00	\$ 159,131.00
TOTAL	<u>\$ 57,104,598.00</u>	<u>\$ 51,951,055.00</u>	<u>\$ 44,291,136.00</u>
<b>LIABILITIES</b>			
TOTAL DEPOSITS (Shares)	\$ 50,586,865.00	\$ 45,452,237.00	\$ 38,099,345.00
RESERVES	\$ 889,019.00	\$ 889,019.00	\$ 889,019.00
UNDIVIDED EARNINGS	\$ 5,731,082.00	\$ 5,524,393.00	\$ 5,273,530.00
OTHER LIABILITIES	\$ (102,368.00)	\$ 85,406.00	\$ 29,242.00
TOTAL	<u>\$ 57,104,598.00</u>	<u>\$ 51,951,055.00</u>	<u>\$ 44,291,136.00</u>
<b>INCOME</b>			
INTEREST ON LOANS	\$ 1,780,551.00	\$ 1,931,658.00	\$ 1,916,317.00
INTEREST ON INVESTMENTS	\$ 78,573.00	\$ 22,056.00	\$ 95,195.00
OTHER INCOME	\$ 733,795.00	\$ 660,124.00	\$ 647,062.00
TOTAL	<u>\$ 2,592,919.00</u>	<u>\$ 2,613,838.00</u>	<u>\$ 2,658,574.00</u>
<b>EXPENSES</b>			
SALARIES AND BENEFITS	\$ 1,060,878.00	\$ 1,037,252.00	\$ 1,089,599.00
OFFICE OCCUPANCY	\$ 151,985.00	\$ 121,303.00	\$ 123,789.00
OFFICE OPERATIONS	\$ 274,887.00	\$ 261,323.00	\$ 226,954.00
LEAGUE DUES	\$ 5,989.00	\$ 4,170.00	\$ 4,679.00
EDUCATION & ADVERTISING	\$ 138,759.00	\$ 42,769.00	\$ 35,328.00
PROVISION FOR LOAN LOSSES	\$ 70,099.00	\$ 49,598.00	\$ 102,903.00
INTEREST ON BORROWED MONEY	\$ -	\$ -	\$ -
OTHER EXPENSES	\$ 505,594.00	\$ 572,429.00	\$ 564,866.00
TOTAL	<u>\$ 2,208,191.00</u>	<u>\$ 2,088,844.00</u>	<u>\$ 2,148,118.00</u>
NET EARNINGS (Before Dividends)	\$ 384,728.00	\$ 524,994.00	\$ 510,456.00
<b>DISTRIBUTION OF EARNINGS</b>			
DIVIDENDS	\$ 183,946.00	\$ 254,628.00	\$ 229,776.00
MEMBER LOYALTY BONUS	\$ -	\$ -	\$ 41,195.00
UNDIVIDED EARNINGS (INCOME)	\$ 200,782.00	\$ 250,862.00	\$ 234,461.00
NCUSIF PREMIUM ASSESSMENT	\$ -	\$ -	\$ -
NON-OPERATING INCOME/LOSS	\$ -	\$ -	\$ -
NET LOSS ON SALE OF FORECLOSURE PROPERTIES	\$ -	\$ 19,504.00	\$ 5,024.00
TOTAL	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

THIS REPORT CERTIFIED CORRECT BY: JENNIFER C. WATSON, CEO

## THANK YOU

A special thank you to our volunteer board and supervisory committee members,  
along with all of our LFCU Member-Owners!