

# Minutes of the 67th Annual Meeting

Tommy Musser, Chairman of the Board, called the meeting to order at 4:00 p.m. on Tuesday, October 20, 2020 at the Main Office in Morristown, Tennessee. Due to the COVID-19 outbreak annual reports were included in the September 2020 membership statements along with instructions on viewing additional data on the LCU website as well as instructions on phoning in if anyone had questions for the directors or senior management.

The secretary, Todd Marshall, asked if there had been at least 100 views of the annual report (100 is LCU's quorum). Mark Creech verified that as of 2:00 pm on Tuesday, October 20th that there had been 100 views of the annual report via report from Bitlink.

John Walker made a motion to approve the minutes from the 66th Annual Meeting. Joann Jenkins seconded a vote was taken and the minutes were unanimously approved.

Mark Creech answered two phone calls from members Marsha Anderson and Betty Kinsler. Marsha Anderson phoned in to thank the Board and Sr Management for how they had dealt with the crazy year we had and Betty Kinsler phoned to express her appreciation to the board.

Ronnie Moore made a motion to adjourn. Leon Cagle seconded the motion and the meeting adjourned at 4:50 pm.



## AGENDA

- Invocation
- Welcome & Verification of Quorum
- Appointment of Parliamentarian
- Election of Directors
- Approval of Minutes of the 67th Annual Meeting
- Chairman's Report – Tommy Musser
- Treasurer's Report – Ronnie Moore
- Audit Report - Will McKinney
- President's Report – Mark Creech
- Old Business
- New Business
- 2020-2021 Lee Johns Memorial Scholarship Recipients:
  - Hailey Gillette
  - Jacie Holdway
  - Kaylan Cole
  - Aaliya Shelton
  - Tyrah White
- Awards and Presentations
- Awarding of Door Prizes
- Adjournment
- Benediction

# 68th Annual Meeting

## LOBBY HOURS

Monday -Thursday: 9am-5pm  
Friday: 9am-6pm

## DRIVE THRU

Monday-Thursday: 8am-5pm  
Friday: 8am-6pm

423.581.8345

[LowlandCU.org](http://LowlandCU.org)



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# Joint Report from Board & Management

The year 2020 was a very interesting year for Lowland Credit Union as it was for many of our members as well. We faced new challenges in the way we served our members due to the Covid-19 pandemic. Our lobbies were literally shut down for several months and we could only serve you by way of a drive-thru window or a telephone call. We had to alter our operating schedule, segregate staff in to shifts, wear protective masks, clean, clean, clean the lobby and deal with staff that contracted the virus. The board and staff worked diligently to make sure we kept our members served and our staff protected. We managed to do all this and still grow loans, shares, assets and make a decent profit.

In spite of the pandemic, we grew assets \$14.7 million (14.48%), grew loans \$17.4 million (31%), and grew deposits \$15 million (16.17%), delinquencies were at a 17-year low, and we almost set a record for Net Income (we were only \$5k short of a record). It's hard to believe we were able to achieve these statistics with our lobbies shut down for most of the year. Had the credit union not invested in technology this past year, it would not have been possible because we would not have been able to serve you by the means that we did, this is one reason we are always pushing for better technology because in the end this better enables us to serve you and that is a win for everyone. This past year was a testament to what we can do when we get creative and have everyone working together toward a common goal.

Just because of the pandemic that did not mean we were off the hook where audits and exams were concerned. For the first time we received a State Exam, a Federal Exam, an internal audit, BSA audit, and an ACH audit all without examiners/auditors being on site. This was a different experience for us and we actually liked it. We passed all audits and exams last year and were commended on our loan growth as well as our healthy net income. I want to commend the staff in the passing of these various audits, it is proof that everyone is doing a great job even in a pandemic!

While we are proud of our accomplishments made in 2020, we owe a great debt of gratitude to our membership. You stuck with us through the pandemic and were patient when it came to how we were serving you (be it drive-thru, phone, or even curbside). As we state each and every year, Lowland Credit Union is the ONLY locally owned/managed financial institution in Hamblen County and the ONLY credit union located in Cocke County, our success hinges on our loyal members.

As always, we encourage you to think Lowland Credit Union as your primary financial institution, the more services you use the more efficiently we can serve you. We thank you for another year of support and our pledge is that we will continue to invest in our people, newer & better technologies, our local economy and will keep your monies safe and sound. Thank you for another year of support.

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## SUMMARY OF SIGNIFICANT CHANGES SINCE LAST ANNUAL MEETING 10/20/2020

Changes to Management	None
Changes to By-Laws	Change to allow for a virtual Annual Meeting
Important Notes to Changes in Financial Condition	No NCUA Corporate Stabilization deposit required for 2020.
Changes to Membership Size	Members December 2019: 12,622 Members December 2020: 11,656 New Member Increase (Decrease): (966)
Services offered since last Annual Meeting	None

## BOARD OF DIRECTORS

Tommy Musser, Chairman  
 Brandon Tomassoni, Vice-Chairman  
 Ronnie Moore, Treasurer  
 Todd Marshall, Secretary  
 Roy Arnwine  
 Leon Cagle  
 Eddie Gilbert  
 Joann Jenkins  
 John Walker

# Balance Sheet

	2020 Unaudited	2019 Unaudited
<b>ASSETS</b>		
Loans to Members	73,929,405	56,449,985
Allowance for Losses	(524,976)	(544,307)
Cash	3,379,152	2,488,098
Investments	29,876,056	33,980,211
Deposit in NCUSIF	1,022,009	913,444
Prepaid Expenses and Other Assets	921,912	963,872
Property & Equipment, Net	7,662,094	7,311,222
<b>Total Assets</b>	<b>116,265,652</b>	<b>101,562,530</b>
<b>LIABILITIES &amp; EQUITY</b>		
Memebers' Savings Accounts	108,058,223	93,016,757
Interest Payable on Members' Savings	-	-
Other Liabilities	(628,719)	237,814
<b>Total Liabilities</b>	<b>116,265,652</b>	<b>92,254,571</b>
Retained Earnings, Substantially Restricted	8,836,148	8,307,959
<b>Total Liabilities &amp; Equity</b>	<b>116,265,652</b>	<b>101,562,530</b>

# Statement of Income

	2020 Unaudited	2019 Unaudited
<b>INTEREST REVENUE</b>		
Interest & Fees on Loans	3,175,995	2,648,063
Interest on Investments	504,566	754,841
<b>Total Interest Revenue</b>	<b>3,680,561</b>	<b>3,402,904</b>
<b>INTEREST EXPENSE</b>		
Dividends & Interest Expense		
On Member Savings	509,297	530,221
<b>Total Interest Expense</b>	<b>509,297</b>	<b>530,221</b>
<b>Net Interest Revenue</b>	<b>3,171,264</b>	<b>2,872,683</b>
<b>Provision for Loan Losses</b>	<b>243,500</b>	<b>370,000</b>
Net Interest Revenue after Provision for Loan Losses	2,927,764	2,502,683
Other Operating Revenue:	1,321,545	1,349,844
	<b>4,249,309</b>	<b>3,852,527</b>
<b>Other Operating Expenses:</b>		
Salaries & Employee Benefits	1,677,993	1,483,460
Office Occupancy	268,900	228,984
Professional Fees	907,627	1,047,384
Members' Insurance	61,292	56,216
Other Operating Expenses	839,037	892,200
<b>Total Operating Expenses</b>	<b>3,754,849</b>	<b>3,708,244</b>
<b>Other Income (Expense)</b>		
Potential Gain (loss) asset for sale	-	-
Gain (loss) on Disposal of Assets	(64,160)	(3,015)
Gain (loss) on Disposal of Investments	124,169	220,913
<b>Net Income</b>	<b>554,469</b>	<b>368,211</b>