

# LOWLAND CREDIT UNION

## Balance Sheet

	2022	2021
	(Unaudited)	(Unaudited)
<b>ASSETS</b>		
Loans to Members	88,895,799	89,130,912
Allowance for Losses	(613,870)	(575,766)
Cash	3,424,692	3,739,493
Investments	34,516,786	32,197,107
Deposit in NCUSIF	1,222,027	1,139,134
Prepaid Expenses and Other Assets	1,937,804	2,058,907
Property & Equipment, Net	7,092,251	7,430,912
Total Assets	136,475,491	135,120,699
<b>LIABILITIES &amp; EQUITY</b>		
Members' Savings Accounts	128,573,341	125,574,255
Interest Payable on Members' Savings	-	-
Other Liabilities	490,056	399,416
Total Liabilities	129,063,396	125,973,671
Retained Earnings, Substantially Restricted	7,412,094	9,147,028
Total Liabilities & Equity	136,475,491	135,120,699

## Statement of Income

	2022	2021
	(Unaudited)	(Unaudited)
<b>Interest Revenue:</b>		
Interest & Fees on Loans	4,290,011	3,897,746
Interest on Investments	531,258	341,465
Total Interest Revenue	4,821,269	4,239,211
<b>Interest Expense:</b>		
Dividends & Interest Expense On Member Savings	216,283	315,420
Total Interest Expense	216,283	315,420
Net Interest Revenue	4,604,986	3,923,791
Provision for Loan Losses:	472,000	309,000
Net Interest Revenue after Provision for Loan Losses	4,132,986	3,614,791
Other Operating Revenue:	1,510,283	1,443,050
Total Operating Revenue	5,643,269	5,057,841
<b>Other Operating Expenses:</b>		
Salaries & Employee Benefits	2,403,304	2,129,927
Office Occupancy	272,653	267,931
Professional Fees	1,087,357	1,022,803
Members' Insurance	61,215	57,569
Other Operating Expenses	1,139,576	982,083
Total Operating Expenses	4,964,106	4,460,313
<b>Other Income (Expense):</b>		
Potential Gain (loss) asset for sale		
Gain (loss) on Disposal of Assets	-	12,596
Gain (loss) on Disposal of Investments	-	12,500
Net Income	679,163	622,624

## Joint Report from Board and Management

The year 2022 was a record setting year for LCU! We made many great strides last year. The pandemic seems to be far behind us and things are normalizing. We grew assets, deposits and set a record for Net Income.

Assets grew \$1.3 million (1.0%), loans shrank slightly \$235k (.26%), deposits grew \$2.99 million (2.4%) and we set a record for Net Income of \$679,163 (that's an increase of 9.08% over 2021 Net Income). Lowland Credit Union had the most deposits, most assets and made the most money in a single year that we had ever made. While these are all great stats, we did struggle to keep staff on board. We are experiencing the tightest labor market that we have encountered in over 30 years. We are halfway into 2023 and we are still struggling to keep quality staff in place.

We want to commend the staff for their commitment and hard work in 2022. Because of the tight labor market, we were short-handed most of the year and everyone pulled together to keep our members served and for that we are grateful.

LCU was subject to an annual audit by PUGH CPAs out of Knoxville and we are proud to report that we passed with flying colors. Additionally, LCU was rated a safe and sound financial institution by our State Regulators as well as NCUA.

While it is exciting to present to you our accomplishments of 2022, we would be amiss if we did not say a big "thank you" to you, our members. Without our members, none of the successes would be possible. We are the only remaining local financial institution in Hamblen County and we are the ONLY credit union in Cocke county, it is only because of the support of our local community that we can be successful and continue to thrive. We do not have stockholders or investors in big cities to supplement us, it is our local membership that sustains us. We encourage everyone to shop us first and to keep your money in your local economy. The more products and services you use, the more services and products that we will be able to offer. We thank you for another great year and we are committed to serving you as well as being a safe haven for your deposits.

## Minutes of 69<sup>th</sup> Annual Meeting of Lowland Credit Union

Tommy Musser, Chairman of the Board, called the meeting to order at 4:05 p.m. on Tuesday, July 19, 2022 at the Main Office in Morristown, Tennessee. John Walker gave an opening prayer. Due to the COVID-19 pandemic, annual reports were posted on the website and instructions were included in the June member statements on viewing the annual report as well as instructions on phoning in should a member have 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 10:51 am on Tuesday, July 19<sup>th</sup> that there had been 154 views of the annual report via report from PMD Marketing our website host.

Roy Arnwine made a motion to approve the minutes from the 68<sup>th</sup> Annual Meeting. Joann Jenkins seconded, a vote was taken, and the minutes were unanimously approved.

Phone lines were opened from 3:55 pm until 4:25 pm and there were no phone calls received.

Ronnie Moore made a motion to adjourn. Roy Arnwine seconded the motion and the meeting adjourned at 4:41 pm.

The following Board Members were present:

Tommy Musser  
Joann Jenkins  
Brandon Tomassoni  
Eddie Gilbert - on vacation  
John Walker  
Todd Marshall  
Roy Arnwine  
Leon Cagle  
Ronnie Moore

The following Staff were present:

Mark Creech  
Will McKinney  
Heather Moore