

2022 ANNUAL REPORT

68th Annual Meeting



Las Colinas Federal Credit Union
2022 LCFCU ANNUAL MEETING



March 21st, 2023

Call to Order

Kevin Scott

Determination of Quorum

Kevin Scott

2022 Annual Meeting Minutes

Destani Anderson

Chairman's Report

John Chipps

President's Report

Kevin Scott

Supervisory Committee Report

Tracy Morgan

Treasurer's Report

David Sternblitz

(presented by Jolynn Godwin / Comptroller)

Old Business - None

New Business

Nomination's Committee

Laura Beth Dawson

Elections

Kevin Scott

Motion to Close

Kevin J. Scott

President and Chief Executive Officer

Las Colinas Federal Credit Union
2022 ANNUAL MEETING MINUTES



The 67th Annual Meeting of Las Colinas Federal Credit Union was held virtually on March 22nd, 2022. The meeting was called to order by President and CEO Mr. Kevin J. Scott at 6:01pm.

Mr. Scott ascertained that a quorum of the membership was present, and then asked the AVP of Operations, Mark Weidman, to read the minutes of the previous year's meeting. Mrs. Laura Beth Dawson made a motion that the 2021 minutes be approved as written, and Mrs. Barbara Gardsbane seconded the motion. The minutes were approved as written.

Mr. John Chipps extended his gratitude to the members and employees of Las Colinas Federal Credit Union then presented the Chairman's Report, noting that the Credit Union experienced strong financial growth in 2021 with a net income for the year exceeding 1 million dollars, and net worth closing at 9.57. Mr. Chipps extended his congratulations and express appreciation for achieving this level of success. The strategy for 2022 and beyond is sound, dedicating resources to technological improvements and community outreach. Member business lending and premier account will be offered in 2022. LCFCU will begin offering a 60-second loan program for members. Mr. Chipps thanked the members for their confidence and loyalty to Las Colinas Federal Credit Union.

Mr. Scott then presented the President's Report. He started by welcoming the members, employees, and board for attending this session. Despite facing Covid-19, our team managed to achieve noteworthy accomplishments during the past year including:

- Equity improved by 13%
- Gross expense reduced by a total of 7%
- Leadership team added 3 new dynamic members
- Helped 5 other CUs to leverage ERTC credits
- The Credit Union continued to pay 100% of employee health insurance premiums
- The Board of Directors elected to put an end to the courtesy pay fee

Mr. Scott noted that Las Colinas Federal Credit Union is operating with extreme integrity. LCFCU is audited by an external auditors who ensure that the organization is operating justly.

Mrs. Tracy Morgan, Supervisory Committee Chair, presented the Supervisory Committee Report in which she confirmed the Committee's opinion that the accounting records were properly prepared and accurately reflect the financial position of the Credit Union.

There was no old business to present to the membership. There was no new business to present to the membership.

Mrs. Laura Beth Dawson, then called for a vote for Board Members whose terms have expired to be extended.

Mrs. Shannon William was nominated to continue her term for another 3 years.

A motion was made by Mr. David Sternblitz, seconded by Mr. Chips. The motion was passed.

Mr. Scott then fielded questions from the attending members.

Mr. Scott, again thanked all who attended.

A motion was made by Mr. Weidman, and seconded by Mrs. Dawson, and passed that the 67th Annual Meeting of Las Colinas Federal Credit Union be adjourned.

The meeting was adjourned at 6:21 pm.

DocuSigned by:

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3/23/2022
John Chipps, Chair Date

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3/23/2022
Tracy Morgan, Secretary Date

2023 CHAIRMAN'S REPORT FOR 2022 BUSINESS



Good evening, and welcome to the Annual Meeting of Las Colinas Federal Credit Union. I am pleased to announce that your credit union has achieved another year of success. 2022 proved that a Credit Union could be a "force for good" and a source of financial strength.

First and foremost, I'd like to extend my appreciation and gratitude to all our members who have supported our Credit Union over the years. With the involvement, collaboration, and support of our members, leadership, and volunteers, your Credit Union remains financially sound, well-capitalized, and poised for growth.

Our Credit Union produced another year of financial achievement and service additions. Net Worth, the primary measurement of a Credit Union's financial reserves, increased to 10.35%. Net Income was a seven-digit figure for the third consecutive year. Members' loans increased by 10% and now stand over \$80 million. On the service front, LCFCU implemented a robust member communications platform called Eltrophy. LCFCU launched a large ATM network that features cash and check deposit functionality. A Business Lending solution came online. And InstaCash launched, allowing members access to a \$2k loan anytime without a credit report.

Our Credit Union is committed to being a force for good. The Credit Union demonstrated its motto by donating \$35k to worthy causes such as the Mary Kay Foundation, DKMS, Valley Ranch Elementary, and the North Texas Food Bank. Many donations were small dollar 'wow gifts' provided directly to our members. Additionally, the LCFCU team provided 350 service hours. The list of charitable organizations touched by our team was considerable.

The strategy for the next three years is dynamic. Our management team will be laser-focused on developing and executing a modern brand, creating an amazon like digital experience, implementing elite tools for the support team, and producing executives and evangelists for the credit union. Management will grow the size and relevance of the credit union to future-proof its existence.

We are excited to announce that the credit union will upgrade the digital banking provider, thereby significantly enhancing the features available to our members. The leadership team will also improve safety and soundness by implementing a high-end fraud detection and prevention system named Verifin.

On behalf of the Board of Directors, I'd like to thank our sponsor companies for their continuing support. I want to thank our employees for their unwavering dedication this past year. And I'd like to thank our members for their continued confidence and loyalty to Las Colinas Federal Credit Union. Your confidence and dedication to the Credit Union are the reason for our continued growth and success.

Respectfully submitted,

John Chipps
Chairman / LCFCU Board of Directors

ANNUAL MEETING 2023 – PRESIDENT'S REPORT



Thank you, Members, Board of Directors & LCFCU Team, for participating. Your love and dedication to the Credit Union are overwhelming. I am beyond grateful for each one of you.

Credit Unions come together annually to democratically elect their leadership and to report performance to their membership. Directors volunteer their time and talents. These qualities are hallmarks of the credit union movement.

At LCFCU, we are building a lasting home with love. We believe that love is patient and kind. Love protects, trusts, hopes, and always preserves. Our team loves this credit union so much that we are fighting to ensure its long-term preservation.

To supplement the Chairman's report, here are additional highlights.

- **Return on Average Assets** - 1.09% (an elite figure.)
- **Current Expected Credit Loss (CECL)** – Was fully deployed and funded.
- **Chief Lending Officer** – Johnette Green, a seasoned executive, was hired to lead lending.
- **Director of Operations** – Angel Robinson, a dynamic professional, was added to lead credit union operations.
- **Benefits** – The continuance of 100% paid employee health insurance and 401(k) contributions.

LCFCU holds to integrity ferociously. Your credit union is reviewed independently by Clifton, Larson & Allen – a C.P.A. firm, a Supervisory Committee independent of the Board of Directors, and the National Credit Union Administration. In 2022, the credit union outsourced internal auditing functions to the renowned Waypoint Firm, improving transparency.

As LCFCU grows, it must stay focused on its primary purpose of people helping people. We must hold to collaboration as our superpower. The credit union must grow without the loss of human compassion. As we look forward to an aggressive growth budget in 2023, I feel a sense of cautious optimism. It would be safer to hunker down, not invest, and wait for the looming recessionary period to blow over. However, we have resolved to press forward with a clear strategic plan as an organization. I'm thankful all involved dare to expand LCFCU's reach.

I'm incredibly thankful for LCFCU. God richly blesses us. We must work with great effort to protect the blessing that we enjoy. Thank you for entrusting your money and business with LCFCU. I promise you that we will work hard to be a help to you when it is most needed.

Warmly and earnestly,

Kevin J. Scott
President and Chief Executive Officer

Las Colinas Federal Credit Union
FROM THE SUPERVISORY COMMITTEE



The Supervisory Committee supports the Board of Directors in the fulfillment of its oversight responsibilities. The Committee is responsible for ensuring that internal controls are maintained, an annual external audit is conducted and formal member complaints are researched. These activities are done primarily to ensure the accuracy of the financial records and safeguard the member assets.

Annual audits are performed by auditors Clifton Larson Allen and the National Credit Union Administration. Waypoint Advisory Services performs quarterly internal control testing.

As a result of the reviews performed throughout the year, the Supervisory Committee is of the opinion that the accounting records are materially correct and reflect the financial position of Las Colinas Federal Credit Union.

Respectfully submitted,

Scott Gardiner

Siobhan Pandya

Tracy Morgan – *Chair of Supervisor Committ*

Las Colinas Federal Credit Union

CHIEF LENDING OFFICER REPORT



The lending department was very busy in 2022. LCFCU implemented a Small Dollar Loan known as **InstaCash** and **WECARE** to help members achieve financial assistance without having to utilize payday lenders. We reintroduced Home Equity loan options for our members, and implemented Business Lending by partnering with CU-Evolution a credit union CUSO.

Loan growth for 2022 was 10.12% and total loans ended for the year at \$79,261,220.49 this was a \$9,228,972.41 increase from 2021.

Respectfully submitted,

Johnette Green
Chief Lending Officer

Las Colinas Federal Credit Union

TREASURER'S REPORT



COMPARATIVE STATEMENTS

INCOME STATEMENT

	2022	2021
Income	\$ 4,458,631	\$ 4,668,195
Operating Expense	3,171,382	3,329,292
Provision for Loan Loss	99,606	224,529
Cost of Funds	232,147	143,328
+Non-Operating Gains/Loss	48,920	49,934
Net Income/(Loss)	\$ 1,004,416	\$ 1,020,980

STATEMENT OF FINANCIAL CONDITION

	2022	2021
Net Loans	\$ 79,261,220	\$ 71,886,806
Cash & Equivalents	849,093	2,076,798
Investments	8,010,270	11,759,934
Fixed Assets	1,956,832	2,089,950
Other Assets	3,457,463	3,120,088
Total Assets	\$ 93,534,878	\$ 90,933,576
Total Liabilities	\$ 2,542,699	\$ 1,799,606
Deposits	81,314,226	80,460,434
Equity	9,677,953	8,673,536
Total Liabilities & Equity	\$ 93,534,878	\$ 90,933,576



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