

# 2020 ANNUAL REPORT



*"Better Because You Own It"*

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



# Chairman and President's Report

Welcome to the seventy-second annual meeting of Lifetime Federal Credit Union. We want to thank you for joining us, and we commend you for taking an active interest in our one-member, one-vote structure and philosophy.

As you will see in the Annual Report, Lifetime Federal Credit Union performed reasonably well in fiscal year 2020 despite an unexpected pandemic. Some of the highlights of that report include:

- Our assets grew to a record high level, which is one of the primary indicators of how well you are receiving the products and services we offer and testament to how well you trust us to manage your financial resources. Our current assets are \$52,458,525 an increase over 2019 of 8.4 percent.
- In total, our 5,283 members have added more than \$3.8 million to their savings accounts in 2020. When we see people putting money away for the future, we hope our efforts to enhance the financial literacy of our members using our tools such as money IQ and my credit score have contributed to this increase.
- You, the member-owners of this institution, were approved for 1,293 loans, which added more than \$8,362,016 in new loans in the 2020 fiscal year.

To be as transparent and forthcoming as possible, we want to outline how the credit union fared due to the unparalleled economic stressors our credit union members have faced during this pandemic.

It's understandable that some of you were unable to put the kind of money into savings that you would have in the past, when you needed every penny to offset unemployment, medical expenses, or other financial demands. Early during the height of the pandemic, the LFCU board of directors instructed the administrative staff to suspend all collection efforts, extend temporary work out arrangements on qualifying loans, and to discontinue assessing various fees. All to assist with stabilizing the sector of our membership that were affected most by the pandemic. We feel confident that the counseling we've been providing and the rebuilding measures we have taken to return to a robust, pre-pandemic bottom line will be successful. And we promise to do all we can to continue to help you get through it financially.

Unlike most financial institutions, LFCU was able to transition to a remote working environment with few limitations. We supported the actions of our sponsor, HCSC and continue to do everything possible to provide a safe experience for you the members as well as the credit union staff.

LFCU continues to invest heavily in technology and during years 2021-2022 you will experience firsthand a new home banking platform including Zelle® as a replacement person-to-person app to receive and send money.

Finally, we would like to recognize all the LFCU board members for their dedication to this credit union. United in leadership, they are responsible for ensuring your credit union has a capable, qualified, and transparent management team, and we can say without hesitation that we do. The strength of this board's commitment to the highest standards of governance and management is integral to LFCU's well-being, sustainability, and prosperity.

Jean Perkins resigned from our board after serving over 44 years in various board leadership positions. Jean utilized her professional background to draft board policies, update vision statements, improve board governance, and was instrumental in selecting the LFCU name. On behalf of the entire LFCU board and staff we want to thank her for her dedication and willingness to volunteer her time. Raj Rao Kathi was appointed by the board to serve out Jean's remaining term.

Ann Colwell Tucker also resigned from our board after serving 5 years mostly as secretary. Ann was instrumental in the development of the LFCU brand including the logo, newsletter, graphics, and more. We also want to thank Ann for all of her contributions to this institution over the years. Evan Krause was appointed by the board to serve out Ann's remaining term.

Our board of directors is a diverse group of talented individuals with a broad range of financial and managerial expertise that together makes a top-notch board to lead us into the future.

We would like to express our deepest confidence in the wisdom and guidance of our esteemed board of directors, the commitment of our dedicated staff, and the support and loyalty of our member-owners. We look optimistically into the future because, as this last year has shown, LFCU is well positioned to face any challenge and seize any opportunity that presents itself in 2021.

Thank you, ladies and gentlemen. We wish you and your families the very best in 2021.

**Bryant Phipps**

*Chairman of the Board*

**Darryl Trammell**

*President / CEO*

# Treasurer's Report

I am pleased to announce that Lifetime Federal Credit Union (LFCU) continues to be a well-capitalized financial institution, with a strong net worth ratio of 18.45 percent compared to our peer average of 11 percent. To put that in perspective, a net worth position above 7 percent is considered well capitalized by our federal regulators. We paid our members \$346,147 in dividends in 2020, an increase of \$34,120 over 2019.

We experienced a favorable total deposit growth of \$3.7 million or 9.68 percent in 2020 and because of that our cash position is trending higher than normal. Overall, our total loan portfolio declined by -13.0 percent during 2020 which is similar to our peers which also declined in total loans by -11.1 percent. Although loan demand declined, we did experience improvements to our asset quality with the favorable decline of delinquencies at .58 percent at the end of 2020 compared to our peer ratio of .70 percent. This reflects your resolve to honor your financial obligations even during a pandemic.

Lifetime Federal Credit Union looks forward to serving you well in 2021.

**Jack Arthur**  
Treasurer

# Supervisory Committee Report

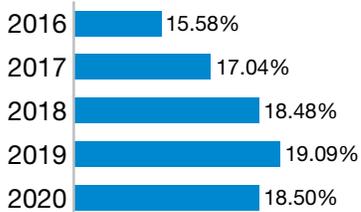
The credit union industry is highly regulated by various federal and state agencies. The Supervisory Committee of Lifetime Federal Credit Union is appointed by the Board of Directors to monitor the credit union's operations and report its findings to the Board, as well as to manage the compliance requirements of the credit union. Lifetime FCU's most recent Supervisory Committee Review of the accounting records was conducted by Credit Union Resources, Inc. for the period beginning October 1, 2019 through September 30, 2020. During the exit conference, the auditors reported no major findings resulting from the audit.

The primary organization governing federally chartered credit unions like ours is the National Credit Union Administration. NCUA performed its examination of Lifetime FCU's policies, procedures and accounting methods July 1, 2018 through December 31, 2019. No major findings resulted from that examination.

The annual Office of Foreign Assets Control (OFAC), Bank Secrecy Act (BSA) and Customer Identification Program (CIP) compliance review is scheduled to be performed during the fourth quarter 2021. Credit Union Resources, Inc. conducted the last verification of member accounts as of December 31, 2020. No material exceptions were noted. Our next verification of member accounts is scheduled for December 31, 2022.

**Charles Reed**  
Supervisory Committee Chairman

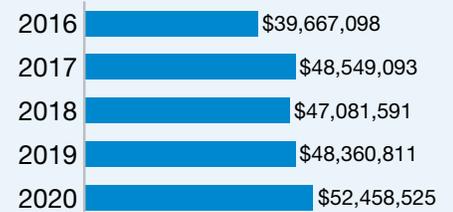
## Capital Ratio



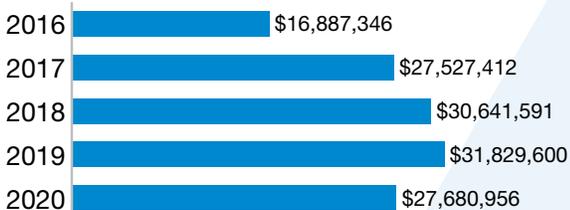
## Deposits



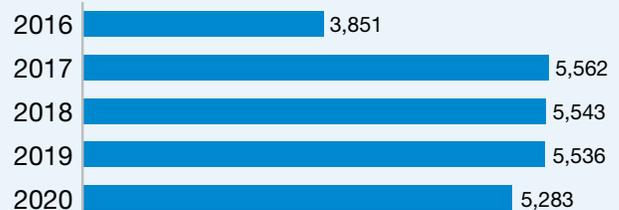
## Assets



## Loans



## Membership



## 2020 Financials

# Consolidated Income & Expense Statement

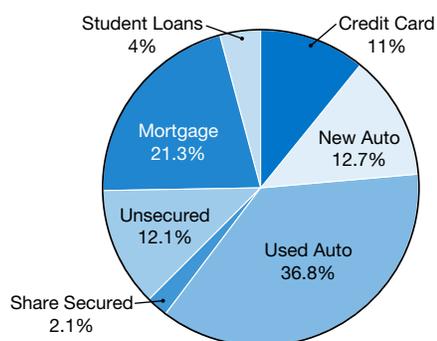
Income	12/31/2020	12/31/2019	Variance \$	Variance %
Investment Income	\$235,462	\$339,633	(\$104,170)	-31%
Interest Income (Loans)	\$1,696,949	\$1,731,755	(\$34,806)	-2%
Fee Income	\$761,998	\$772,461	(\$10,463)	-1%
<b>Total Income</b>	<b>\$2,694,410</b>	<b>\$2,843,849</b>	<b>(\$149,440)</b>	<b>-5%</b>
Expenses	12/31/2020	12/31/2019	Variance \$	Variance %
Operating Expense	\$1,749,627	\$1,706,552	\$43,074	3%
Reserve for Loan Loss	\$141,398	\$294,966	(\$153,568)	-52%
Dividend Expense	\$346,147	\$311,993	\$34,154	11%
<b>Total Expense</b>	<b>\$2,237,171</b>	<b>\$2,313,512</b>	<b>(\$76,340)</b>	<b>-3%</b>
<b>Net</b>	<b>\$457,238</b>	<b>\$530,338</b>	<b>(\$73,099)</b>	<b>-14%</b>

## 2020 Financials

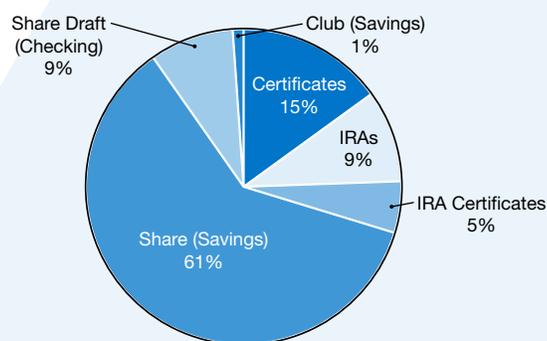
# Consolidated Balance Sheet

Assets	12/31/2020	% of Assets	12/31/2019	% of Assets
Investments	\$24,242,314	46%	\$15,896,356	33%
Loans	\$27,680,956	53%	\$31,829,600	66%
Other Assets	\$849,184	2%	\$959,647	2%
Loan Loss Reserves	(\$313,930)	-1%	(\$324,793)	-1%
<b>Total Assets</b>	<b>\$52,458,525</b>	<b>100%</b>	<b>\$48,360,811</b>	<b>100%</b>
Liabilities & Equity	12/31/2020	% of Liabilities	12/31/2019	% of Liabilities
Shares	\$42,537,130	81%	\$38,732,805	80%
Dividend Payable	\$26,308	0%	\$32,448	0%
Accounts/Notes Payable	\$191,978	0%	\$365,856	1%
Reserves & Equity	\$9,703,110	18%	\$9,229,703	19%
<b>Total Liabilities &amp; Equity</b>	<b>\$52,458,525</b>	<b>100%</b>	<b>\$48,360,812</b>	<b>100%</b>

**2020 Distribution of Loans**



**2020 Distribution of Deposits**



## Board of Directors, Supervisory Committee & Staff

### Executive Officers

**Bryant Phipps**  
Chairman of the Board

**Laurie Wilmoth**  
Vice Chairperson

**Jack Arthur**  
Treasurer

**Evan Krause**  
Secretary

### Board of Directors

**Suzy Greer**

**Billy Hannon**

**Raj Rao Kathi**

**Mandy Smith**

**Jim Wilson**

### Supervisory Committee

**Charles Reed**  
Chairperson

**David Guillory**

### Staff

**Darryl Trammell**  
President/CEO

**Ruth Aguilar**  
Loan Officer

**Evan Brown**  
Operations Specialist

**Karla Cortés**  
Accountant

**Janice Duncan**  
Loan Clerk/Collector

**Brenda Nuñez**  
Member Service Rep.

**Brittney Spowles**  
Member Service Rep.

**Dana Trospen**  
Member Service Rep.

**Christy Walker**  
Member Service Rep. Supervisor

**Brittany Wilhite**  
Member Service Rep.

**Jeff Wolverton**  
Lending/Collections Manager

**Sharon Yosenick**  
Loan Officer