

ANNUAL REPORT

to members for the year

2022



Message to Members

"In June of 2022, we completed a two-year initiative to implement a new core operating system and a new digital and mobile platform. These tools have provided enhancements, better functionality and efficiency and will provide ease of use for our members."



2022 was both an exciting and challenging year for LCU. Our main focus, as stated in our Mission and Vision Statements, is to continue to assist current and new members in reaching their financial goals and being the community credit union of choice to bank and work. Focusing on our values, You're Somebody, Own It, Work Together and Be Caring, is paramount in continuing to drive our initiatives moving forward. Further developing what we have already built and working with our members and communities to address their needs will continue to enhance the value we are able to provide.

In June of 2022, we completed a two-year initiative to implement a new core operating system and a new digital and mobile platform. These tools have provided enhancements, better functionality and efficiency and will provide ease of use for our members. The magnitude of this project was significant and has dramatically enhanced the service we provide to our members and our ability to address their needs with innovative solutions. The resources allocated to this project were many and our success was attributed to the hard work and efforts of our employees, all while meeting our financial targets and continuing to prioritize our member's needs.

Financially we had a strong year in 2022, despite a very volatile rate environment. Assets grew during the year by \$63 million, from \$821.2 million at year end 2021 to \$884.2 million on December 31, 2022. We had a record year in loan growth, increasing from \$522.6 million at year end 2021 to \$621.1 million on December 31, 2022, an increase of 12.36% over our budgeted number. Consumer loans increased from \$184.4 million at year end 2021 to \$248.7 million on December 31, 2022. We also experienced a \$12.5 million increase in real estate loans during the same time period. Net income for 2022 totaled \$2.05 million, 138% of our goal, with a corresponding return on average assets of 0.25%.

Community outreach, volunteering and donations continue to be a major focus for LCU. In 2022 we partnered with 12 organizations and schools to deliver a number of financial education sessions, totaling 78.5 hours of delivery time. As well, we are working with Leominster TV to film and deliver a monthly program, Make Cents, on topics to include, Avoiding Fraud and Scams, Banking Basics, and Evaluate your Finances. We donated over \$180,000 to charities, non-profits and community organizations, assisting those affected by this challenging economic environment.

We would like to thank our Staff, Management, Associate Directors and Board of Directors for their ongoing efforts and their unwavering commitment to our members. Due to their high level of service, the members' needs were met and we never lost focus on the credit union's ultimate philosophy of People helping People.

As we look forward to 2023, we would like to offer our sincere thanks to our members for their loyalty and trust in Leominster Credit Union. 2023 will bring new challenges, initiatives, and opportunities. At the same time, we will be managing through a rising rate environment that we have not experienced in many years. This will require a diligent focus toward our cost of funds and net interest margin, but we will continue to execute our strategic plan and strive to foster growth and development affecting all of us in a positive way. As always, we are committed to serving you and fulfilling our members' financial needs through outstanding service and innovative technology.

Sincerely,

A handwritten signature in black ink, appearing to read "Barbara A. Mahoney".

Barbara A. Mahoney
President and CEO

A handwritten signature in black ink, appearing to read "Richard A. Sheppard".

Richard A. Sheppard
Chairman of the Board

Leominster Credit Union

Statements of Condition*

December 31, 2022 & 2021

	December 31, 2022 (unaudited)	December 31, 2021 (unaudited)
Assets		
Total Cash and Investments	\$227,326,258	\$264,751,482
Loans:		
Installment	248,694,023	184,339,409
Real Estate	219,179,791	206,673,901
Home Equity Lines of Credit	83,169,201	72,079,427
Member Business & Other	70,043,458	59,479,325
Gross Loans	621,086,473	522,572,062
Allowance for Loan Losses	(3,820,019)	(3,515,544)
Net Loans	617,266,454	519,056,518
Premises & Equipment, net	12,848,860	12,645,033
Other Assets	26,719,640	24,695,558
Total Assets	<u>\$884,161,212</u>	<u>\$821,148,591</u>
Liabilities & Surplus		
Deposits:		
Share Savings	\$492,879,718	\$536,357,438
Share Certificates	181,332,974	146,839,173
Total Deposits	674,212,692	683,196,611
Borrowings	156,000,000	60,000,000
Other Liabilities	1,351,972	4,287,754
Total Liabilities	831,564,664	747,484,365
Total Surplus	52,596,548	73,664,226
Total Liabilities and Surplus	<u>\$884,161,212</u>	<u>\$821,148,591</u>

* The Statements of Financial Condition at December 31, 2022 and 2021 are unaudited. The Credit Union's financial statements were audited as of September 30, 2022 and 2021. Audited financial statements will be made available to members upon request.

Our Team

Board of Directors

Richard A. Sheppard, *Chairman*
Michael J. Sauvageau, *Vice Chairman*
Nancy L. Graves, *Treasurer*
Giulio G. Greco, *Assistant Treasurer*
Joseph V. Quintal, *Clerk*
Robert J. DelleChiaie
Henry C. Kulik
Joyce G. Leger
John W. Reedy

Associate Directors

Lisa S. Adams
Robert W. Anderson
Keith A. Cordial
Marc S. Dohan
Christopher R. Kyne
Leonard F. Leader
Thomas M. McNamara

Honorary Directors

Bruce J. Bollivar
Andrew D. Cousins
Anthony A. Gasbarro
Joyce A. LaFleur
Henry P. Lisciotti, Jr.
Edward O. Mazzaferro
Joseph J. Tata

Officers

Barbara A. Mahoney, *President & CEO*
Joseph J. Normant, *SVP CFO*
Craig S. Madonia, *SVP Lending*
Katie N. Najjar, *SVP Retail*
Kelli J. Rooney, *SVP Community Engagement & Marketing*
Ellenmarie Coughlin, *VP Human Resources & Development*
Andrew P. Leblanc, *VP Information Technology*
Nicole M. Legere, *VP Compliance Officer*
Donald R. O'Connor, *VP Lending Operations*
Mychelle M. Phillips, *VP Operations and Technology*
Maila L. Berry, *AVP Operations*
Kimberly A. Cary, *AVP Member Relationship Manager*
Matthew J. Dufault, *AVP Real Estate Lending*
Danielle R. Duval, *AVP Collections*
Denise Gonthier, *AVP Indirect Lending*
Cynthia G. Hamilton, *AVP Controller*
Randy J. Harris, *AVP Treasury*
Nichole E. Howarth, *AVP Digital & Member Service Center*
Ana P. Hoyler, *AVP Commercial Lending*

Kathleen M. Hurley, *AVP HR Business Partner*
Robert R. Jumper, *AVP Member Relationship Manager*
Joanne D. Lattanzi, *AVP Marketing*
Maria L. Litalien, *AVP Loan Servicing*
Timothy W. MacLeod, *AVP Facilities*
Melissa A. McDonald, *AVP Information Security Officer*
Holly E. Ogden, *AVP Mortgages*
Justin A. Silva, *AVP Retail Administrator*
Suzanne M. St. Cyr, *AVP Consumer Lending*
Arden Twining, *AVP Learning & Development*
Tyler-Anne Aguilar, *Assistant Controller*
Erin L. Higbee, *Facilities Manager*
Brittany S. Haley, *Financial Education Manager*
Kristen L. DiMeco, *HR Business Partner*
Joshua L. Laprade, *IT Manager*
Daisy Casiano, *Member Relationship Manager*
JoLisa L. Chouinard, *Member Relationship Manager*
Tina M. Cicero, *Member Relationship Manager*
Benjamin M. Shipp, *Member Relationship Manager*
Fiona T. Szpiech, *Member Relationship Manager*
Susan J. Landry, *Senior Project Manager*

Employees

Kassey Ambrosio
Brian Arsenault
Latisha Batallas
Kevin Bedard
Gabriel Belba
Emma Blomquist
Thomas Bolduc
Sharon Burgues
Elizabeth Bushnell
Deysy Campos
Laura Campos
Jayne Chaffee
Susan Coleman
Audra Cucchi
Sheyenne Day
Danielle Desmarais
Adam Dewar
Aleksandr Domnitser
Norma Donahue
Michelle Dorais
Meghan Driscoll
Roberta Duke
Thomas Dvorznak
James Ellis
Jason England
Cookie Fife
Jessica Fischer
Lisa Fitzgerald
Nicole Florio
Pamela Flory
Matthew Flory
Brina Frederick
Erica Freel
Renee Friant

Miguel Fuentes
Caitlin Garcia
Dawn Garrigan
Melissa Gentile
Neddie Gonzalez
Katherine Greene
Chantelle Greenwood
Ashley Grossi
Tomas Haran
Rebecca Hasselmann
Alexandra Holland
Margaret Jordan
Shelby Kay
Aidan King
Amy Lacouture
Lisa Lavallee
Jeffrey Lavin
Robert Leon
Jacob Lippman
Mary Marchant
Deborah Marcoulier
Kristen Marcum
Jordyn Matthews
Megan McClain
Stephanie McGinnis
Shannon McInerney
Zujeily Mercado
Amber Miller
Nikki Mooar
Michaela Moran
Jenifer Morataya
Cynthia Morlock
Jessica Murray
Crystal Nash

Alexander Naughton
Kevin O'Malley
Karina Ortiz
Eddie Ortiz
Miranda Osorio
Nicole Papaleo
Yamila Pastorino De Leon
Yvonne Pedraza
Meribeth Ramos
Allison Rivard
Heather Rivard
Maily Rivera
Desiray Roy
Rose Shannon
Maegan Sierra
Tracy Springer
Patrick Stanganelli
Linda Taratuta
Melissa Teken
Jason Temple
Rachel Terrell
Meghan Thomas
Jaime Tomer
Luis Torres
Jessica Tucci
AnneMarie Walker
Sarah Warner
Elaine Wentzell
Virginia White
Deena Wood
Mao Yang
Meghan Zamarro



Mychelle Phillips

Chairperson's Award

Chairperson's Award was meant to recognize an employee for an outstanding year or a special achievement. The accomplishment had to be significant and as well add tremendous value to LCU. This is not necessarily an annual award but given to recognize someone when it was justified.

Mychelle Phillips, VP, Operations and Technology, consistently exceeded expectations and produced outstanding results. She managed through a significant initiative and contributed to the achievement of many tactics identified in the credit union's strategic plan. Presented with a large workload and many challenges, she prioritized and worked with a sense of urgency in meeting the milestones identified. She is valued for the experience and level of expertise she brings to her role and the credit union. Mychelle demonstrates LCU's core values: You're Somebody, Be Caring, Own It and Work Together, and her work ethic and commitment are at a level to be admired.

The President's Award

*The President's Award is presented annually to two employees, one from the Retail Division and one from a back-office support department, who demonstrate exemplary job performance, superior member service, and adhere to LCU's mission, vision, and values. The 2022 recipients are: **Tina Cicero, West Boylston Street, Worcester Branch Member Relationship Manager, and Maily Rivera, Loan Servicing Team Lead***

Tina Cicero is a valued member of our Retail Team. Tina has risen in the Retail Department into a management role quickly due to her dedication, consistent hard work and superior leadership skills. Tina genuinely cares and takes the time to get to know each one of her team members and keeps them motivated through consistent coaching and development. Tina understands that a team is not just a group of people who work together in the same place at the same time, but that a real team is a group of different individuals who enjoy working together to help their organization achieve its goals and purpose.



Tina Cicero



Maily Rivera

Maily Rivera is a valued member of our Lending Division. Maily's commitment to professional development and growth is commendable. Not only does she actively work to increase her own job knowledge, but she also takes the time to work side by side with others in our department to train colleagues and share learned skills. She is a collaborative, knowledgeable, and respected team player in the lending division. Maily consistently adheres to the credit union's mission, vision, and values. She works together by providing superior member service to both internal and external members. Maily's high level of job performance and superior member service, internally and externally, is admirable.

Rising Star

*The Rising Star Award is presented annually to employees who show superior potential for growth and further development within the credit union. The employee must demonstrate a high level of job performance, superior member service and adhere to LCU's mission, vision, and values. The 2022 recipient is **Jenifer Morataya, West Boylston Street, Worcester Branch, Member Relationship Assistant Manager***

Jenifer Morataya consistently exhibits LCU's values because they are also her values. She is a caring, compassionate, dedicated employee who displays values daily in the workplace. She created a training tool to be shared amongst all departments. Jenifer not only spread her knowledge, but her positive attitude with all departments. Jenifer has a long list of members who come in just to work with her because of the person that she is and the exceptional level of member service she has provided. She is someone who genuinely cares for her team and truly wants everyone to succeed.



Jenifer Morataya

We offer congratulations and appreciation to Mychelle, Tina, Maily and Jenifer.



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