



ANNUAL

REPORT

2022

## OFFICERS

**JOHN RUSSELL**

*CHAIRMAN*

**MICHAEL PATTERSON**

*VICE-CHAIRMAN*

**ROBERT E. GREENE**

*SECRETARY*

**CATHY C. MILLER**

*TREASURER*

## BOARD OF DIRECTORS

**JOEL BARNETT**

**JOSEPH B. BOLEN III**

**MICHAEL HEAD**

**CLAUDE MCCANN**

**KARENE STRICKLIN**

## SUPERVISORY COMMITTEE

**SCOTT SWEDENBURG**

*CHAIRMAN*

**AMY ALLEN**

**JASON DANIEL**

## ADMINISTRATION

**S. GLENN BRYAN, PRESIDENT AND CEO**

**PAULA K. MILLER, SVP AND CHIEF FINANCIAL OFFICER**

**ROSALIE SMITH, SVP OF ADMINISTRATION**

**SUMMER CARTER, SVP OF MEMBER EXPERIENCE**

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## AGENDA

**ANNUAL MEMBERSHIP MEETING**

**MONDAY, MARCH 20, 2023**

Call to Order - Welcome, Invocation, Announcements

Reading of Minutes

Report of Directors

Report of Treasurer

Report of Supervisory Committee

Unfinished Business

New Business - Election of Directors

Door Prizes

Adjournment

# CHAIRMAN'S REPORT

For Legacy, 2022 was a year of change, beginning with a leadership transition and culminating in the merger of another local credit union. Maintaining a strong capital ratio while taking on new ventures is challenging, but your credit union was successful. Our assets have grown to exceed \$646 million, and we ended the year with record earnings of \$23 million, which produced a year-end capital ratio of more than 13%. The financial success of the credit union is a direct result of the commitment to our members and the greater Birmingham community.

Supporting our members and the community at large makes up a huge part of what we do at Legacy. We are proud to have launched the first Craft Your Legacy Scholarship program, where one UAB student is awarded \$2,500 annually. With our presenting sponsorship of the C.M. Newton Classic, the Legacy Builder Campaign was formed, and four local charities were selected to receive \$2,500 each. The credit union once again received the Desjardin Financial Education award from the League of Southeastern Credit Unions, this time at both the statewide and national level, in recognition of our ongoing efforts to expand financial education in the communities we serve. We are proud to have been selected by Business Alabama as one of The Best Places to Work in Alabama, and were again awarded a five-star rating by Bauer Financial. The impact of these accomplishments goes beyond 2022, and we intend to build on these efforts year after year.

Improving the quality of products offered and providing a superior level of excellence in service were two areas of focus in 2022. New checking products, Everyday & Engage Checking, were implemented and launched to new and current members. The merger of 1st Resource Credit Union in late 2022 brought Legacy new members and an additional location in West Homewood. We are thrilled to welcome 1st Resource members and serve a new community.

The underlying strength of your credit union is found in the active participation and engagement of all of our members. We know you have many choices as a consumer, and we thank you for choosing Legacy. The future at Legacy is exciting, and we are delighted to craft financial solutions for you in 2023 and years to come.

On behalf of our entire organization, the Board of Directors, Supervisory Committee, and other committee members we are grateful for the opportunity to serve you here at Legacy.

**JOHN RUSSELL**

**CHAIRMAN**

# TREASURER

**CATHY C. MILLER**

The Board of Directors of Legacy Credit Union is committed to providing a convenient source of economical loans while also offering competitive savings rates for our members. To consistently do this, the Credit Union must maintain a strong financial position. Your Board is pleased to report that Legacy's financial results for 2022 continue to indicate a very solid financial base.

During 2022, Credit Union assets experienced robust growth, ending the year at \$646,717,251. Total income for 2022 was a healthy \$23,308,761 that enabled the addition of \$5,439,337 to the Credit Union's capital accounts. We are also pleased that the Credit Union was able to pay out \$1,981,254 in dividends to our members.

This is just a summary of the most significant points in Legacy's financial performance for 2022, and more details are found in the Balance Sheet and Income Statement contained within this Annual Report. However, these numbers do clearly indicate the strength of our financial condition and the level of support that the Credit Union receives from our members. Your Board of Directors fully understands that, regardless of the numbers, the greatest measure of our success is reflected in our ability to continually meet the financial needs of our members.

# SUPERVISORY COMMITTEE

**SCOTT SWEDENBURG**

The Supervisory Committee is responsible for ensuring that an annual review is made of all Credit Union records to determine accuracy and compliance with all applicable regulatory requirements. To fulfill this responsibility, the accounting firm of Barfield, Murphy, Shank & Smith was retained to perform the 2022 opinion audit. Examiners from the National Credit Union Administration also reviewed Legacy Community Federal Credit Union.

The Credit Union contracted Credit Union Audit and Compliance Group (CUACG), a Division of Leverage, to perform quarterly internal control audits.

The Supervisory Committee is pleased to report that the Credit Union has received favorable results on all audits and examinations. The Committee is satisfied with all aspects of the Credit Union's operations.

# N O M I N A T I N G   C O M M I T T E E

**B O B   G R E E N E**

In accordance with federal laws regulating credit unions and in compliance with Legacy Community Federal Credit Union bylaws, the Nominating Committee hereby certifies that prescribed election procedures have been followed.

These procedures provide that at least 120 days prior to the annual meeting the Chairman shall appoint a Nominating Committee to nominate at least one member for each vacancy, including any unexpired term vacancy, for which elections are being held.

The Nominating Committee shall file its nominations with the Secretary of the Credit Union at least ninety (90) days prior to the Annual Meeting and the Secretary shall notify all members of such nominations at least seventy-five (75) days prior to the Annual Meeting. The nominations for vacancies may also be made by petition signed by at least twenty (20) members or one percent (1%) of the members, whichever is greater. To be effective, such nominations shall be accompanied by a certificate from the nominee or nominees stating that they are agreeable to nomination and will serve if elected. The Secretary shall cause all nominations to be posted in a conspicuous place in each credit union office at least thirty-five (35) days prior to the annual meeting. No nominations other than those made by the Nominating Committee were received.

On behalf of the Nominating Committee consisting of Jason Daniel, Mike Head, and myself, I hereby submit the following nominations for the Board of Directors with terms expiring at the Annual Membership meeting in 2026: **Mr. Joel Barnett, Mr. Claude McCann, and Mr. John Russell.**

Respectfully Submitted,

Nominating Committee

# FINANCIAL

## BALANCE SHEET

### ASSETS

2021

2022

Net Loans	\$325,884,912	\$381,903,340
Cash	\$63,254,850	\$51,856,327
Investments	\$173,036,547	\$170,587,565
Fixed Assets	\$18,711,509	\$18,753,045
Other Assets	\$22,905,894	\$23,616,974
<b>TOTAL ASSETS</b>	<b>\$603,793,712</b>	<b>\$646,717,251</b>

### LIABILITIES AND EQUITY

Accounts Payable	\$3,938,265	\$7,574,623
Share Draft Accounts	\$205,972,966	\$203,616,092
Certificates of Deposit	\$74,823,955	\$102,011,877
Individual Retirement Accounts	\$11,216,507	\$17,389,322
Club Accounts	\$11,640,644	\$11,842,475
Shares	\$232,393,791	\$243,163,004
Reserves	\$63,807,584	\$61,119,858
<b>TOTAL LIABILITIES and EQUITY</b>	<b>\$603,793,712</b>	<b>\$646,717,251</b>

### STATISTICAL INFORMATION

Member Accounts	38,664	40,683
Total Deposits	\$536,047,863	\$578,022,770
Number of Loans this Year	315,707	353,284
Amount of Loans this Year	\$119,453,045	\$124,337,335
Number of Loans Since Origin	8,934,732	9,288,016
Amount of Loans Since Origin	\$3,436,592,473	\$3,560,929,809

# STATEMENT

## INCOME & EXPENSE

### INCOME

**2021****2022**

Interest on Loans	\$11,796,627	\$12,327,520
Income from Investments	\$1,727,686	\$3,077,964
Other Income	\$7,011,533	\$7,903,277
<b>TOTAL INCOME</b>	<b>\$20,535,846</b>	<b>\$23,308,761</b>

### EXPENSES

Compensation	\$5,587,603	\$6,629,146
Employee Benefits	\$1,194,198	-\$114,273
Office Occupancy Expense	\$1,589,009	\$1,528,909
Office Operations Expense	\$3,273,116	\$3,379,967
Promotional Expense	\$792,000	\$1,093,056
Loan Servicing Expense	\$133,831	\$204,490
Professional Services	\$2,435,512	\$2,706,660
Member Insurance	0	0
Fed/Sup/Exam Expense	\$114,150	\$98,768
Insurance Premium Expense	0	0
NCUA Corp Stabilization Expense	0	0
Miscellaneous Operating Expense	\$83,384	\$84,985
Provision for Loan Losses	\$452,490	\$276,462
Interest Expense	\$65	\$0
<b>TOTAL OPERATING EXPENSES</b>	<b>\$15,655,358</b>	<b>\$15,888,170</b>
<b>DIVIDEND EXPENSE</b>	<b>\$1,861,775</b>	<b>\$1,981,254</b>
<b>TRANSFER TO RESERVES</b>	<b>\$3,018,714</b>	<b>\$5,439,337</b>

VISION STATEMENT:

WE CRAFT  
FINANCIAL  
SOLUTIONS

CORE VALUES:

EXCELLENCE  
EDUCATION  
ENERGY  
EMPOWERMENT



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