

2023 Annual Report

*Better Because
You Own It*



lifetimefcu.org

This credit union is federally insured by the National Credit Union Administration.



Chairman and President's Report

Welcome to the seventy fifth 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.

We tasked our credit union staff with 2023 goals of deploying controls and developing operating procedures necessary to maintain and manage our new core software platform, which was recently installed.

As you will see in the Annual Report, Lifetime Federal Credit Union performed reasonably well in the fiscal year 2023. Some of the highlights of that report include:

- Approved 703 loan applications totaling more than \$12.5 million during fiscal year 2023. Overall, we experienced a loan portfolio increase of 8.8 percentage growth for 2023. This reflects the competitive rates Lifetime FCU is able to offer, despite the upward trend in interest rates we've seen nationally. We experienced a favorable improvement in our loan quality as our delinquency decreased from 1.39 percent in 2022 to 0.44 percent in 2023, compared to our peer ratio of 0.84 percent.
- Low investment yields continue to put pressure on our projected earnings. Nevertheless, Lifetime Federal Credit Union continues to be a well-capitalized financial institution, with a strong net worth ratio of 18.54 percent, compared to our peer average of 12.65 percent.
- Deposits grew an astounding 14.2 percent as the board of directors strategically declared above market dividend rates in an effort to return excessive reserves back to LFCU members. This in addition to higher interest rates resulted in dividend expenses totaling \$751,567 for the year 2023 compared to \$276,738 for the year 2022.

We are grateful for the support of our sponsor, Health Care Service Corporation, and continue to do everything possible to provide a safe experience for you, the members, as well as the credit union staff.

We would like to express our deepest confidence in the wisdom and guidance of our esteemed board of directors and its committee members, 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 the future.

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

Bryant Phipps
Board Chairperson

Darryl Trammell
President / CEO



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 is pending for the period of October 1, 2022, through September 30, 2023, by Credit Union Resources, Inc.

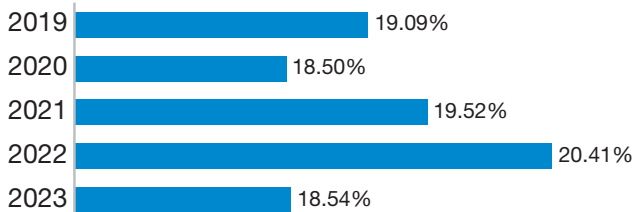
The primary organization governing federally chartered credit unions like ours is the National Credit Union Administration. NCUA performs its examination of Lifetime FCU's policies, procedures, and accounting

methods. Our most recent NCUA examination was performed as of September 30, 2023. The annual Office of Foreign Assets Control (OFAC), Bank Secrecy Act (BSA) and Customer Identification Program (CIP) compliancy reviews were performed as of September 30, 2023. Credit Union Resources Inc. conducted the last verification of member accounts as of December 31, 2022. Our next verification of member accounts is scheduled for December 31, 2024.

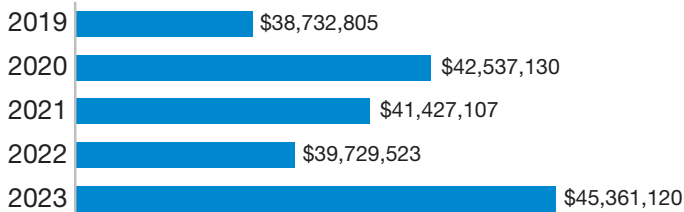
All findings are being addressed by the credit union management team.

Charles Reed
Supervisory Committee Chairperson

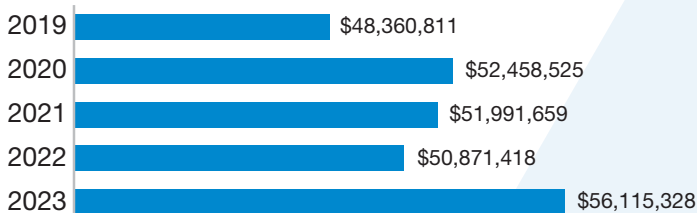
Net Worth



Deposits



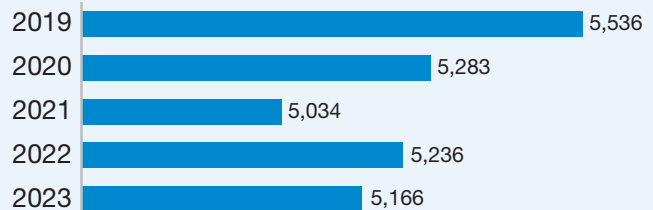
Assets



Loans



Membership



2023 Financials

Consolidated Income & Expense Statement

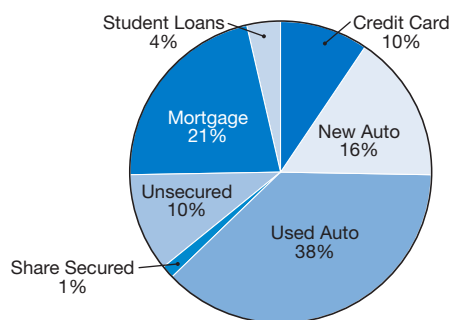
Income	12/31/2023	12/31/2022	Variance \$
Investment Income	\$393,245	\$202,836	\$190,409
Interest Income (Loans)	\$1,667,565	\$1,520,174	\$147,391
Fee Income	\$471,489	\$404,532	\$66,957
Miscellaneous Operating Income	\$253,409	\$314,270	(\$60,861)
Total Income	\$2,785,708	\$2,441,812	\$343,896
Expenses	12/31/2023	12/31/2022	Variance \$
Operating Expense	\$1,840,191	\$1,801,241	\$38,950
Reserve for Loan Loss	\$98,510	\$97,682	\$828
Dividend Expense	\$749,649	\$276,529	\$473,120
Total Expense	\$2,688,350	\$2,175,452	\$512,898
Net Operating Income (Expense)	\$97,358	\$266,360	(\$169,002)
Non-Operating Income	\$6,238	(\$38,435)	\$44,673
Net Income	\$103,596	\$227,925	(\$124,329)

2023 Financials

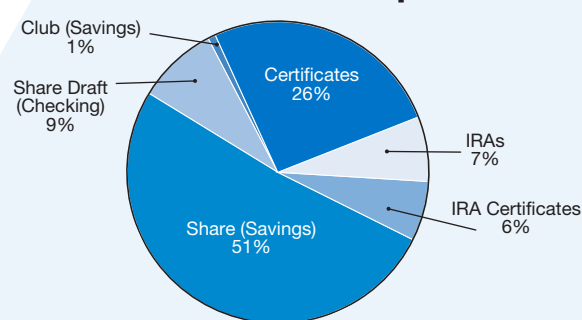
Consolidated Balance Sheet

Assets	12/31/2023	% of Assets	12/31/2022	% of Assets
Investments	\$20,997,421	37%	\$20,773,907	42%
Loans	\$31,255,944	56%	\$28,728,066	56%
Other Assets	\$4,214,099	8%	\$1,675,775	3%
Loan Loss Reserves	(\$351,983)	-1%	(\$266,330)	-1%
Total Assets	\$56,115,480	100%	\$50,871,418	100%
Liabilities & Equity	12/31/2023	% of Liabilities	12/31/2022	% of Liabilities
Shares	\$45,361,120	79%	\$39,729,522	79%
Dividend Payable	\$0	1%	\$0	1%
Accounts/Notes Payable	\$532,856	1%	\$760,309	1%
Reserves & Equity	\$10,221,504	19%	\$10,381,587	19%
Total Liabilities & Equity	\$56,115,480	100%	\$50,871,418	100%

2023 Distribution of Loans



2023 Distribution of Deposits



Board and Committee Appointments

Board Officers*

Bryant Phipps
Board Chairperson

Laurie Wilmoth
Vice Chairperson

Jack Arthur
Treasurer

Evan Krause
Secretary

Mandy Smith
Membership Chairperson

Jim Wilson
Education Chairperson

Suzy Greer
Loan Chairperson

Raj Rao Kathi
Board Member

Billy Hannon
Board Member

Asset/Liability Committee**

Darryl Trammell
President / CEO

Jack Arthur
Board Treasurer

Bryant Phipps
Board Chairperson

Jeff Wolverton
Lending & Collections Manager

Reondra Hughes
Accountant

Credit Commtee**

Darryl Trammell
President / CEO

Jeff Wolverton
Lending & Collections Manager

Laurie Wilmoth
Board Member

Supervisory Committee**

Charles Reed
Chairperson

David Guillory
Committee Member

Karen Lewis
Committee Member