



*It's all  
about **We.***



SIXTY-EIGHTH  
*Annual Meeting*

FEBRUARY 13, 2020

**OUR MISSION**

We are a nonprofit financial cooperative improving lives in our community.

**OUR VISION**

To value people over profit, proactively seek improvement, work passionately, exceed expectations, and make our community a better place.



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*Listerhill Credit Union is a member-owned, member-focused, nonprofit cooperative operated by **you**.*

As a member, you have an equal share in the ownership of Listerhill, are eligible for dividends, and have access to a variety of comprehensive financial services. Plus, you get an equal say in elections for the Board of Directors and Supervisory Committee — no matter how much money you have in your account. Since we're all in this together, we work harder to keep our money **safe, secure, and growing**.

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LISTERHILL CREDIT UNION

## Officials

### *Officers & Directors*

Larry Hester  
CHAIRPERSON

Otis Dickerson  
VICE-CHAIRPERSON

Bob Little  
SECRETARY/TREASURER

Franklin Brown

Alex Godwin

Mark Linder

Mark Massey

### *Supervisory Committee*

Joey Cantrell  
CHAIRPERSON

Dr. David Craig

Willie Jones

### *Associate Directors*

Kevin Buttrum

Dr. Gale Satchel

Kristi Yerbey

Omar Smith



# Report

from the **BOARD OF DIRECTORS**

*In 2019, Listerhill Credit Union continued to build on recent progress to keep our credit union on solid footing for the future.*

With an organizational goal of providing the best experience for members among credit unions nationwide, Listerhill continued to make significant investments to shape the experience we're building for our members and our communities.

Because we recognize the ever-changing shape of the banking experience, Listerhill is always working to maintain a consistent balance between exceeding member expectation, taking advantage of innovations in technology to create better service experiences, and constantly reviewing operational efficiencies to make Listerhill an industry leader for the betterment of the communities we serve.

We are encouraged by the fact that our efforts aren't going unnoticed. In 2019, *Forbes Magazine* recognized Listerhill as the second-best credit union in Alabama and among the top 3.1 percent of financial institutions in the country based on member satisfaction, recommendation, and trust. Listerhill was also selected by *Credit Union Journal* as one of the

"Best Credit Unions To Work For," eleventh in the nation for our asset size.

## GROWING VALUE

Listerhill remains committed to our structure as a financial cooperative owned by and operated for the members of this credit union. Since 2015, we have expended countless hours of research, effort, and resources to identify and build the best experience in financial services for Listerhill's member-owners. The best experience is created by enhancing personal service, availability, and accessibility.

The cornerstone of this experience is the utilization of Smart ATMs, which can deliver full account services in the form of deposits, withdrawals, loan payments, account inquiries, transfers, and even cashing checks. Members can conveniently utilize these machines with or without their debit card, 24 hours daily, 7 days weekly. And, if personal service is preferred, members can request and receive assistance from one of our friendly Tellers during normal business hours.

Since the installation of 25 Smart ATMs throughout our service area in 2019, some locations are averaging over 60 percent of total transaction volume automated through the machines while loan growth, account service, and member satisfaction scores at those locations continue to prosper. We're

also finding that at some locations, as much as 40 percent of transactions are now done after normal business hours and on weekends.

Because of the Smart ATMs, we are able to offer enhanced, customized service and attention to members inside of our branches through our Member Advocates, who are able to provide more prompt and consultative service for account or loan-related requests with lower wait times. Contrary to the occasional perception that Smart ATMs are intended to replace people, the reality is that they have only replaced impersonal drive-thru tubes. The Smart ATMs provide full video interaction and personal service if our member chooses to request the assistance of a Teller. In the experience we're building, our Member Advocates and Tellers have completed advanced training in order to provide our members more individualized attention and better customized service.

In 2019, Listerhill purchased property at the corner of Woodward Avenue and Avalon Avenue in Muscle Shoals. This is the site for our first flagship location that will offer the complete experience we have worked so diligently to build. We will utilize this flagship location to consolidate our two current locations on Woodward Avenue. This flagship branch will be our first to feature complete Business Services, Mortgage Services, Consumer Services, and Financial Advisors



outside of our Main Office. Additionally, the branch will feature enhanced capacity to accommodate through five Smart ATMs, six service bar stations, and 12 hoteling offices. In an endeavor to broaden Listerhill's impact and offer its cooperative value to other prospective members and communities, we have acquired properties in Athens, Alabama, and Spring Hill, Tennessee, that will be home to other flagship locations in the foreseeable future.

As banking continues to evolve with rapid pace and acceptance of technology, Listerhill is working to anticipate our members' needs and exceed expectations wherever those might be. Therefore, we are investing in an improved experience built around online and mobile interactions with our members and potential members in addition to the experience we're building in our branches. Last year, Listerhill partnered with one of the industry leaders in financial technology to begin building a platform that will transform the way we do business through online and mobile channels, and expedite the speed and improve the quality of service we can offer our members in digital account opening and loan applications.

## GROWING RETURN

In addition to our investment in the best experience for our members in 2019, Listerhill also continued to provide some of the best financial value for members through saving

and borrowing rates among credit unions and banks alike. As members use more of their credit union's products and services, the value of membership is enhanced for all. In 2019, we grew to more than 93,000 members and \$876 million in total assets. We provided \$221 million in new loans and member deposits grew by nearly \$86 million. This enabled us to return \$1.63 million in share dividends and \$6.13 million in interest on other member deposits for a total of \$7.76 million directly to the membership in 2019. We were also able to add more than \$3.7 million to members' equity.

## GROWING COMMUNITY

In addition to meeting our members' financial needs, Listerhill also strives to improve lives in our communities. Throughout 2019, Listerhill impacted over 300 local organizations by participating in nearly 45 local events and investing nearly \$200,000 in donations to schools, chambers of commerce, and nonprofit organizations. Over the past two years, Listerhill's employees have given more than 200 volunteer hours to help improve the local communities we serve through the Listerhill Cares program.

This past year, Listerhill also laid the groundwork for an exciting new initiative called Kicks for Kids that will serve children and families in local communities by providing new, brand-name tennis shoes to elementary school

children in our service area.

In 2020, expect us to continue to invest in the member experience, enhance member value, and contribute to our communities. We will work to build operational excellence, increase member satisfaction, grow, and benefit our local communities through continued engagement. We are excited to champion this cooperative process that allows our members and communities to benefit from the credit union that is owned by and operated for you.

Thank you for your membership and patronage in Listerhill Credit Union. **It's All About We.**

*Respectfully submitted,*



Larry Hester, Chairperson

Otis Dickerson, Vice-Chairperson

Bob Little, Secretary/Treasurer

Franklin Brown

Alex Godwin

Mark Linder

Mark Massey

## BALANCE SHEET DECEMBER 31, 2019

Assets	2019		2018	
Loans	639,496,758	73.0%	644,865,859	81.6%
Less: Allowance (Loan Losses)	(7,461,097)	-0.9%	(7,994,935)	-1.0%
Loans, Net	632,035,661	72.1%	636,870,924	80.6%
Cash	123,742,553	14.1%	42,723,458	5.4%
Investments	66,703,660	7.6%	67,767,492	8.6%
Accounts Receivable	12,970,083	1.5%	4,485,836	0.6%
Prepaid Expenses	9,398,715	1.1%	10,196,611	1.3%
Fixed Assets	22,326,270	2.5%	18,827,941	2.4%
NCUSIF Insurance Deposit	7,659,080	0.9%	7,206,045	0.9%
Other Assets	1,192,852	0.1%	1,959,717	0.2%
<b>Total Assets</b>	<b>876,028,874</b>	<b>100%</b>	<b>790,038,024</b>	<b>100%</b>

Deposits, Liabilities & Equity				
Shares	342,017,001	39.0%	327,295,456	41.4%
Draft Deposits	125,423,735	14.3%	121,993,138	15.4%
Certificates of Deposit	271,643,311	31.0%	199,747,621	25.3%
Daily Action Accounts	33,511,714	3.8%	35,604,020	4.5%
IRA Accounts	23,177,557	2.6%	24,307,617	3.1%
<b>Total Shares &amp; Deposits</b>	<b>795,773,318</b>	<b>90.8%</b>	<b>708,947,852</b>	<b>89.7%</b>
<b>Total Liabilities (Accounts Payable)</b>	<b>4,994,134</b>	<b>0.6%</b>	<b>6,780,988</b>	<b>0.9%</b>
<b>Total Members' Equity</b>	<b>75,261,422</b>	<b>8.6%</b>	<b>74,309,184</b>	<b>9.4%</b>
<b>Total Deposits, Liabilities &amp; Equity</b>	<b>876,028,874</b>	<b>100%</b>	<b>790,038,024</b>	<b>100%</b>

## INCOME STATEMENTS & DISTRIBUTION OF INCOME DECEMBER 31, 2019

### SOURCES OF INCOME

Interest on Loans	33,448,933	62.4%
Income from Investments	2,841,335	5.3%
Other Income	17,280,413	32.3%
<b>Gross Income</b>	<b>\$53,570,681</b>	<b>100%</b>

### DISTRIBUTION OF INCOME

#### DIRECT RETURN TO MEMBERS

Interest Paid to Members	6,125,027	11.4%
Dividends Paid to Members	1,636,189	3.1%
<b>Total Direct Return to Members</b>	<b>\$7,761,216</b>	<b>14.5%</b>

#### TOTAL ADDITION TO EQUITY

<b>Net Income 2019</b>	<b>\$3,708,693</b>	<b>6.9%</b>
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#### OPERATING EXPENSES

Payroll & Employees' Benefits	18,789,727	35.1%
Education & Training	671,420	1.3%
Occupancy	1,829,377	3.4%
Office Operations	4,534,432	8.5%
Deposit Operations	2,664,035	5.0%
Lending Operations	2,542,608	4.7%
Provision for Loan Losses	4,415,000	8.2%
Advertising	1,283,160	2.4%
Compliance	281,157	0.5%
Other Operating Expenses	5,089,856	9.5%
<b>Total Operating Expenses</b>	<b>42,100,772</b>	<b>78.6%</b>
<b>Total Distribution &amp; Expenses</b>	<b>53,570,681</b>	<b>100%</b>

# Report

from the **TREASURER**

*On behalf of the Board of Directors, Supervisory Committee, Management, and Employees, I present the annual financial information for 2019.*

In 2019, total assets increased 10.9 percent or \$86 million. Outstanding loan balances were \$639 million. Investment balances were \$67 million.

The Board of Directors declared dividends for all four quarters of 2019, and a total of \$7.7 million was paid to the membership in the form of dividends and interest. This included member dividends of \$1.6 million and interest income of \$6.1 million. Interest income was paid to members for deposits on Interest Checking, Daily Action, Young at Heart, Christmas Club, IRAs, and Certificates of Deposit. Total deposit growth for 2019 was 12.2 percent.

At the end of 2019, the credit union added \$3.7 million of net income to member equity.

Included in this report is income and expenditures for 2019. Listerhill Credit Union continues to generate the largest percentage of our income from loans to members. Interest income was \$33 million for the year, or 62 percent of total income. Operating expenditures were \$42.1 million with a net income of \$3.7 million.

Listerhill experienced another profitable year in 2019, and we anticipate 2020 to be just as successful.

*Respectfully Submitted,*



Bob Little, Secretary/Treasurer





# Report

from the **SUPERVISORY COMMITTEE**

*It is our responsibility to represent you, the members and owners, in overseeing the financial soundness of your credit union as well as evaluating and reviewing the performance of elected officials, management, and employees.*

It is also our responsibility to assure the records of your credit union are maintained in accordance with credit union accounting and reporting practices as prescribed by the Alabama Credit Union Administration, the National Credit Union Administration, and federal and state laws.

Barfield, Murphy, Shank, and Smith, Certified Public Accountants from Birmingham, were contracted by your Supervisory Committee to examine statements of income, retained earnings, and changes in financial position. This audit was performed as of September 30, 2019.

The Alabama Credit Union Administration, along with the National Credit Union Administration, performed their annual examination and your credit union received an

excellent rating.

All audit and examination information, along with any recommendations and necessary changes, have been reported to the Board of Directors and management staff. We are pleased to report that 2019 was a successful year for Listerhill Credit Union with growth in assets of \$86 million. We are also happy to report that your deposits at the credit union are well insured, safe, and secure.

Thank you for your interest regarding your credit union and its operations.

Respectfully submitted,

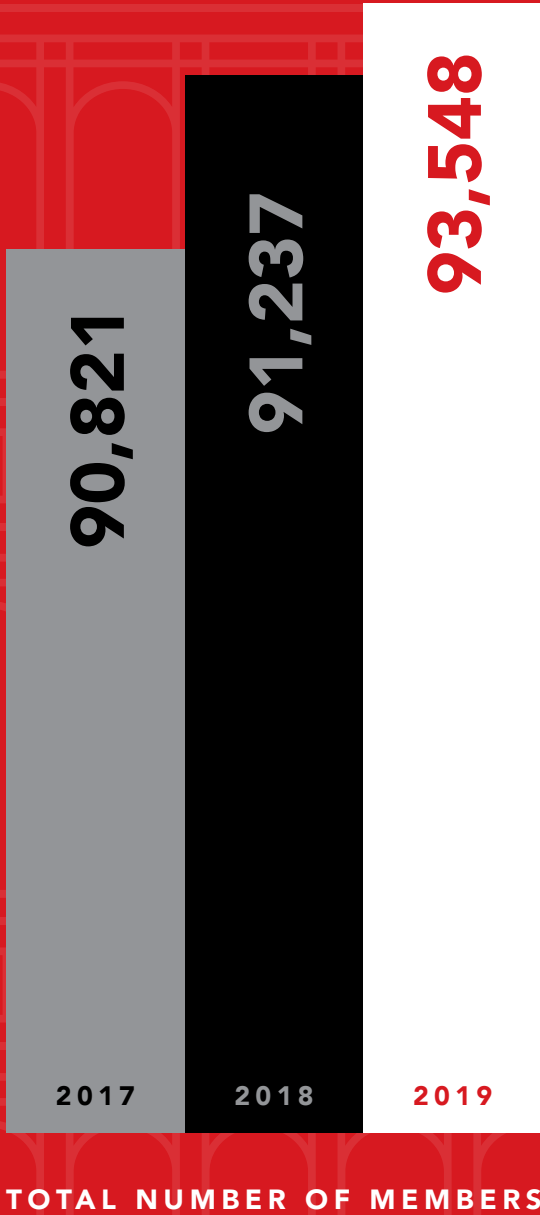


Joey Cantrell, Chairperson

Dr. David Craig

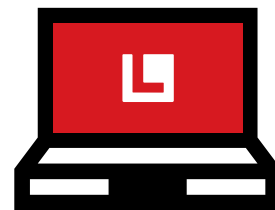
Willie Jones





**AVERAGE TOTAL DEPOSITS PER MEMBER**

In 2019, Listerhill Credit Union remained strong in average total deposits per member while continuing to provide meaningful financial solutions for members.



**ONLINE BANKING USERS**  
**47,208**



**MOBILE BANKING USERS**  
**26,998**



NUMBER OF DEBIT CARDS  
**54,018**



NUMBER OF CREDIT CARDS  
**16,104**



AVERAGE LOAN AMOUNT

2017	<b>\$10,695</b>
2018	<b>\$11,706</b>
2019	<b>\$12,093</b>

Listerhill's mission is to improve lives in our community. This means more than just providing great service in a branch or on the phone. It means we are committed to impacting the lives of our members and are always seeking the opportunity to invest in our communities.



**\$200,000**

DONATED TO COMMUNITY



**FORTY-FIVE**

COMMUNITY EVENTS



**TWO HUNDRED**

HOURS VOLUNTEERED

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*We are a nonprofit financial cooperative  
improving lives in our community.*

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