

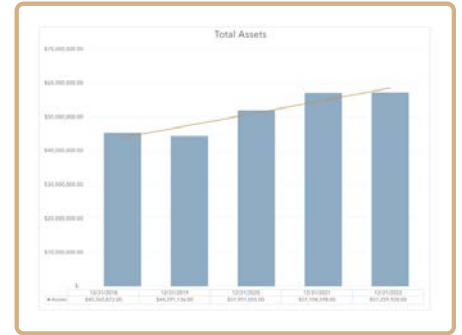
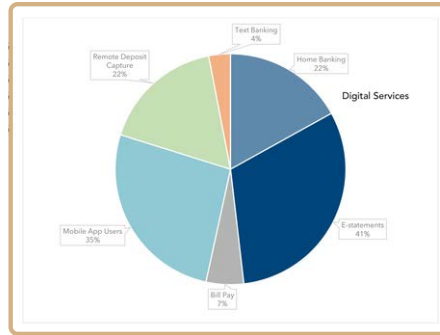
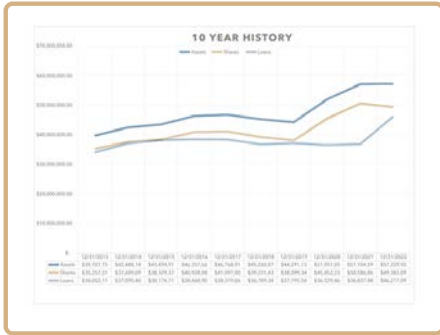


2022 Annual Report

Empowering our members to achieve
financial independence.

limestonefederal.com

Limestone Federal Credit Union stands on solid ground today and is well positioned for a bright future for our members, staff, and our community. As a key asset to our community, we continue to emerge stronger each year with significant growth, improved technology, and broadened accessibility. 2022 was a bright and uplifting year filled with staff who empower our members and look toward the future with a "what's next" mindset, Limestone Federal Credit Union looks ahead to 2023 with a positive outlook.



CHAIRMAN'S & CEO REPORT

Committed to building a better financial tomorrow through service, education, and advocacy.

Our mission statement, not just a sign on the wall, serves as a north star when planning for the future. As a local member-owned financial institution we consistently seek ways to provide members best-in-class products and services, while keeping safety, soundness, and trust as our top priority. In 2022, we continued to navigate challenging economic and political climates; the Federal Reserve

took an aggressive stance and began raising rates in early March that continued throughout 2022. Seemingly stuck in this roller coaster of supersized rate hikes, ongoing supply chain issues, and a housing shortage, the team at Limestone Federal Credit Union rose to the challenge, accomplishing some significant milestones.

Solid Financial Management

We ended 2022 in a solid financial position. Reporting strong financial metrics, including; Assets of \$57,229,920, Net Income of \$479,614, a Loan to Share Ratio of 93.59%, and a strong Net Worth Ratio of 12.41%. We experienced record growth of 25% in our Loan Portfolio while deposits remained steady.

57.2

MILLION IN ASSETS

Chairman's and CEO Report continued on the next page...

Strong Data Security



Taking the lead in security measures, we implemented new protections to improve our internal data security profile and our member owners data profiles. We know that the best security is in our people; volunteers, employees, and members. In 2022, we worked diligently to increase consumer awareness, and sought out resources to help our members avoid falling victim to fraud.

Through a partnership with SineTech LLC, we offered in person education and tools to protect systems while improving knowledge to help combat fraud. We hosted multiple BYOD (bring your own device) days in our lobby where the team at SineTech LLC assisted members in scanning their systems for malware while educating them on safe surfing and device security. This is an important step toward improving the financial security of our member owners. Finally, knowing that some members prefer online learning, we purchased a virtual training model from KNOWBE4, which is offered to all members through our mobile branch.



2022 Board of Directors

- James Blanchard, Board Chairman
- Amy Braun, Board Treasurer
- Judie Zerilli, Board Secretary
- Julie Roscioli, Board Co-Chairman
- Sydney Chartier, Board Member

MEET THE TEAM

We welcomed new team members, celebrated promotions, and achieved additional educational milestones!

We encourage staff to achieve certain educational designations in compliance, financial education, technology, and finance. We are extremely pleased to have staff with this level of education, which is reflective of their personal drive to continuously improve their skills.



JESSICA BAKER

Mortgage/Consumer Loan Officer
Credit Union Compliance Expert Designation



JENNIFER BENEDETTO

Information Systems Coordinator
Vendor Management - CRVPM II Designation
Credit Union Compliance Expert Designation
Cuna Management School - Year 1



LUCY BERRY

Lending Operations Specialist



ROCHELLE BLIXT

Member Service Representative



TINA BONTEKOE

Lending/Deposit Operations Specialist



CASSIDY CAYEMBERG

Mortgage/Consumer Loan Officer
Credit Union Compliance Expert Designation
Credit Union Financial Counseling Designation



LEAH COOK

Executive Assistant
Credit Union Compliance Expert Designation



MALLARY DILLON

Promoted to Consumer Loan Officer
Credit Union Compliance Expert Designation

Educated Employees and Volunteers

Providing ongoing professional development for our volunteers and employees remained top of mind in 2022. Through a partnership with Upper Peninsula Michigan Works!, we hosted workforce excellence training to employees in Schoolcraft County. Through this five-week course, our entire team perfected their skills in member service, time management, meeting expectations, and goal setting. Four of our team members completed the requirements necessary to earn a Credit Union Compliance Expert designation, joining others who certified in 2020 and 2021. We are proud that 60% of our team now holds this designation. In addition to the CUCE designation, three of our team members are graduates of CUNA Management School, Vickie Hewitt, Alyssa Swanson, Jennifer Watson, and Jennifer Benedetto completed year 1 and holds a certification in Vendor Management. Cassidy Cayemberg earned a certification in Financial Counseling and Susan Hinkson holds a Bank Secrecy Act Compliance Specialist certification. These professional development activities are at the core of our mission and strengthen our efforts in succession planning.



Growth & Diversity

We know that growth and diversification are important for our long-term success. In 2022, we applied for and were granted approval from NCUA to service all fifteen counties in the Upper Peninsula of Michigan. Organized in 1955 to serve employees of Inland Lime & Stone, we expanded multiple times over the past 67 years to add various select employee groups, and in 2011 adding the four adjacent counties. The latest expansion will pave the way to continued growth of our organization.

Youth ARE The Future Of Our Cooperative

After the sale of The Grind Coffee House in January of 2022, we immediately began planning for our next big venture in youth education. Looking ahead, we anticipate continuing our efforts in this area, beginning in April we will facilitate a program modeled after NBC's Shark Tank as well as multiple Financial Reality Fairs throughout the Upper Peninsula. Through these programs we continue to seek to provide relevant, sustainable financial education to students and members.

MEET THE TEAM



ARIEL MADDOX
Promoted to Branch Manager @ The Hub
Credit Union Compliance Expert Designation



KRISTINE ECCLESINE
Branch Operations Manager
Credit Union Compliance Expert Designation



KATANA FREED
Member Service Representative



VICKIE HEWITT
Communication Support Representative
Credit Union Compliance Expert Designation
Cuna Management School Graduate 1996



SUSAN HINKSON
Compliance Associate
Credit Union Compliance Expert Designation
Bank Secrecy Act Compliance Specialist



HAILEY HOHOLIK
Head Teller
Credit Union Compliance Expert Designation



MAGAN PETERSON
Chief Lending Officer
Credit Union Compliance Expert Designation



ALYSSA SWANSON, CCUE
Chief Operations Officer
Credit Union Compliance Expert Designation
Cuna Management School Graduate 2019



JENNIFER WATSON, CCUE
Chief Executive Officer
Credit Union Compliance Expert Designation
Cuna Management School Graduate 1996



MICHAELA ZUZULA
Marketing Coordinator



Expanding our efforts in education, we anticipate the opening of our branch in Chippewa County in 2023, The Hub @ Lake Superior State University. This micro branch will be located on campus at Lake Superior State University (LSSU) in Sault Ste Marie, MI. This branch will provide us a gateway into higher education, adapting our student education programs to this level while expanding our current service area. The branch will be open to all residents of Chippewa County with a focus on students and faculty of LSSU.

Looking Forward..

Interactive Teller Machines coming to a branch near you! These machines offer our members greater functionality than the traditional ATM, including the ability to use an interactive teller. The interactive teller, one of our staff members, will be available to conduct the transaction or to assist in transactions not typical to an ATM. The first machine is onsite and will go into testing in our lobby in May of 2023, slated to move to The Hub @ LSSU. A second machine will be installed in our vestibule and will replace our current drive thru system in 2024.

2023 will also bring a greater focus on card security, with debit and credit card fraud on the rise, we are converting our Mastercard Debit Card program to VISA. Under the VISA brand, users will experience greater brand awareness, a combined brand for both debit and credit, along with technology our members have been requesting and expect such as Apple, Google, and Samsung Wallets. We look forward to continuing to upgrade our technology to serve the needs of our membership.

Check out the "We love our Community" section to read about all the great activities we've participated in during 2022. As an organization, we're proud of the work our team has done to improve service to the membership. We look forward to continued

expansion of member benefits through partnerships, increased products, services, and education.

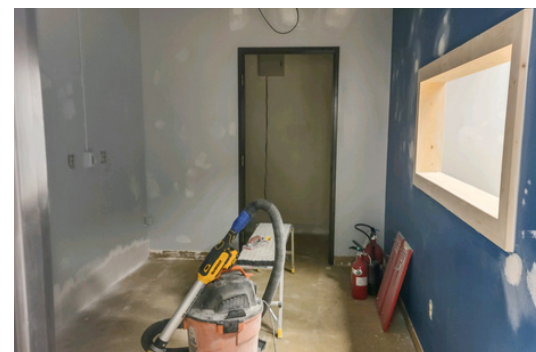
COMING SOON..
 INTERACTIVE TELLER MACHINES

We hope, as a member owner, you have found value in your participation in the cooperative and invite you to reach out and share your thoughts.

We strive to actively uphold our fundamental responsibility to serve people within our field of membership and the communities they live in. Want to join us in expanding our impact on the communities we serve? When you bank with us you help to expand our ability to invest in the communities we serve, help us make a difference, and continue to expand our member benefits by making Limestone FCU your primary financial institution.

Sincerely,

*Jennifer C. Watson, CEO &
 James Blanchard, Board Chairman*



In 2022, our team racked an impressive 388 hours of volunteer time!

Volunteering for local organizations and events such as CBC, STC, Habitat for Humanity, Manistique Senior Center, Schoolcraft Community Foundation, Economic Development, Rotary Club, Kiwanis Club, Basket Ball, Softball, Wrestling, Athletic Booster Club, Manistique Salmon Derby, and Cedar Street Slam.



Small Business Saturday

We continue to support our local business community through multiple programs. Our scratch off tickets provided on Small Business Saturday and Ladies night encourage local shopping to participating retailers while providing discounts of up to \$25 to residents.



Rewards Points

Members redeemed \$58,280 in debit rewards points in 2022. Our MasterCard Debit Cards make it easy to earn awesome rewards like cash back! Earn one point for every \$2 spent in debit.



Toys for Tots

LFCU utilized a portion of our November & December skip-a-pay fees to purchase toys to benefit families in our community this season.



CU Kind Day

Our teams joined credit unions across the state of Michigan to participate in activities designed to spread kindness in support of volunteerism. We worked together to make a difference in our community. Teams were deployed to our local Habitat for Humanity & the Manistique Senior Center and participated in multiple activities from power washing to window framing and installation.



Recycling

We continue to operate a mini recycling facility with the help of Swanson Storage and Service, LLC. We accept clear beverage bottles and personal care products, Ink & Toner, Cardboard rolls. The cardboard rolls are donated to Lake State Industries and are used to make Yooper Fire Starters by persons with disabilities. Look them up online and consider saving your cardboard rolls for this great recycling project. Please read our posted signs, we are accumulating items that are not accepted by the recycling facility, if this continues, we will not be able to support this project.



TV 6 Canathon

Together we can make a difference. As a member owned non-profit of 4300 members, we encouraged our membership to donate to the TV 6 Canathon to help support those in need. Through the generosity of our members, we collected \$1,015 which was split between three local food pantries.



Shred

No more shred days at our Credit Union. We installed a permanent shred bin in the vestibule for use by our members at no cost. Please make sure to remove all staples and paper clips and deposit shred into the bin.



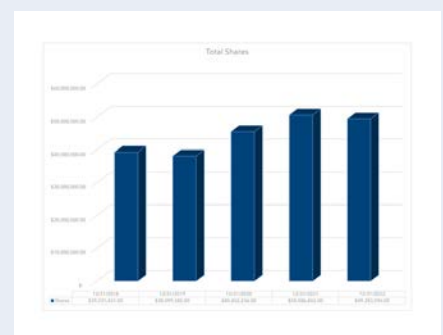
SMH

In support of the Schoolcraft Memorial Hospital expansion, we donated items from our business members to a Live Local Prize Wheel. Member of our executive team had a great time volunteering at the event, over \$1300 was raised from proceeds of the Wheel.

5-YEAR HISTORY



TOTAL SHARES



2022 ANNUAL MEETING MINUTES

The 67th Annual Meeting of Limestone Federal Credit Union was called to order by Jim Blanchard at 3:00 p.m. in the lobby of Limestone Federal Credit Union.

Roll Call:

Present: Jim Blanchard
Julie Roscioli
Judie Zerilli
Sydney Chartier
Patricia Mickelson

Absent: Amy Braun

30 Members were present.

The minutes of the 2021 Annual Meeting were included in the program. Jim called for a motion to approve the minutes. Cindy King made a motion to approve the minutes as presented. Kim Shiner seconded the motion. Motion carried unanimously.

The Chairman/CEO Report, Loan Committee Report, Supervisory Committee Report, and Financial Report were included in the annual meeting program.

A motion to approve the Loan Committee Report was made by Kim Shiner. Cindy King seconded the motion. Motion carried unanimously.

A motion to approve the Supervisory Committee Report was made by Sara Blanchard. Ann MacGregor seconded the motion. Motion carried unanimously.

A motion to approve the Financial Report was made by Ron Provo. Sara Blanchard seconded the motion. Motion carried unanimously.

Old Business: NONE

New Business: NONE

Chairman/CEO Report-

Jim reported on the efforts of 2021, highlighting the significant asset growth, improved technology, and broadened accessibility. Jennifer reported on the core conversion that occurred in May of 2021, recognizing the need to keep up with new technology, which offers new functionality but also ensures products and services are available to our members that meet the data security standards. Jennifer reported the opening of the Hub, a self-service location to assist members with digital products and services. Jim and Jennifer both noted they are looking forward to 2022, anticipating continued expansion of member benefits, increased products and services, and education.

Election of Officers:

Judie Zerilli, Secretary, called for nominations for the Board of Directors from the floor three times. Hearing none, she closed the nominations for the Board of Directors and called for a motion. Cindy King made a motion to cast a unanimous ballot as printed in the programs. Kim Shiner seconded the motion. Motion carried unanimously.

Nominees for the Board of Directors: James Blanchard
Julie Roscioli
Sydney Chartier

Kim Shiner made a motion to adjourn the 67th Annual Meeting of Limestone Federal Credit Union at 3:12 p.m. Sara Blanchard seconded the motion. Motion carried unanimously.

Loan Committee Report

The loan committee consists of three credit union employees who are appointed by the Board of Directors. This committee meets bi-weekly to review member loan applications and consider the ability of each member to repay the loan. These decisions are not made lightly, as they are made in compliance with the lending policies established by the credit union Board of Directors and with state and federal regulations

Jennifer Watson | Alyssa Swanson | Susan Hinkson

Loan Statistics			
	2022	2021	2020
Number of Loans Disbursed	1333	919	898
Total Loans Disbursed	\$ 26,014,277.00	\$ 19,994,062.00	\$ 16,662,770.00
2-6 Months Delinquent	\$ 87,094.00	\$ 249,833.00	\$ 414,769.00
6-12 Months Delinquent	\$ 17,978.00	\$ 30,861.00	\$ 3,608.00
12 Months and Over	\$ -	\$ -	\$ -
Total Delinquent Loans	\$ 105,072.00	\$ 280,694.00	\$ 418,377.00

Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors and consists of three credit union members. This year we welcomed Ann MacGregor who brings non-profit and regulatory knowledge to the committee. The Supervisory Committee volunteers their time and talent to ensure the financial condition of the credit union is accurately and fairly presented in accordance with rules and regulations required by the National Credit Union Administration (NCUA). They verify procedures are in place to safeguard our member's assets. To ensure these requirements were met, they engaged the services of Audit ThreeSixty to provide an audit of Credit Union records and found our credit union continues to perform well. The committee met monthly to perform a variety of functions including surprise cash counts, reviewing supervisory logs, and following up on audit and exam items. These audits assure us that our credit union is properly managed and in compliance with regulatory requirements. As always, it's a pleasure to serve our membership!

Patricia Mickelson | Judie Zerilli | Ann MacGregor

2023 Board of Directors Elections

There are two positions up for election in 2023.
Current members running for these positions:

Amy Braun (incumbent) | Judie Zerilli (incumbent)

FINANCIALS - 2022, 2021, & 2020

	2022	2021	2020
ASSETS			
LOANS TO MEMBERS (Less Allowance)	\$ 46,048,438.00	\$ 36,641,822.00	\$ 36,363,434.00
OREO-Other Real Estate Owned (Foreclosures)	\$ -	\$ -	\$ -
REPOSSESSED ASSETS	\$ -	\$ -	\$ -
CASH ON HAND	\$ 2,769,338.00	\$ 14,619,640.00	\$ 10,215,795.00
INVESTMENTS	\$ 5,852,852.00	\$ 3,829,806.00	\$ 3,306,422.00
FIXED ASSETS (Net)	\$ 1,399,607.00	\$ 1,484,103.00	\$ 1,459,942.00
CUSOs- Credit Union Service Organizations	\$ 391,100.00	\$ 330,100.00	\$ 374,192.00
OTHER ASSETS	\$ 623,886.00	\$ 51,132.00	\$ 68,991.00
ACCRUED INTEREST	\$ 144,699.00	\$ 147,995.00	\$ 162,279.00
TOTAL	\$ 57,229,920.00	\$ 57,104,598.00	\$ 51,951,055.00
LIABILITIES			
TOTAL DEPOSITS (Shares)	\$ 49,383,096.00	\$ 50,586,865.00	\$ 45,452,237.00
RESERVES	\$ 889,019.00	\$ 889,019.00	\$ 889,019.00
UNDIVIDED EARNINGS	\$ 6,210,696.00	\$ 5,731,082.00	\$ 5,524,393.00
OTHER LIABILITIES	\$ 747,109.00	\$ (102,368.00)	\$ 85,406.00
TOTAL	\$ 57,229,920.00	\$ 57,104,598.00	\$ 51,951,055.00
INCOME			
INTEREST ON LOANS	\$ 1,988,719.00	\$ 1,780,551.00	\$ 1,931,658.00
INTEREST ON INVESTMENTS	\$ 152,780.00	\$ 78,573.00	\$ 22,056.00
OTHER INCOME	\$ 792,168.00	\$ 733,795.00	\$ 660,124.00
TOTAL	\$ 2,933,667.00	\$ 2,592,919.00	\$ 2,613,838.00
EXPENSES			
SALARIES AND BENEFITS	\$ 1,215,821.00	\$ 1,060,878.00	\$ 1,037,252.00
OFFICE OCCUPANCY	\$ 127,300.00	\$ 151,985.00	\$ 121,303.00
OFFICE OPERATIONS	\$ 275,461.00	\$ 274,887.00	\$ 261,323.00
LEAGUE DUES	\$ 7,629.00	\$ 5,989.00	\$ 4,170.00
EDUCATION & ADVERTISING	\$ 132,328.00	\$ 138,759.00	\$ 42,769.00
PROVISION FOR LOAN LOSSES	\$ 27,082.00	\$ 70,099.00	\$ 49,598.00
INTEREST ON BORROWED MONEY	\$ -	\$ -	\$ -
OTHER EXPENSES	\$ 698,705.00	\$ 505,594.00	\$ 572,429.00
TOTAL	\$ 2,484,326.00	\$ 2,208,191.00	\$ 2,088,844.00
NET EARNINGS (Before Dividends)	\$ 449,341.00	\$ 384,728.00	\$ 524,994.00
DISTRIBUTION OF EARNINGS			
DIVIDENDS	\$ 139,575.00	\$ 183,946.00	\$ 254,628.00
MEMBER LOYALTY BONUS	\$ -	\$ -	\$ -
UNDIVIDED EARNINGS (INCOME)	\$ 479,613.00	\$ 200,782.00	\$ 250,862.00
NCUSIF PREMIUM ASSESSMENT	\$ -	\$ -	\$ -
NON-OPERATING INCOME/LOSS	\$ 165,135.00	\$ -	\$ -
GAIN OF DISPOSITION OF ASSETS	\$ 4,712.00	\$ -	\$ -
NET LOSS ON SALE OF FORECLOSURE PROPERTIES	\$ -	\$ -	\$ 19,504.00
	\$ -	\$ -	\$ -

THIS REPORT CERTIFIED CORRECT BY: JENNIFER C. WATSON, CEO

Thank you

A special thank you to our volunteer board and supervisory committee members,
along with all of our LFCU Member-Owners!