



TRUSTWORTHY

COMPETENT

**FISCALLY
SOUND**

2023

ANNUAL REPORT

**LIBRARY OF
CONGRESS**

FEDERAL CREDIT UNION



PROUDLY SERVING AMERICA'S LIBRARY COMMUNITY



CHAIRPERSON'S REPORT

TRUSTWORTHY, COMPETENT, FISCALLY SOUND.

These three attributes are easily attributable to the Library of Congress Federal Credit Union (LCFCU), its outstanding management and staff and its volunteers.

The Board of Directors is particularly pleased to have **Ms. Jennifer Hurst** onboard as the new **President/Chief Executive Officer** of the Library of Congress FCU. She has been with us for almost a year and we could not be more grateful for the contributions she has made to the credit union, the Library of Congress and the broader Library community. With her steady hand at the helm, the credit union has experienced tremendous growth in loan volume and membership. The board again extends its appreciation to **Gary Mandelkorn, Vice President of Operations** for his service as Interim Chief Executive Officer.

I also acknowledge and celebrate **Mr. Kim Dobbs for over 53 years of service** to the Library of Congress FCU. Kim served in several volunteer capacities including as a member of the credit committee, Board treasurer, and the supervisory committee. We will miss Kim's keen insights and good humor. We wish him and his wife, Annette, all the best.

IN CLOSING, I EXTEND MY APPRECIATION TO YOU, OUR LOYAL LIBRARY OF CONGRESS FCU MEMBERS, FOR YOUR CONTINUED SUPPORT OF THE CREDIT UNION. We could not have surpassed our membership and loan growth goals without your demonstrated faith in our leadership. On behalf of the Board of Directors, we pledge to continue to earn your trust and support.

Sincerely,



ROSALYN L. COATES
CHAIR

SUPERVISORY COMMITTEE REPORT

The Library of Congress FCU (LCFCU) **Supervisory Committee** consists of three actively engaged volunteers appointed by the Board of Directors. In accordance with the National Credit Union Association (NCUA) we are charged with hiring an external auditor to help ensure LCFCU's financial statements accurately represent its financial condition.

The Supervisory Committee appointed an independent audit firm to conduct a financial audit and to complete member account verifications for 2023. The CPA firm of CliftonLarsonAllen (CLA), LLP conducted this independent financial audit of our performance during 2023. They reported **our financial statements are in good condition and in accordance with all applicable accounting practices**. CLA also conducted an audit of internal processes to ensure they comply with applicable laws, regulations and policies and management maintains an effective system of internal controls. These controls are designed to ensure assets are safeguarded against loss or unauthorized use.

LCFCU SUPERVISORY COMMITTEE IS PROUD TO VOLUNTEER OUR TIME TO SERVE YOU, OUR VALUED MEMBERS.

The committee is dedicated to serving as your fiduciary agent, who addresses and investigates members' concerns and presents our findings to the Board of Directors. The Committee reviewed and resolved three members concerns in 2023.

I would like to thank the LCFCU staff and the Board of Directors for supporting our work to ensure fiscal soundness for the benefit of our members.

Sincerely,



CAROLYN TURNER-DIXON, CHAIR

TREASURER'S REPORT

The Library of Congress FCU (LCFCU) continues to be a **financially strong credit union with assets of \$307 million at the close of 2023, a \$6.2 million and 2.06% increase over 2022.**

Capital-to-assets ratio closed the year at 16.49% which is slightly more than last year and significantly higher than the 10.14% average of our peer group. LCFCU therefore remains a very well capitalized credit union. Return on Assets, decreased somewhat to 0.65%, but the credit union has continued to post positive Net Income throughout 2023.

Our loan volume was \$72.6 million for 2023. That was a \$27.8 million and 16.80% increase over the prior year. Our overall approval rate for loans was up as well at 81.1% vs 77.9% for the prior year.

Our dividends paid on deposits were \$2.8 million a 179.4% increase over the prior year. This is a reflection of the increase of the interest rates made by the Federal Reserve Bank over the past year. The LCFCU staff monitor interest rates daily to ensure that our rates are competitive on both deposits and loans with other financial institutions.

We've also grown our membership in 2023 to 10,096 members, a 6.2% increase.

In summary thanks to the hard work and dedication of the staff of LCFCU we are a well managed credit union that is growing and making positive strides towards maintaining sustainability and competitiveness in this highly competitive financial industry. We are here to serve you, our members in providing you with the best and most cost effective financial services possible.

WE SINCERELY THANK YOU FOR YOUR SUPPORT AND CONFIDENCE IN THE LIBRARY OF CONGRESS FEDERAL CREDIT UNION AND LOOK FORWARD TO SERVING YOU.



REGINALD MASSIE, TREASURER

FINANCIAL STATEMENTS YEARS ENDED DECEMBER 31, 2023 AND 2022

STATEMENTS OF FINANCIAL CONDITION	2023	2022
ASSETS		
Loans to members	\$ 193,611,802	\$ 165,765,639
Allowance for Credit Losses	(2,455,138)	(902,148)
Cash and cash equivalents	10,908,700	8,954,436
Overnight Federal Funds	361,218	137,939
Investment securities	66,906,576	85,865,722
Mortgage-backed / CMO securities	22,495,657	26,656,857
Accrued interest receivable	784,611	645,987
Property & equipment (Net)	187,509	64,710
NCUSIF Deposit	2,143,860	2,182,462
Other Assets	12,076,708	11,426,010
TOTAL ASSETS	\$ 307,021,503	\$300,797,615
LIABILITIES & MEMBERS' EQUITY		
LIABILITIES		
Members' Share and Savings Accounts	\$ 248,804,003	\$ 248,478,742
Borrowings: FHLB Line-of-Credit	5,000,000	— 0
Accrued Expenses and Other Liabilities	3,492,241	3,240,823
TOTAL LIABILITIES	\$ 257,296,245	\$251,719,565
MEMBERS' EQUITY		
Substantially restricted	49,725,259	49,078,050
TOTAL LIABILITIES & MEMBERS' EQUITY	\$ 307,021,503	\$300,797,615
NET CAPITAL-TO- ASSETS RATIO	16.49%*	16.32%
LOAN-TO-SHARE RATIO	77.69%	66.60%
*CECL transition included		

STATEMENTS OF INCOME	2023	2022
INTEREST INCOME		
Loans to members	\$ 7,976,180	\$ 6,162,750
Securities	1,722,403	1,354,233
TOTAL INTEREST INCOME	\$ 9,698,583	\$ 7,788,553
INTEREST EXPENSE		
Members' Share and Savings Accounts	\$ 2,823,016	\$ 1,010,412
Borrowed funds	64,939	— 0
TOTAL INTEREST EXPENSE	\$ 2,887,955	\$ 1,010,412
NET INTEREST INCOME	\$ 6,810,628	\$ 6,778,141
PROVISION FOR LOAN LOSSES	458,005	618,313
NET INCOME AFTER PROVISION FOR LOAN LOSSES	\$ 6,352,623	\$ 6,159,828
NON-INTEREST INCOME		
Fees, charges & other income	\$ 1,818,931	\$ 1,764,005
NON-INTEREST EXPENSE		
General & Administrative: Compensation & benefits	\$ 2,796,507	\$ 2,540,403
Other G & A	3,515,049	3,323,550
TOTAL NON-INTEREST EXPENSE	\$ 6,311,556	\$ 5,863,953
NCUSIF Stabilization Loss	— 0	— 0
NCUSIF Recovery	— 0	— 0
Net non-interest expense	\$ 6,311,556	\$ 5,863,953
NET INCOME BEFORE NON-OPER EXP	\$ 1,859,998	\$ 2,059,880
Gain/(Loss) Disp Assets	\$ 136,398	\$ 77,501
NET INCOME	\$ 1,996,396	\$ 2,137,381

BOARD OF DIRECTORS

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Eugene Boyd, Vice Chair
Reginald Massie, Treasurer
Laura Wong, Secretary

Robert deMariano, Director
Diane Dixon, Director
John Husovsky, Director
Edward Knight, Director
Bruce Mulock, Director

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Steven Maguire, Member
Anne Peele, Member

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Gary Mandelkorn, Vice President / Operations
Debbie Morris, Vice President / Lending
Karen Moses, Vice President / Finance

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Shirley Fox
Chiquetta Franks
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