



LIBERTY BAY  
CREDIT UNION

# 2021 ANNUAL REPORT



# Values That Drive Us

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## Members First

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Uncommon Courtesy is predicated on the impact of how Liberty Bay goes the extra mile to help our members succeed. From offering financial education to using technology to make banking more convenient, to taking the time to know them by name, we believe in putting members first and creating exceptional experiences.

## Do The Right Thing

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In every decision we make we ask ourselves: “Is it the right thing for our members?” In our actions, we aim to build better banking relationships, to make personal loans more personal, and home mortgages more manageable.

## Make a Difference

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To be uncommonly courteous is to recognize that the little things are a big deal. To know the impact a friendly “hello” or a helping hand can have on a person’s life. Uncommon Courtesy means treating others as you would like to be treated. It’s a simple idea, and it’s at the heart of how we do business.

# 2021 Year in Review



New Members

**918 new members**

welcomed in 2021



Business Loans

87 loans totaling

**\$29,361,874**



Home Loans

327 loans totaling

**\$115,710,334**



Home Equity  
Loans

168 loans totaling

**\$19,312,935**



Personal Loans

1,425 loans totaling

**\$30,515,146**



"2022 WILL BRING FURTHER  
INVESTMENTS...TO OFFER  
BEST-IN-CLASS DIGITAL  
PRODUCTS TO OUR MEMBERS  
AND STREAMLINE BACK-OFFICE  
OPERATIONS."

"WE ARE STEADFAST IN OUR  
COMMITMENTS TO SERVING THE  
UNDERSERVED, SUPPORTING  
THE CREDIT UNION PHILOSOPHY  
OF PEOPLE HELPING PEOPLE,  
AND TO OUR MEMBERS AS THEIR  
FINANCIAL STEWARDS."

## A MESSAGE FROM the Chairman of the Board & the President & CEO

On behalf of the Board of Directors and management of Liberty Bay Credit Union, we are pleased to share with you our 2021 annual report and financial performance, which continues to strengthen. Some of the highlights include an increase in our total assets of \$14 million, from \$701 million on December 31, 2020, to \$715 million on December 31, 2021, and an increase in our deposit portfolio of \$48 million in the same timeframe. The increase in total assets was due primarily to an increase in loans, a result of robust loan originations, net of principal pay-downs, amortization of deferred loan origination costs, and sales of \$19 million. The most significant increases were organic first mortgages of \$36 million and business loans of \$16 million, offset in part by pay-downs on participation loans of \$15 million, consumer loans of \$9 million and USDA/SBA loans of \$4 million. The decrease in cash and cash equivalents was used to fund loan growth. It has been our goal and our practice to put deposits to work to support member borrowing needs.

We are encouraged by our history and loyal members, who have allowed us to continue to serve them and have afforded us the ability to grow despite the change and disruption our communities have endured over the past two years. Our residential mortgage business, for the second straight year, vastly outpaced our pre-Covid levels as borrowers capitalized on the record low interest rates to either purchase new homes or refinance existing mortgages. Members who had requested assistance with their loans due to COVID got back on their feet and stayed in their homes. Our member business partners who accessed Payroll Protection Program loans remained solvent and were successful in obtaining federal loan forgiveness.

In 2021, we started the process of enterprise architecture (EA) - aligning our IT infrastructure with our business strategies. We began projects to enhance our IT infrastructure by upgrading our network and moving to cloud-based internal applications and software-as-a-service (SaaS). We started an organization-wide project to improve user experience across digital channels so that our members can open accounts, apply for loans, and process transactions as easily as possible. 2022 will bring further investments in this area as we continue to improve our digital services via Application Programming Interfaces (API) to offer best-in-class digital products to our members and streamline back-office operations. Our focus on information technology and digital-first strategies will increase our agility and strengthen our security while expanding the products and services we offer to our consumer and business members. In addition, we began projects to improve our operating efficiency and eliminate non-value-added tasks, the results of which will provide us with additional capital to reinvest in our business, our members, and the communities we serve. We are steadfast in our commitments to serving the underserved, supporting the credit union philosophy of people helping people, and to our members as their financial stewards.

This past year validated, as did the prior year, our efforts to become more resilient, flexible, and nimble. It reminded us of the importance of remaining true to our core values and to serve our members, our employees, and our communities with only the highest of standards. We will continue to meet the evolving needs of our stakeholders while maintaining strong financial discipline to ensure we are good caretakers of the credit union's capital, which is your capital.

Sincerely,



**Peter Lincoln**  
Chairman of the Board

Sincerely,



**John M. Parillo**  
President & CEO



# What Our Members Are Saying

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We had a lot of challenges finding a lender who could support our mission and values. The team at Liberty Bay CU listened, took time to understand our business, and came up with creative solutions in a very timely manner. We are so grateful for this partnership and will continue to use Liberty Bay CU in the future.

**Jeffrey M.**

I have been a member of Liberty Bay Credit Union for over 8 years with both personal and business accounts. It has been a pleasure working with all the staff members who are competent, friendly, and attentive to my needs. I'm truly satisfied with the level of service and prompt assistance that I get every time I contact the credit union. I look forward to a long relationship with LBCU.

**David F.**

Liberty Bay has played an integral role in the success of our company. Their team is knowledgeable and available when we need them most. When the pandemic hit, we were nervous about the uncertainty of our business. The Credit Union was there for us along the way and helped navigate us through the entire PPP process when most institutions didn't have a plan in place. For that we are thankful and will always be loyal to LBCU.

**Glenn P.**



# Community MATTERS

## ORGANIZATIONS WE SUPPORTED

Boston Higashi School

UMass Women's Ice Hockey

Weymouth Food Pantry

Boston Building Resources

Weymouth Youth Football

Pedal Me a Cure – Pan Mass  
Challenge

Kyle's Klassic

Braintree Fire Department  
Local 920

The McCourt Foundation

Nelson Chin Memorial Fund

Old Colony YMCA

Marge Crispin Center

Italian Home for Children

Veterans Legal Services

Through volunteering, partnering with local non-profits, developing financial education programs, and providing financial support for causes that impact our communities, our Community Matters team strives to strengthen the communities our members and employees call home.

Since 2020, Liberty Bay Credit Union has donated over \$100,000 to local organizations whose purpose aligns with our three pillars of stewardship. In addition to this, in 2021, we awarded 11 scholarships to local students totaling \$11,500.

As we direct our time and dollars, Community Matters is focused on supporting organizations whose purpose aligns with our three pillars of stewardship: Educate, Empower, Enrich.



# Liberty Bay's 2021 Scholarship Winners

## MEET THE WINNERS

Liberty Bay Credit Union offers congratulations and best wishes to our 2021 scholarship winners! We are proud to support these hardworking scholars as they pursue their education and dreams.

### **Taylor Murray**

JANE B. CELLA COMMUNITY SERVICE AWARD

### **Kyle Gordon**

THOMAS B. NORTON SCHOLARSHIP

### **Jalia Nakayiza**

ARTHUR T. HOWELL SCHOLARSHIP

### **Hannah Guthrie**

MICHAEL J. MCCARTHY SCHOLARSHIP

### **Sophia Catalano**

FRANCIS SYLVESTER SCHOLARSHIP

### **Karina Lam**

RONAN JAMES MCCARTHY SCHOLARSHIP

### **Hellen Yegon**

ARTHUR W. LEARY SCHOLARSHIP

### **Matthew Haraden**

LOUIS RAFFIO SCHOLARSHIP

### **Jack Holland**

JOHN C. GRONBERG SCHOLARSHIP

### **Timothy Dowd**

JOHN F. MONOHAN JR. SCHOLARSHIP

### **Aine Powell**

KEVIN F. MCCONE SCHOLARSHIP

### **Nicole Cowan**

WINIFRED BOLTER SCHOLARSHIP

## VOLUNTEER TIME OFF

Liberty Bay and our employees have a long and proud tradition of supporting and volunteering in the communities in which we serve. This spirit of volunteerism is a guiding principle. To foster and acknowledge this spirit of giving and continued participation in community-oriented events, in 2021 we implemented a new program, Volunteer Time Off (VTO). Liberty Bay supports a wide variety of non-profit organizations who provide vital services to our communities. Volunteer Time Off will reward employees for volunteering after work and on weekends to support a Liberty Bay sponsored event. Employees will earn up to 2 days a year in VTO.



# Performance Matters

## BALANCE SHEETS

Years Ended December 31,  
(IN THOUSANDS)

	2021	2020
<b>ASSETS</b>		
Cash & Cash Due from Banks	\$ 28,492	\$ 38,297
Investments	172,515	172,244
Loans, Gross	489,515	466,025
Less: Allowance for Loan Losses	(4,025)	(3,601)
<b>Loans, Net of Allowance for Loan Losses</b>	<b>485,490</b>	<b>462,424</b>
Other Assets	28,168	28,167
<b>TOTAL ASSETS</b>	<b>\$ 714,665</b>	<b>\$ 701,132</b>
<b>LIABILITIES</b>		
Member Shares	\$ 421,326	\$ 373,513
Member Term Shares	156,454	156,532
Borrowings	27,000	60,000
Other Liabilities	5,818	4,200
<b>Total Liabilities</b>	<b>610,598</b>	<b>594,245</b>
<b>EQUITY</b>		
Regular Reserves	12,891	12,891
Undivided Earnings	92,293	91,249
Accumulated Other		
Comprehensive Income (Loss)	(1,117)	2,747
<b>Total Equity</b>	<b>104,067</b>	<b>106,887</b>
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>\$ 714,665</b>	<b>\$ 701,132</b>

## STATEMENTS OF INCOME & EXPENSES

Years Ended December 31,  
(IN THOUSANDS)

	2021	2020
Interest Income on Loans	\$17,986	\$ 18,355
Interest Income on Investments	2,344	2,905
Total Interest Income	20,330	21,260
Dividends on Shares	2,036	2,958
Interest on Borrowings	106	593
Total Interest Expense	2,142	3,551
<b>Net Interest Income</b>	<b>18,188</b>	<b>17,709</b>
Provision for Loan Losses	425	1,610
<b>Net Interest Income, after Provision</b>	<b>17,763</b>	<b>16,099</b>
Fee Income	1,330	1,278
Other Operating Income	2,120	2,366
Net Gain (Loss) on Sales of Assets	8	434
Net Gain (Loss) on Repossessed Assets	1	2
<b>Total Non-Interest Income</b>	<b>3,459</b>	<b>4,080</b>
Employee Compensation	12,190	11,007
Office Occupancy & Operations	4,306	4,305
Professional & Outside Services	1,187	1,172
All Other Operating	2,495	2,362
<b>Total Non-interest Expense</b>	<b>20,178</b>	<b>18,846</b>
<b>NET INCOME</b>	<b>\$1,044</b>	<b>\$ 1,333</b>

Unaudited interim financial statements for the twelve months ended December 31, 2021 and December 31, 2020





## LEADERSHIP

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**John M. Parillo**  
*President and CEO*

**Kathy Peila**  
*Senior Vice President,  
Chief Administrative Officer*

**George Kelly**  
*Senior Vice President,  
Chief Strategy Officer*

**Fred Williams**  
*Senior Vice President,  
Chief Financial Officer*

**Paul M. Gravellese**  
*Senior Vice President,  
Chief Lending Officer*

**Joseph Bears**  
*Senior Vice President,  
Chief Information Officer*

## BOARD OF DIRECTORS

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**Peter S. Lincoln**  
*Chairman of the Board &  
IT Steering Committee*

**Patrick Foley**  
*1st Vice Chairman, ALCO  
Committee*

**Stephen Kelley, Sr.**  
*2nd Vice Chairman,  
Audit Committee*

**Robert Foley, Jr.**  
*Treasurer, Audit Committee Chair*

**Sean J. Cashman**  
*Clerk/Secretary,  
Investment Committee*

**Edward R. Foley**  
*Credit Committee*

**Edward J. McColgan**  
*Investment and Audit Committees*

**Gerard Burn**  
*Credit Committee Chair*

**Thomas Flynn**  
*Investment Committee Chair*

**Eugene Leahy**  
*Credit Committee*

**Michael F. McCarthy**  
*Audit Committee*

**Robert Mitchell**  
*Credit Committee*

**William Murphy**  
*Credit Committee*

# *Uncommon Courtesy*

We stand for small gestures. For holding doors for others. And smiling at strangers. We believe in not-so-random acts of kindness. And a daily dose of doing good.

We hail helpful hands and fight for friendliness. We believe in better banking relationships. In making personal loans more personal. And home mortgages more manageable.

We believe in providing financial education for all, and an enhanced member experience. We believe financial peace of mind leads to a better life. And better lives lead to better communities.

We are Liberty Bay Credit Union. And we believe in Uncommon Courtesy.

## **Braintree, Headquarters**

*300 Granite Street  
Braintree, MA 02184*

## **Hingham**

*10 Downer Ave  
Hingham, MA 02043*

## **Scituate**

*9 Brook Street  
Scituate, MA 02066*

## **Woburn**

*300 Trade Center, Suite 1740  
Woburn, MA 01801*



**LIBERTY BAY**  
CREDIT UNION

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Braintree, MA 02184  
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[www.lbcu.org](http://www.lbcu.org)

