



TVA Community Credit Union
***Where Sophisticated
Technology***

A human hand is shaking a silver and black robotic hand. The background is a blue digital grid with a globe-like pattern.

***Meets Superior
Service***

Annual Report 2017

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Report of the Board of Directors – 2017

Throughout history, technology has changed the very landscape of mankind. From artificial intelligence that actually has the capacity to ‘*learn*’, to genetic forecasting designed to predict an individual’s predisposition to certain diseases at birth, the advancements of the past year alone are astounding. At TVA Community Credit Union we have always embraced the future and its advancements with an enthusiastic awareness and a sincere determination to improve the financial well being of our members. TVACCU is on the forefront of advancements within our convenience services sector. With the addition of our debit card mobile app, *My Mobile Money*, members can receive real-time alerts each time their debit card is used, in-store or online. Members can also set debit card controls such as location settings, turning their card on/off, balance alerts and much more. Credit card security has also increased with the introduction of *Visa Purchase Alerts*. Visa credit card holders can receive real-time alerts for each purchase made with their TVACCU Visa credit card. The ability to open an account online makes it easier than ever to join TVACCU. Applying for a loan can now be done in the comfort of your own living room with the addition of our online loan application. Advancements in our online banking platform, *Netbranch*, as well as online *Bill Pay*, have streamlined and simplified the way members manage their finances. Upgrades to our multiple mobile applications, *My Mobile Money*, *ID Protect*, and *TVACCU Mobile App*, have increased their capabilities and ease of use. The introduction of *Apple Pay* allows our members to quickly and easily complete purchases, often with only the swipe of their smartwatch.

In 2017, we strengthened our credit union’s already strong capital position. Our net worth to asset ratio of 15.23% significantly exceeds industry standards. Our total assets increased to \$310,260,009, a growth rate of 1.22%.

While technology and convenience are necessary elements within the service equation, the human element is a crucial component of service that is often overlooked in today’s fast-paced world. Ensuring that all members know how important they are to us will always be paramount. Our members are the heart and soul of all that we do, and we want to make sure that you always know that, with each and every interaction that you have with us.

The continued commitment to our members and the strategic planning and dedication of our TVACCU Board of Directors, Supervisory Committee, Management, and Staff will lead us into a future filled with great excitement and expectations. 2018 will witness the new construction phase of our 10 th branch to be located in the Petersville area. We look to this expansion and all future endeavors with a renewed commitment as we remain poised on the cutting edge of technology while holding firm to our primary goal of not only meeting members’ needs but *surpassing* them in every way!

Respectfully,
Lewis Frederick, Chairman
Board of Directors

Board of Directors and Supervisory Committee



Lewis Frederick
Board of Directors
Chairman



Larry Softley
Board of Directors
Vice Chairman



Janet Darcy
Board of Directors



Frances W. Brown
Board of Directors
Secretary/Treasurer



Cameron Kay
Board of Directors



Claude Eubanks
Board of Directors



John Allgood
Board of Directors



Ann Underwood
Board of Directors



M.J. Ligon
Board of Directors



David Nichols
Supervisory Committee
Chairman



John Soileau
Supervisory Committee



Jim Green
Supervisory Committee

Supervisory Committee Report

As part of its responsibilities, the Supervisory Committee of TVA Community Credit Union engaged LEVERAGE (a firm specifically set up to audit credit unions and ensure their compliance) to perform a comprehensive examination of the financial statements for 2017. Operational and financial activities were also examined by the National Credit Union Administration and the Alabama Credit Union Administration.

We respectfully submit to the Board of Directors and the members of the Credit Union that the financial condition of TVA Community Credit Union is as stated in the financial report, and within the scope of authority vested in the various offices of the Credit Union. The Credit Union continues to remain a strong and financially sound organization.

We commend management and employees for an excellent performance in 2017. Our committee could not function efficiently without the cooperation and hard work of the Board of Directors, officers and employees of the Credit Union.

We look forward to serving you next year.

David Nichols, Chairman

Jim Green

John Soileau



David E. Nichols,
Chairman



Jim Green



John Soileau

Executive Management



Kimball Burkett
President/CEO



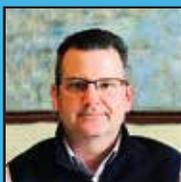
Alyssa Ashley
Marketing Director



Sammy Clements
Executive VP



Rhonda Cabler
CFO



Dustin Wright
Internal Auditor



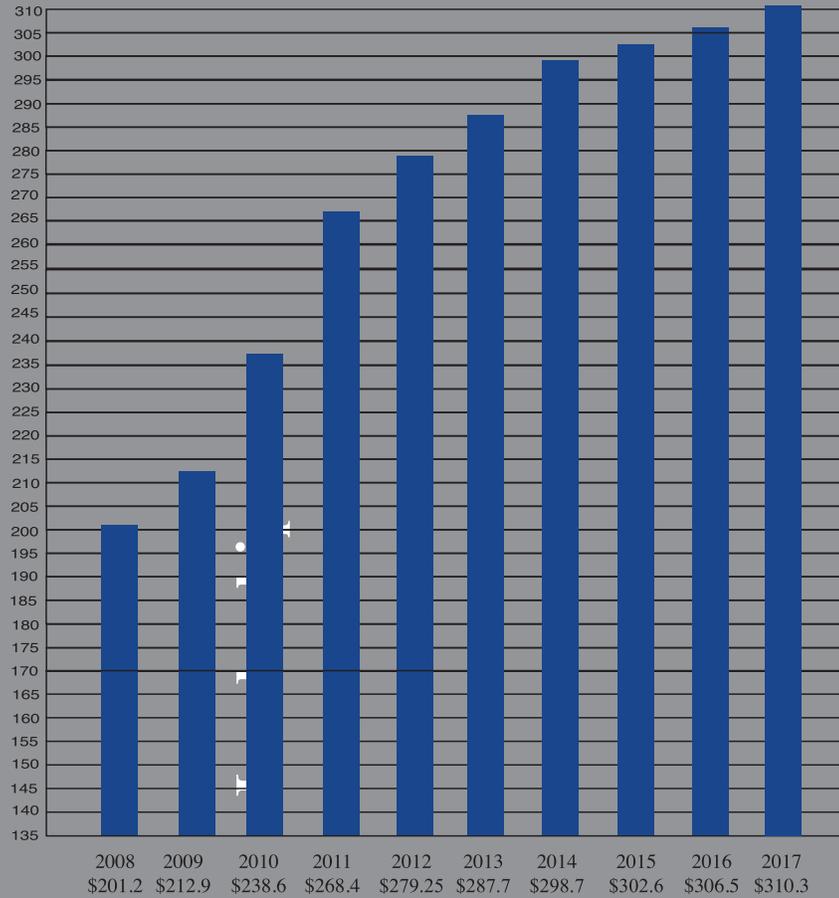
Amy McCormack
VP Lending Ser.



Tammie Aday
VP Senior Loan Ofc.

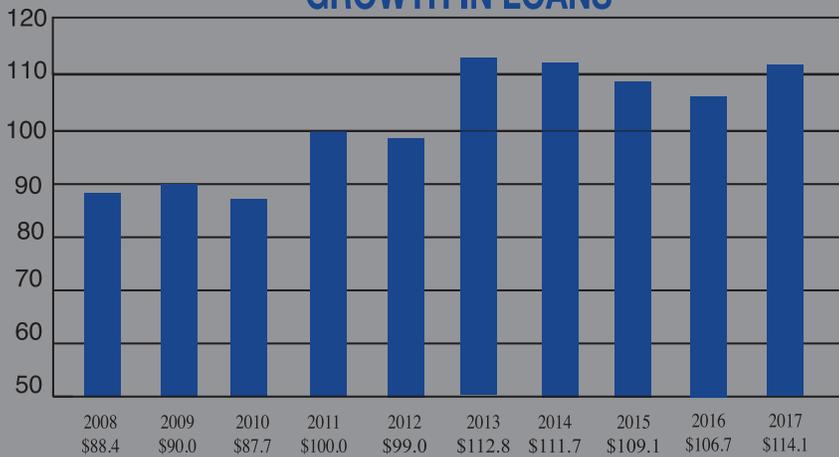
In Millions

GROWTH IN ASSETS

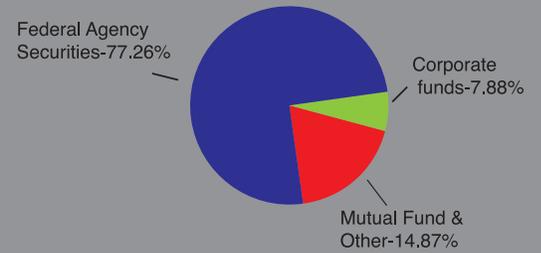


In Millions

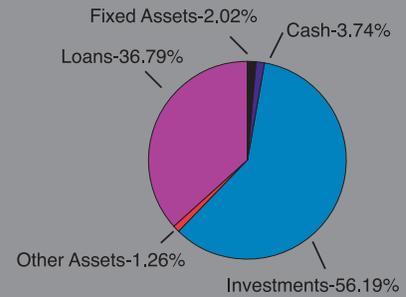
GROWTH IN LOANS



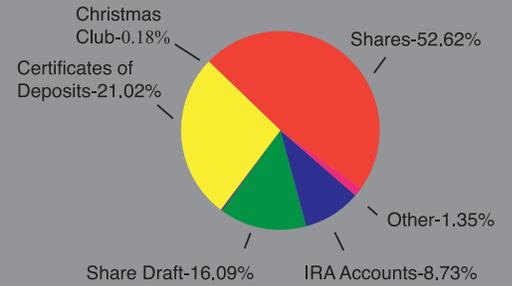
DISTRIBUTION OF INVESTMENTS



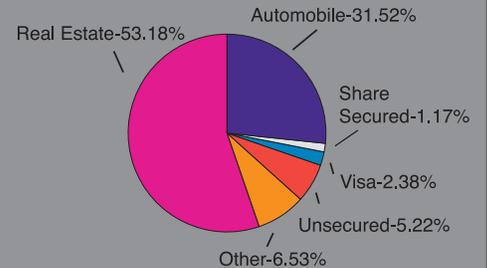
DISTRIBUTION OF ASSETS



DISTRIBUTION OF DEPOSITS



DISTRIBUTION OF LOANS



COMPARATIVE STATISTICS OF INTEREST

	Dec. 31 2016	Dec. 31 2017	Increase or (Decrease)
Net Income from Operations	\$4,026,967	\$4,320,436	\$293,469
Gain (Loss) on Investments/Assets	\$158,341	\$44,879	(\$113,462)
Non-Operating Gain (Loss)	(\$32,286)	(\$46,311)	(\$14,025)
Gain (Loss) from Prior Period	0.00	0.00	\$0.00
Transferred to Reserves	\$2,771,404	\$2,829,777	\$58,373
Total Available for Distribution	\$4,153,022	\$4,141,146	(\$11,876)
Dividends Paid	\$1,381,618	\$1,311,369	(\$70,249)
% Dividend Paid on Shares	0.30%	0.35%	0.05%
Volume Loans Made This Year	\$45,800,562	\$53,531,871	\$7,731,309
Volume Loans Made Since Organization	\$1,031,238,088	\$1,084,769,959	\$53,531,871
Number of Loans Made This Year	2,733	2,690	(43)
Average Loan Amount This Year	\$16,758	\$19,900	\$3142
Loan Charged to Reserve	\$201,190	\$187,054	(\$14,136)
Loan Charged Off Since Organization	\$8,384,439	\$8,571,493	\$187,054
Number of Share Accounts	18,128	18,236	108
Average Share Account Balance	\$6,814	\$7,657	\$843
Average Share Draft Account Balance	\$4,155	\$4,128	(\$27)
Amount Returned to Share Holders Since Organization:			
In Dividends	\$79,669,779	\$80,981,148	\$1,311,369
In Interest Refunds	\$633,880	\$633,880	\$0

COMPARATIVE STATEMENT OF INCOME AND EXPENSES

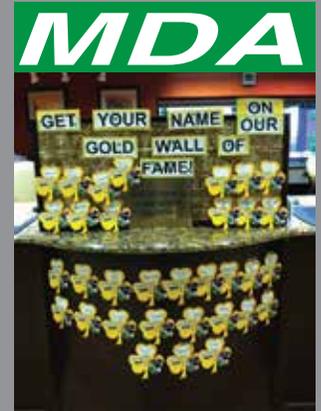
Income	Dec. 31, 2016	Dec. 31, 2017	Increase or (Decrease)
Interest on Loans	\$5,386,477	\$5,487,967	\$101,490
Less: Interest Refunds	\$0.00	\$0.00	\$0.00
Net Interest on Loans	\$5,386,477	\$5,487,967	\$101,490
Income from Investments	\$2,834,939	\$3,079,209	\$244,270
Other Income	\$2,607,046	\$2,504,661	(\$102,385)
Total Gross Income	\$10,828,462	\$11,071,837	\$243,375
 Expenses			
Compensation	\$2,410,593	\$2,371,058	(\$39,535)
Employee Benefits	\$1,259,594	\$1,114,467	(\$145,127)
Travel & Conference Expense	\$45,286	\$36,360	(\$8,926)
Association Dues	\$57,876	\$44,475	(\$13,401)
Office Occupancy Expense	\$463,730	\$488,790	\$25,060
Office Operations Expense	\$761,811	\$751,529	(\$10,282)
Education & Promotion Expense	\$176,931	\$132,370	(\$44,561)
Loan Servicing Expense	\$823,806	\$976,917	\$153,111
Professional & Outside Services	\$401,558	\$583,940	\$182,382
Provision for Loan Loss	\$219,822	\$177,858	(\$41,964)
Member Insurance	\$134,012	\$136,999	\$2,987
Operating Fee - NCUA/ ACUA	\$38,637	\$39,072	\$435
Miscellaneous Operating Expense	\$101,606	\$76,855	(\$24,751)
 Total Operating Expense	\$6,895,262	\$6,930,690	\$35,428
Net Income from Operations	\$3,933,200	\$4,141,147	\$207,947
Net Operating Income after Dividends	\$2,551,582	\$2,829,777	\$278,195

COMPARATIVE STATEMENT OF FINANCIAL CONDITION

Assets	Dec. 31, 2016	Dec. 31, 2017	Increase or (Decrease)
Loans	\$106,728,485	\$114,136,046	\$7,407,561
Cash	\$2,477,099	\$11,601,797	\$9,124,698
Investment	\$186,361,353	\$174,335,922	(\$12,025,431)
Fixed Assets	\$6,916,642	\$6,268,731	(\$647,911)
All Other Assets	\$4,033,403	\$3,917,513	(\$115,890)
Total Assets	\$306,516,982	\$310,260,009	\$3,743,027
Liabilities & Capital			
Accounts Payable	\$668,915	\$723,753	\$54,838
Shares	\$185,396,128	\$192,642,769	\$7,246,641
Share Certificate	\$78,942,779	\$72,691,340	(\$6,251,439)
Regular Reserve	\$21,415,581	\$24,245,358	\$2,829,777
Appropriated Undivided Earnings	\$23,017,014	\$23,017,014	\$0.00
Undivided Earnings	\$0.00	\$0.00	\$0.00
Unrealized Gain/Loss on AFS	(\$2,847,705)	(\$2,987,804)	(\$140,099)
Other Comprehensive Income	(\$75,730)	(\$72,421)	\$3,309
Total Liabilities and Capital	\$306,516,982	\$310,260,009	\$3,743,027



Marting Luther King, Jr. Unity Breakfast



Big Brothers Big Sisters

Alpha Gents





BRANCHES



Card Center



Call Center



Athens Branch



Wilson Dam Branch



Dr. Hicks Branch



Mall Road Branch



Reservation Branch



Browns Ferry Branch



Killen Branch



Tuscumbia Branch



Sheffield Branch

