



Standing Out

— from the —
CROWD

annual report | **2019**



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Meeting Agenda

Call to Order/Opening Comments	Lewis Frederick
Invocation	Lewis Frederick
Recognition of Volunteers	Lewis Frederick
Board of Directors Report	Lewis Frederick
Election Proceedings	Lewis Frederick
Nominating Committee Report	Jim Green
Explanation of Election Process	Supervisory Committee
Recognition of CU Staff	Kim R. Burkett
President/Treasurer's Report	Kim R. Burkett
Supervisory Committee Report	Supervisory Committee
Unfinished Business	Lewis Frederick
Door Prize Drawing (Children)	Claude Eubanks
Door Prize Drawing (Adults)	Claude Eubanks
Election Results	Supervisory Committee
Adjournment	Lewis Frederick

Board of Directors Report

Standing Out from the **CROWD**...that's the theme of this year's annual meeting and the way we do things at TVA Community Credit Union. We've never been defined by our competition or by passing trends. What defines us is our sincere determination to meet your financial needs in a way that lets you know how important you are to us. Dr. Martin Luther King, Jr. once said, "Life's most persistent and urgent question is, 'What are you doing for others?'" This is the benchmark by which we determine our successes of 2019.

2019 was a year of ever-changing technological advancements. TVACCU consistently retained our position on the forefront of cutting edge technology in both mobile and digital platforms. Ease of use and expanding service capabilities were two of the primary factors that continued to guide our digital and mobile portfolios. By focusing on these service aspects, we provided a more streamlined user experience.

Our VISA Credit Card Rewards Program was upgraded to provide a more advanced and expanded rewards platform. The new You Choose Rewards program gave members the ability to redeem purchase points for literally thousands of options, from airline and event tickets, products such as electronics, hi-tech gadgets, apparel, spa treatments and much more.

Our advancements on both the online and mobile fronts were surpassed only by our unprecedented member service efforts. To successfully ensure that our members continue to experience an unmatched member service with each and every interaction with us remained paramount. Consistency in employee training and the continuance of our mystery shopper program were primary components of our success in these efforts. But the main ingredient in this recipe for success was found in the genuine desire of our employees to let our members know just how much they mean to us. These efforts were measured by the overwhelming positive member response;

“

I've been with TVACCU for a long time. It's always such a pleasure to be treated with such respect!

TVACCU employees have the customer service down-pat!

The tellers here know me by name. They make me feel like I'm so much more than just an account number!

”

“

I always find myself leaving the branch with a smile.

You couldn't find this level of service at any other financial institution!

My experience at TVACCU is always exceptional!

”

The success of 2019 was also evidenced by the construction of a new branch in the Petersburg area, set to open in 2020. Expansion efforts also began at our Wilson Dam branch. This addition, set for completion in 2020 will provide additional office space as well as improvements to our training facility.

In 2019, we strengthened our credit union's already strong capital position. Our net worth to asset ratio of 15.46% significantly exceeds industry standards. Our total assets increased to \$335,561,754, a growth rate of 7.45%.

As we reflect on the success of the past year, we do so with the realization that true success isn't always measured in dollars and cents. To know that we've improved the lives of our members and let them know how much they matter is the true measure of our success. Success on any level is a team effort, and what an amazing team we have here at TVACCU! Our Board of Directors and Supervisory Committee diligently volunteer their time and vast talents to help ensure the stability and strength of our credit union. Our amazing management and staff carry the torch of excellence daily to elicit efficiency, accuracy and above all, a genuine desire to serve our members in a manner unequalled by any financial institution. Perhaps the true source of our success can best be explained by a quote from Tuscumbia native, author and humanitarian, Helen Keller. "Alone we can do so little... together we can do so much!" With this motto as our guide, the sky is indeed the limit for TVA Community Credit Union!

Thank you for choosing to be a part of our TVACCU Family!

Respectfully,

Lewis Frederick, Chairman

Board of Directors

Board of Directors



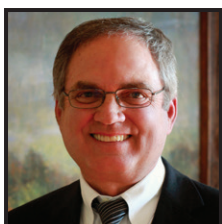
Lewis Frederick
*Board of Directors
Chairman*



Larry Softley
*Board of Directors
Vice Chairman*



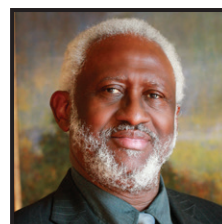
Frances W. Brown
*Board of Directors
Secretary/Treasurer*



John Allgood
Board of Directors



Tim Cornelius
Board of Directors



Claude Eubanks
Board of Directors



M.J. Ligon
Board of Directors



Joan Marsh
Board of Directors



Brandi Shewbart
Board of Directors

Supervisory Committee



Jim Green
*Supervisory Committee
Chairman*



David E. Nichols
Supervisory Committee



John Soileau
Supervisory Committee

Executive Management



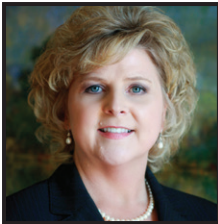
Kimball Burkett
President/CEO



Sammy Clements
Executive Vice President



Rhonda Cabler
CFO



Tammie Aday
VP/Senior Loan Officer



Alyssa Ashley
Marketing Director



Amy McCormack
VP Lending Services

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 2019. Operational and financial activities were also examined by the National Credit Union Administration and the Alabama Credit Union Administration.

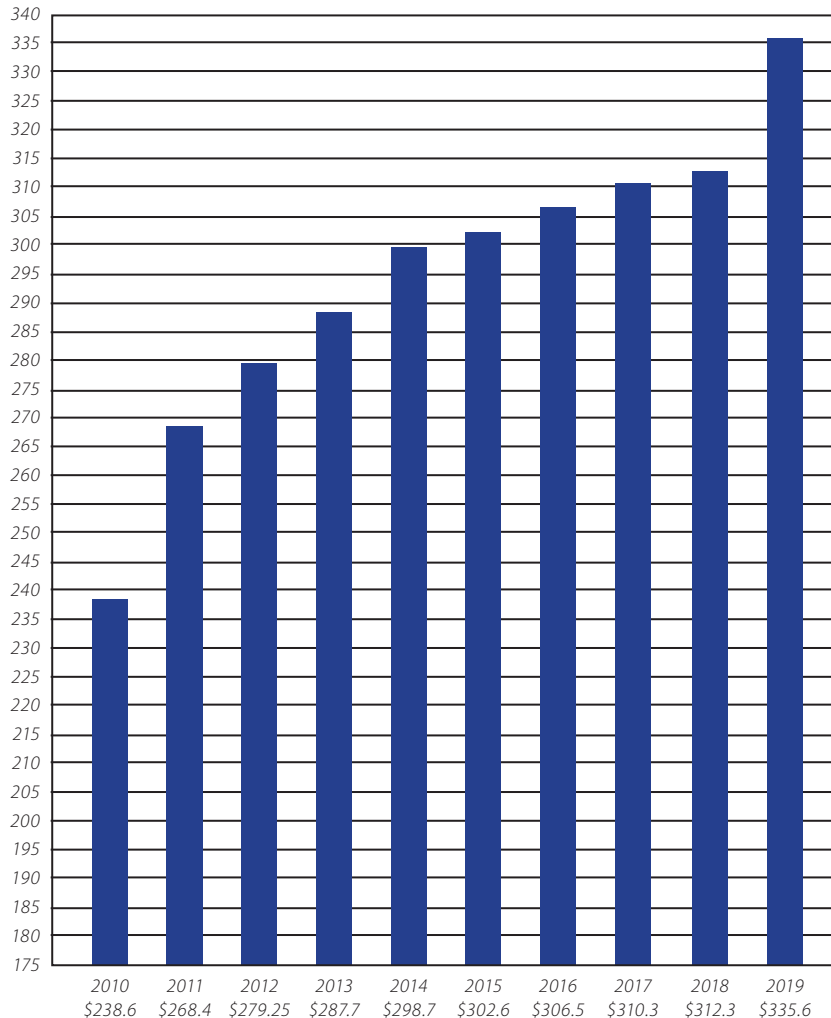
We respectfully submit to the Board of Directors and the members of the Credit Union that the financial condition of TVA Community Credit Union is as stated in the financial report, and within the scope of authority vested in the various offices of the Credit Union. The Credit Union continues to remain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

We commend management and employees for an excellent performance in 2019. 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 in 2020.

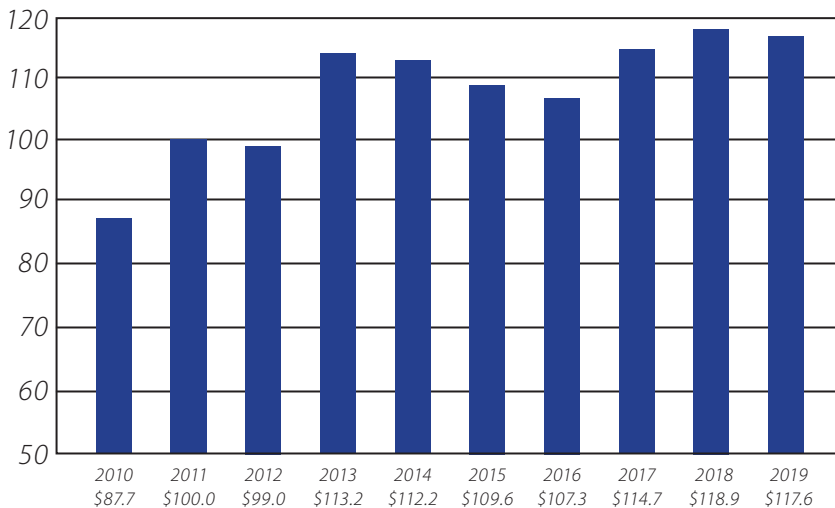
GROWTH IN ASSETS

In Millions

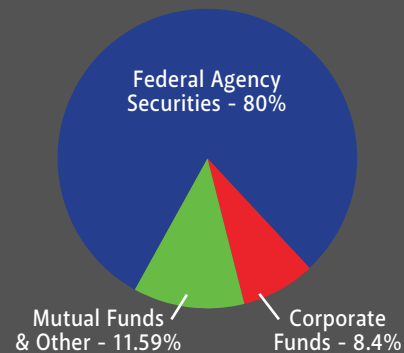


GROWTH IN LOANS

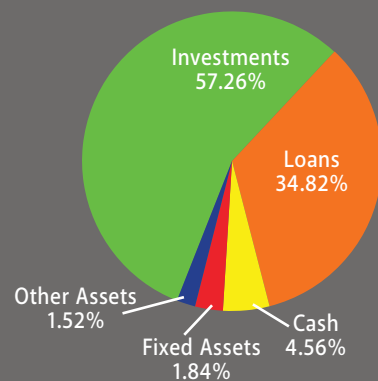
In Millions



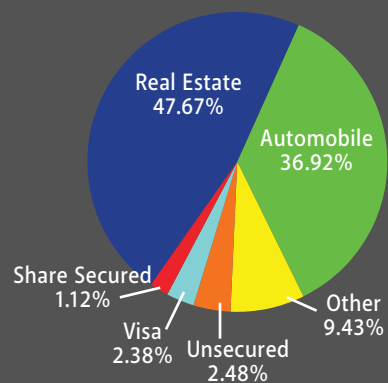
DISTRIBUTION OF INVESTMENTS



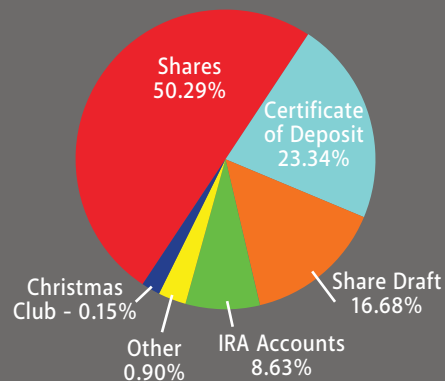
DISTRIBUTION OF ASSETS



DISTRIBUTION OF LOANS



DISTRIBUTION OF DEPOSITS



Comparative Statistics of Interest

	12/31/2018	12/31/2019	Increase or (Decrease)
Net Income from Operations	\$ 4,946,137	\$ 4,921,810	\$ (24,327)
Gain (Loss) on Investments/Assets	\$ 235,414	\$ (15,228)	\$ (250,642)
Non-Operating Gain (Loss)	\$ 0	\$ (13,728)	\$ (13,728)
Gain (Loss) from Prior Period	\$ 0	\$ 0	\$ 0
Transferred to Reserves	\$ 3,718,540	\$ 2,717,433	\$ (1,001,107)
Total Available for Distribution	\$ 5,181,551	\$ 4,892,853	\$ (288,698)
Dividends Paid	\$ 1,463,011	\$ 2,175,420	\$ 712,409
% Dividend Paid on Shares	0.40%	0.40%	0.00%
Volume Loans Made This Year	\$ 51,993,870	\$ 47,184,345	\$ (4,809,525)
Volume Loans Made Since Organization	\$ 1,136,763,829	\$ 1,183,948,174	\$ 47,184,345
Number of Loans Made This Year	2,640	2,582	(58)
Average Loan Amount This Year	\$ 19,695	\$ 18,274	\$ (1,421)
Loan Charged to Reserve	\$ 251,175	\$ 246,542	\$ (4,633)
Loan Charged Off Since Organization	\$ 8,822,669	\$ 9,069,211	\$ 246,542
Number of Share Accounts	18,393	18,744	351
Average Share Account Balance	\$ 7,582	\$ 7,574	\$ (8)
Average Share Draft Account Balance	\$ 4,361	\$ 4,378	\$ 17
Amount Returned to Share Holders Since Organization:			
In Dividends	\$ 82,444,159	\$ 84,619,579	\$ 2,175,420
In Interest Refunds	\$ 633,880	\$ 633,880	\$ 0



Income & Expenses

Income	12/31/2018	12/31/2019	Increase or (Decrease)
Interest on Loans	\$ 5,745,454	\$ 5,998,726	\$ 253,272
Less: Interest on Refunds	\$ 0	\$ 0	\$ 0
Net Interest on Loans	\$ 5,745,454	\$ 5,998,726	\$ 253,272
Income from Investments	\$ 3,536,094	\$ 4,003,865	\$ 467,771
Other Income	\$ 2,873,725	\$ 2,305,621	\$ (568,104)
Total Gross Income	\$ 12,155,273	\$ 12,308,212	\$ 152,939

Expenses	12/31/2018	12/31/2019	Increase or (Decrease)
Compensation	\$ 2,585,453	\$ 2,658,908	\$ 73,455
Employee Benefits	\$ 1,201,320	\$ 1,571,007	\$ 369,687
Travel & Conference Expense	\$ 40,442	\$ 30,447	\$ (9,995)
Association Dues	\$ 42,644	\$ 46,470	\$ 3,826
Office Occupancy Expense	\$ 431,159	\$ 454,189	\$ 23,030
Office Operations Expense	\$ 710,436	\$ 731,210	\$ 20,774
Education & Promotion Expense	\$ 136,912	\$ 137,410	\$ 498
Loan Servicing Expense	\$ 966,785	\$ 1,065,500	\$ 98,715
Professional & Outside Services	\$ 606,677	\$ 571,032	\$ (35,645)
Provision for Loan Loss	\$ 323,510	\$ 223,234	\$ (100,276)
Member Insurance	\$ 139,708	\$ 142,614	\$ 2,906
Operating Fee - NCUA/ACUA	\$ 39,483	\$ 39,707	\$ 224
Misc. Operating Expense	\$ 72,702	\$ 66,866	\$ (5,836)
Total Operating Expense	\$ 7,297,231	\$ 7,738,594	\$ 441,363
Net Income from Operations	\$ 4,858,042	\$ 4,569,618	\$ (288,424)
Net Operating Income after Dividends	\$ 3,395,030	\$ 2,494,199	\$ (900,831)

Standing Out: When you walk through our doors, you will know how important you are to us! It is our goal to not only meet your needs and expectations, but to surpass them in a manner unequaled by any other financial institution.

Financial Condition

Assets	12/31/2018	12/31/2019	Increase or (Decrease)
Loans	\$ 118,209,226	\$ 116,855,327	\$ (1,353,899)
Cash	\$ 4,892,692	\$ 15,289,001	\$ 10,396,309
Investments	\$ 178,832,244	\$ 192,134,323	\$ 13,302,079
Fixed Assets	\$ 5,789,065	\$ 6,183,034	\$ 393,969
All Other Assets	\$ 4,578,832	\$ 5,100,069	\$ 521,237
Total Assets	\$ 312,302,059	\$ 335,561,754	\$ 23,259,695

Liabilities & Capital	12/31/2018	12/31/2019	Increase or (Decrease)
Accounts Payable	\$ 839,656	\$ 1,312,585	\$ 472,929
Shares	\$ 194,837,554	\$ 196,867,120	\$ 2,029,566
Share Certificate	\$ 70,204,749	\$ 85,453,650	\$ 15,248,901
Regular Reserve	\$ 27,640,388	\$ 30,134,588	\$ 2,494,200
Appropriated Undivided Earnings	\$ 23,017,014	\$ 21,735,600	\$ (1,281,414)
Undivided Earnings	\$ 0	\$ 0	\$ 0
Unrealized Gain/Loss on AFS	\$ (4,099,344)	\$ 171,728	\$ 4,271,072
Other Comprehensive Income	\$ (137,958)	\$ (113,517)	\$ 24,441
Total Liabilities & Capital	\$ 312,302,059	\$ 335,561,754	\$ 23,259,695





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