

# ANNUAL REPORT

TWO THOUSAND TWENTY

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## AGENDA

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## LETTER FROM THE CHAIRMAN

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It's been said that we often find our greatest strengths during the times of greatest adversity. 2020 saw this wise saying played out in global proportions. Closer to home, the strengths that have defined our credit union since our beginning provided a framework of unity by which we continue to navigate this unprecedented chapter in our history.

This spirit of unity, of working together for a common goal is a concept that TVACCU understands well; for it is at the heart of who we are as a credit union family. It was this unity and a determination to protect our staff and members that led to quick action on the part of our management and volunteers from the onset of Covid-19. From closing our lobbies to taking every precaution to ensure a safe working environment for our employees, they remained informed and fully prepared to proactively and successfully weather this pandemic.

Although our lobbies were closed for a time, rest assured our initiatives and innovation as a credit union never missed a beat. Product updates and marketing campaigns were rolled out and served to improve not only the well-being of our members, but of our entire community. At the onset of the pandemic, TVACCU sought ways to revitalize our local economy and support our local businesses. ***Shop the Shoals*** was a multi-media campaign designed to strengthen our local economy and keep our community businesses strong in the midst of extreme uncertainty. The campaign met with much success and those efforts will continue to be woven into the fabric of our future credit union endeavors.

Advancements within our mobile sector elevated our members' ability to monitor and control not only their accounts, but also debit and credit cards as well. Our robust on-line and digital platforms experienced numerous advancements resulting in increased functionality and ease of use.

2020 was a year of expansion for TVACCU. The opening of our 10th location on Cloverdale Road in Florence provided a state-of-the-art facility with an expanded area of service for our members. Renovation at our Wilson Dam Road branch was also completed resulting in additional office space as well as improvements to our training facility.

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In 2020, 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 \$378,304,428, a growth rate of 12.74%.

Despite the challenges of 2020, it was also a year of emerging heroes. Many of these heroes are **OUR** heroes. Considered 'essential workers', our credit union employees came to work every day with a commitment and a resolve to be here for our members at every turn. Our Board of Directors, Supervisory Committee, and management were diligent in their efforts to remain on the forefront of the pandemic and make the best possible decisions for the safety of our members and employees.

This year's Annual Meeting theme, 'We're All in This Together', was never more evident than the past year. But our spirit of unity didn't begin with the pandemic; it's a part of who we are as a credit union and will remain an integral part of our core values. It is this unity and our standard of excellence that continues to pave the way for a future of endless possibilities! We're honored to embark on this exciting journey with you – our TVACCU Family!

Respectfully,  
Lewis Frederick, Chairman  
Board of Directors

"If everyone is moving forward  
*together*,  
then success takes care of itself."

- Henry Ford



## BOARD OF DIRECTORS

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**Lewis Frederick**  
*Board of Directors  
Chairman*



**Larry Softley**  
*Board of Directors  
Vice Chairman*



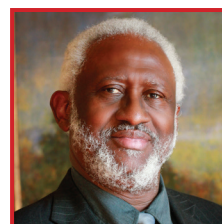
**Frances W. Brown**  
*Board of Directors  
Secretary/Treasurer*



**John Allgood**  
*Board of Directors*



**Tim Cornelius**  
*Board of Directors*



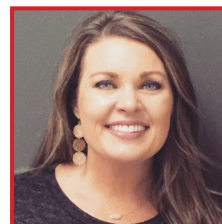
**Claude Eubanks**  
*Board of Directors*



**M.J. Ligon**  
*Board of Directors*



**Joan Marsh**  
*Board of Directors*



**Brandi Shewbart**  
*Board of Directors*

## SUPERVISORY COMMITTEE

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**Jim Green**  
*Supervisory Committee  
Chairman*



**David E. Nichols**  
*Supervisory Committee*



**John Soileau**  
*Supervisory Committee*

## EXECUTIVE MANAGEMENT

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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

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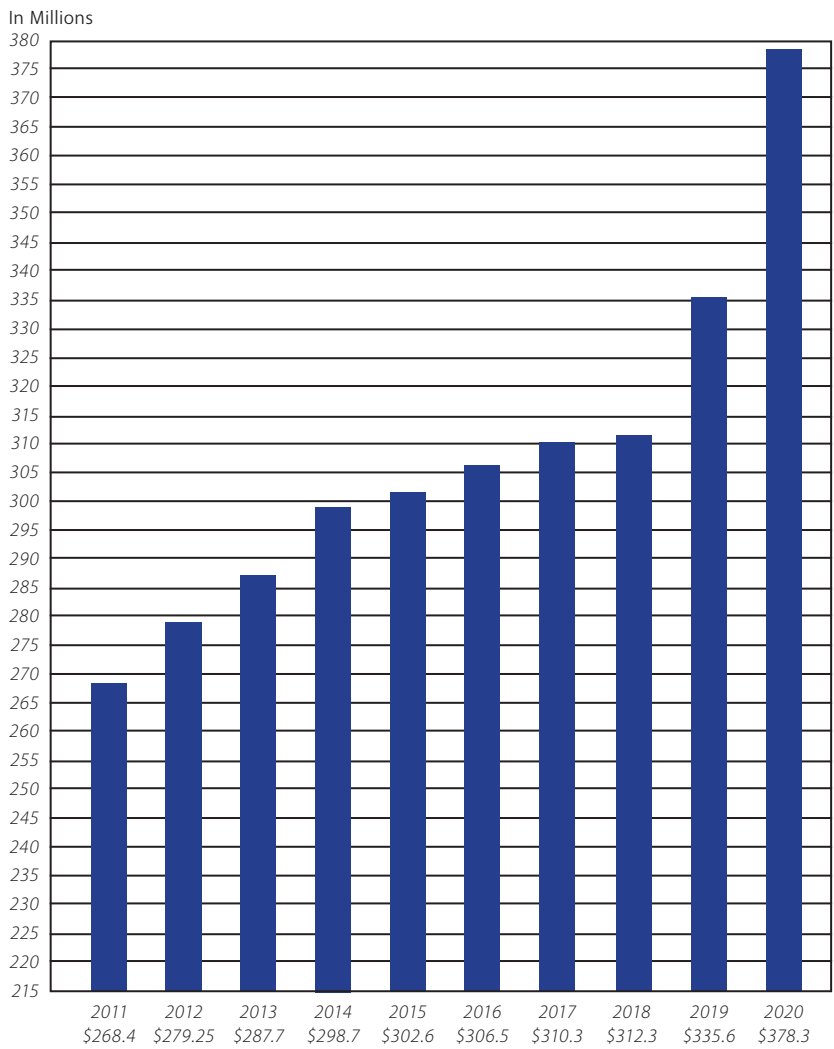
As part of its responsibilities, the Supervisory Committee of TVA Community Credit Union engaged CUACG, a firm specifically set up to audit credit unions and ensure their compliance, to perform a comprehensive examination of the financial statements for 2020. Operational and financial activities were 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.

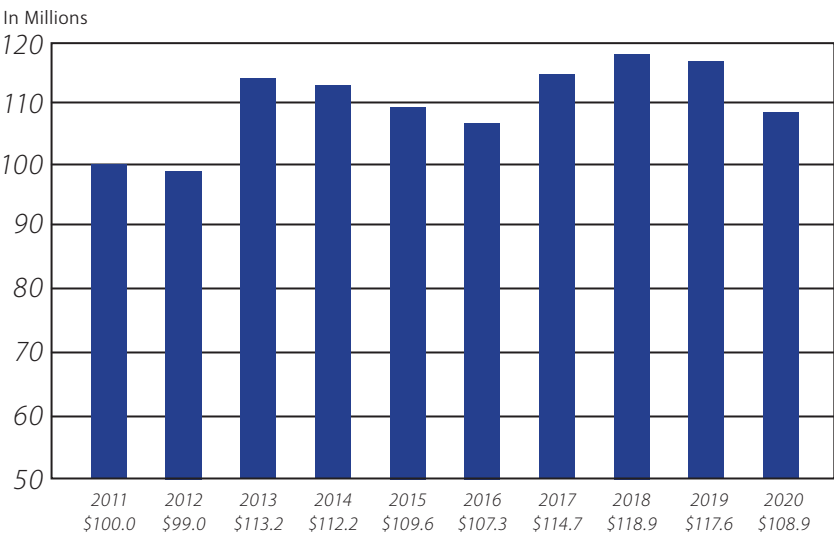
We commend management and employees for an excellent performance in 2020. Our committee could not function efficiently without the cooperation and hard work of the Board of Directors, officers, and employees of the Credit Union.

We look forward to serving you in 2021.

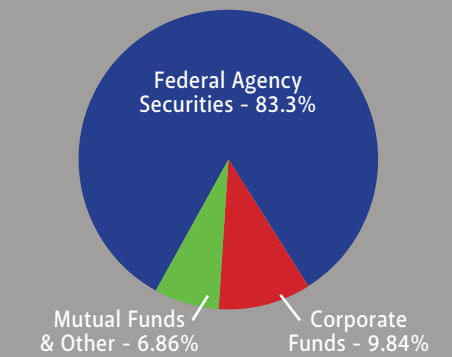
## GROWTH IN ASSETS



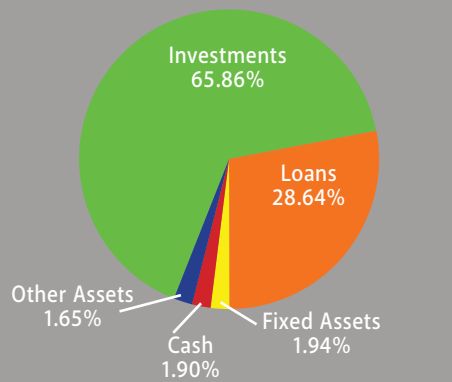
## GROWTH IN LOANS



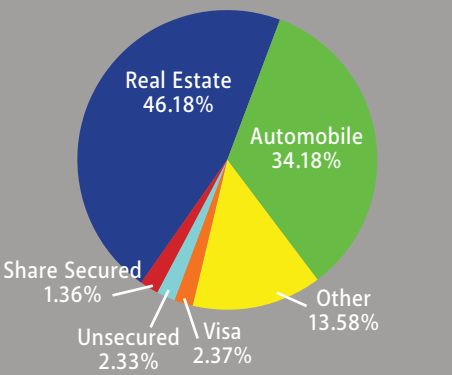
## DISTRIBUTION OF INVESTMENTS



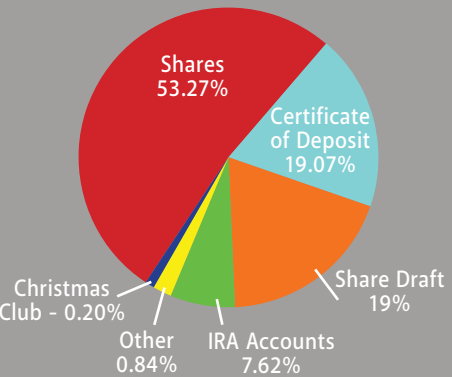
## DISTRIBUTION OF ASSETS



## DISTRIBUTION OF LOANS



## DISTRIBUTION OF DEPOSITS





# COMPARATIVE STATISTICS OF INTEREST

	12/31/2019	12/31/2020	Increase or (Decrease)
Net Income from Operations	\$ 4,921,810	\$ 4,338,785	\$ (583,025)
Gain (Loss) on Investments/Assets	\$ (15,228)	\$ 445,354	\$ 460,582
Non-Operating Gain (Loss)	\$ (13,728)	\$ (23,788)	\$ (10,060)
Gain (Loss) from Prior Period	\$ 0	\$ 0	\$ 0
Transferred to Reserves	\$ 2,717,433	\$ 2,749,604	\$ 32,171
Total Available for Distribution	\$ 4,892,853	\$ 4,760,352	\$ (132,501)
Dividends Paid	\$ 2,175,420	\$ 2,010,748	\$ (164,672)
% Dividend Paid on Shares	0.40%	0.20%	(0.20%)
Volume Loans Made This Year	\$ 47,184,345	\$ 45,980,630	\$ (1,203,715)
Volume Loans Made Since Organization	\$ 1,183,948,174	\$ 1,229,928,804	\$ 45,980,630
Number of Loans Made This Year	2,582	2,085	(497)
Average Loan Amount This Year	\$ 18,274	\$ 22,053	\$ 3,779
Loan Charged to Reserve	\$ 246,542	\$ 161,532	\$ (85,010)
Loan Charged Off Since Organization	\$ 9,069,211	\$ 9,230,743	\$ 161,532
Number of Share Accounts	18,744	18,887	143
Average Share Account Balance	\$ 7,574	\$ 9,074	\$ 1500
Average Share Draft Account Balance	\$ 4,378	\$ 5,596	\$ 1,218
Amount Returned to Share Holders Since Organization:			
In Dividends	\$ 84,619,579	\$ 86,630,327	\$ 2,010,748
In Interest Refunds	\$ 633,880	\$ 633,880	\$ 0



## INCOME & EXPENSES

INCOME	12/31/2019	12/31/2020	Increase or (Decrease)
Interest on Loans	\$ 5,998,726	\$ 5,835,572	\$ (163,154)
Less: Interest on Refunds	\$ 0	\$ 0	\$ 0
Net Interest on Loans	\$ 5,998,726	\$ 5,835,572	\$ (163,154)
Income from Investments	\$ 4,003,865	\$ 3,699,550	\$ (304,315)
Other Income	\$ 2,405,621	\$ 2,435,821	\$ 30,200
Total Gross Income	\$ 12,408,212	\$ 11,970,943	\$ (437,269)
EXPENSES	12/31/2019	12/31/2020	Increase or (Decrease)
Compensation	\$ 2,658,908	\$ 2,618,867	\$ (40,041)
Employee Benefits	\$ 1,571,007	\$ 1,404,063	\$ (166,944)
Travel & Conference Expense	\$ 30,447	\$ 1,397	\$ (29,050)
Association Dues	\$ 46,470	\$ 45,086	\$ (1,384)
Office Occupancy Expense	\$ 454,189	\$ 474,952	\$ 20,763
Office Operations Expense	\$ 731,210	\$ 829,040	\$ 97,830
Education & Promotion Expense	\$ 137,410	\$ 127,341	\$ (10,069)
Loan Servicing Expense	\$ 1,065,500	\$ 841,052	\$ (224,448)
Professional & Outside Services	\$ 571,032	\$ 604,014	\$ 32,982
Provision for Loan Loss	\$ 223,234	\$ 21,889	\$ (201,345)
Member Insurance	\$ 142,614	\$ 145,151	\$ 2,537
Operating Fee - NCUA/ACUA	\$ 39,707	\$ 42,265	\$ 2,558
Misc. Operating Expense	\$ 66,866	\$ 77,364	\$ 10,498
<b>Total Operating Expense</b>	\$ 7,738,594	\$ 7,232,481	\$ (506,113)
<b>Net Income from Operations</b>	\$ 4,669,618	\$ 4,738,462	\$ 68,844
<b>Net Operating Income after Dividends</b>	\$ 2,494,199	\$ 2,727,715	\$ 233,516

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 unequalled by any other financial institution.

# FINANCIAL CONDITION

ASSETS	12/31/2019	12/31/2020	Increase or (Decrease)
Loans	\$ 116,855,327	\$ 108,351,174	\$ (8,504,153)
Cash	\$ 15,289,001	\$ 7,204,423	\$ (8,084,578)
Investments	\$ 192,134,323	\$ 249,160,946	\$ 57,026,623
Fixed Assets	\$ 6,183,034	\$ 7,333,412	\$ 1,150,378
All Other Assets	\$ 5,100,069	\$ 6,254,473	\$ 1,154,404
Total Assets	\$ 335,561,754	\$ 378,304,428	\$ 42,742,674

LIABILITIES & CAPITAL	12/31/2019	12/31/2020	Increase or (Decrease)
Accounts Payable	\$ 1,312,585	\$ 1,995,447	\$ 682,862
Shares	\$ 196,867,120	\$ 240,761,495	\$ 43,894,375
Share Certificate	\$ 85,453,650	\$ 80,973,255	\$ (4,480,395)
Regular Reserve	\$ 30,134,588	\$ 32,862,303	\$ 2,727,715
Appropriated Undivided Earnings	\$ 21,735,600	\$ 21,735,600	\$ 0
Undivided Earnings	\$ 0	\$ 0	\$ 0
Unrealized Gain/Loss on AFS	\$ 171,728	\$ 354,216	\$ 182,488
Other Comprehensive Income	\$ (113,517)	\$ (377,888)	\$ (264,371)
Total Liabilities & Capital	\$ 335,561,754	\$ 378,304,428	\$ 42,742,674





[www.tvaccu.com](http://www.tvaccu.com)