



STRENGTH IN MEMBERS

2021 ANNUAL REPORT



WE'RE PROUD TO BE EVERYBODY'S CREDIT UNION.

Founded in 1936, our credit union held the distinction of being known as Alabama's oldest federally chartered credit union. Muscle Shoals TVA Employees Federal Credit Union, as we were known in those days, was first housed in the TVA Administrative Building in Muscle Shoals. In 2006, our Board of Directors moved to change from a federally chartered credit union to a state chartered credit union. This allowed us to expand our membership to cover the seven North Alabama counties of Colbert, Lauderdale, Limestone, Marshall, Morgan, Lawrence and Franklin.

In 2021 TVACCU celebrated our 85th Anniversary. We are proud of our rich heritage and we celebrate the many changes that have made us who we are today. But our most exciting view is definitely that of our future. Technological advances afford us a unique opportunity to meet members' needs like never before. Our continuing commitment to unsurpassed service coupled with technology-based convenience makes TVA Community Credit Union truly a unique find in today's financial world.

(888) 274-2128 (256) 386-3000

www.tvaccu.com

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LETTER FROM THE CHAIRMAN

Dear Fellow Members,

It is my distinct honor to present our TVACCU 2021 Annual Report. In doing so, I represent a team of volunteers and employees who have pulled together diligently to maintain our standard of service excellence despite often unprecedented circumstances throughout the past two years. The past two years have led to hardships for many of our friends and neighbors; many people lost loved ones, lost their jobs, were isolated from family and friends, and had to adapt to virtual and online communication.

As we emerge from these challenges, we all have the opportunity to decide how we want to move forward. **We** choose to move forward with *optimism*! This optimism is fueled by a concentrated team effort and the dedication each TVACCU employee brings to their job daily. They are a major component of our credit union's continued success! Our teamwork and expertise have allowed us to be prepared for the unexpected challenges of the past two years. It gave us opportunities to reevaluate how best to serve you despite the global challenges affecting our world.

A defining moment of 2021 for TVACCU came when we were awarded **Best Member Experience** by MemberXP, a platform designed to gauge point-of-service member experience. For us, this was a major benchmark for success; an indicator that even in the midst of challenging times, our members felt our sincere commitment and dedication to their satisfaction and well-being. This standard of service excellence also manifested itself in the form of across the board enhancements to our digital and e-Services platforms. An increase in digital services usage that began at the height of the pandemic has continued. Our membership continues to embrace the convenience and efficiency that our ever-expanding e-Services bring.

2021 was also a year of tremendous growth for TVACCU. Assets increased by over \$37 million to \$415 million by year's end. Our Net Worth Ratio remained strong at an industry leading 13.77%, which is almost double the amount needed to be considered "well capitalized" by the National Credit Union Administration. Our membership grew to 19,106 members and we were able to loan over \$52 million to our members for the year.

As we look to the future, *optimism* will continue to be our watchword. We will continue to invest in the tools, technologies and channels our members need to reach their goals. Together these enhanced capabilities offer an exciting opportunity for our members to have an easier and more personalized experience than ever before. Our optimistic view

STRENGTH IN MEMBERS

of the future finds its basis in the dedication and determination of our TVACCU Employee Family and our Volunteers. Our Board of Directors and Supervisory Committee are volunteers. They are not chosen by how much money they have or how much they invested in TVACCU. They serve because they have sincere passion for improving the lives of our members. These volunteers are elected by you, our members. Their expansive knowledge and experience is a key component in the successful framework of our credit union.

This year's Annual Meeting theme, '*Strength in Members*', sums up the very heart of TVACCU; 86 years worth of members working together to carve out a successful life. A credit union that began as "one filing cabinet behind Oscar Flatt's desk" at TVA, has grown into a financial institution where members can manage their finances in-person at their favorite branch or from across the globe. We take great pride in our history; for it is our history that has made us who we are today. Who we are today is a credit union who measures its success by the success and satisfaction of our members. TVACCU will continue to walk side-by-side with you, along every step of your financial journey with a spirit of hope and optimism as we look forward to serving you and generations of your family to come!

Respectfully,

Lewis Frederick

Chairman, Board of Directors
TVA Community Credit Union

“**STRENGTH**

doesn't come from what you can do.

It comes from overcoming the things
you once thought you couldn't.”

-Rikki Rogers



BOARD OF DIRECTORS



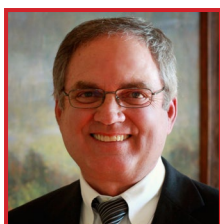
Lewis Frederick
*Board of Directors
Chairman*



Larry Softley
*Board of Directors
Vice Chairman*



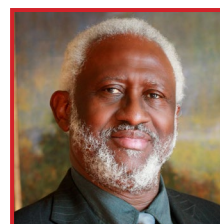
Frances W. Brown
*Board of Directors
Secretary/Treasurer*



John Allgood
Board of Directors



Tim Cornelius
Board of Directors



Claude Eubanks
Board of Directors



Jim Green
Board of Directors



M.J. Ligon
Board of Directors



Joan Marsh
Board of Directors

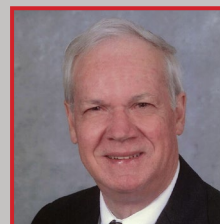
SUPERVISORY COMMITTEE



David E. Nichols
*Supervisory Committee
Chairman*

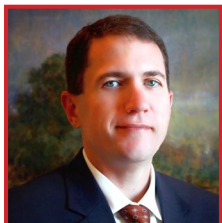


Cameron Kay
Supervisory Committee



John Soileau
Supervisory Committee

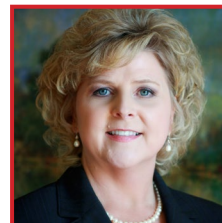
EXECUTIVE MANAGEMENT



Sammy Clements
Interim President/CEO



Sherry Vaughn
CFO



Tammie Aday
VP/Senior Loan Officer



Alyssa Ashley
Marketing Director



Amy McCormack
VP Lending Services

SUPERVISORY COMMITTEE REPORT

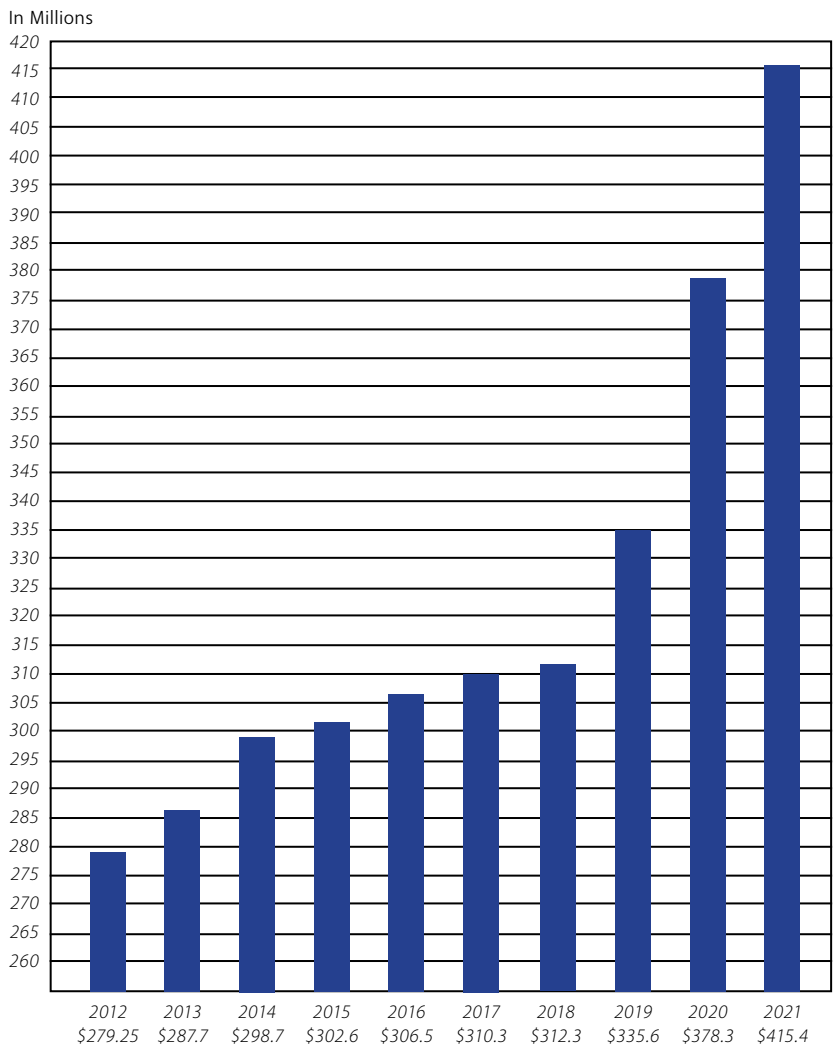
As part of its responsibilities, the Supervisory Committee of TVA Community Credit Union engaged CUACG, a firm specifically set up to audit credit unions and ensure their compliance, to perform a comprehensive examination of the financial statements for 2021. Operational and financial activities were 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.

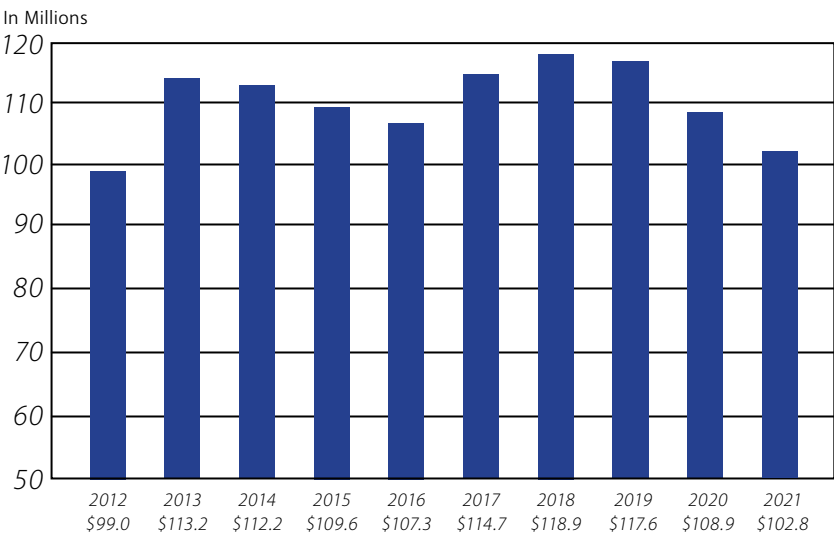
We commend management and employees for an excellent performance in 2021. Our committee could not function efficiently without the cooperation and hard work of the Board of Directors, officers, and employees of the Credit Union.

We look forward to serving you in 2022.

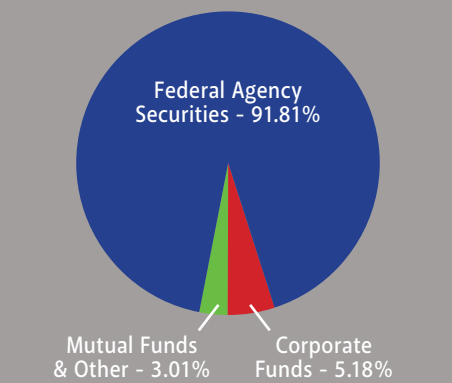
GROWTH IN ASSETS



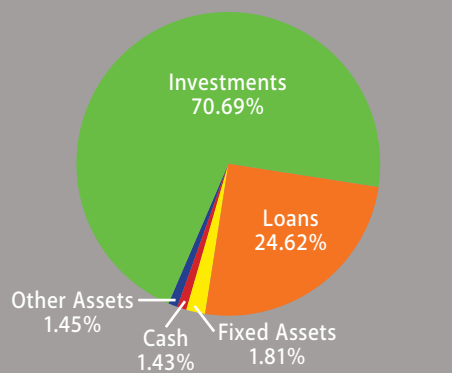
GROWTH IN LOANS



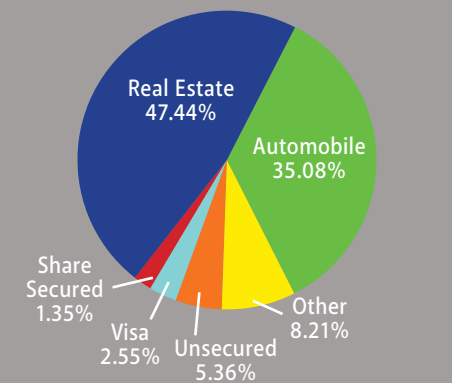
DISTRIBUTION OF INVESTMENTS



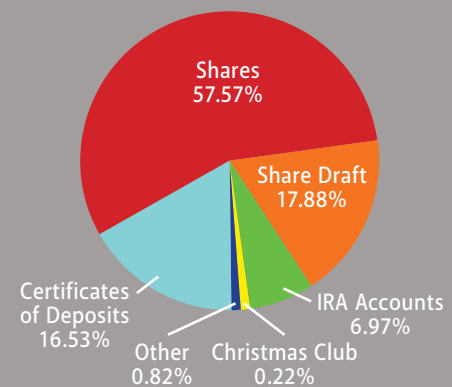
DISTRIBUTION OF ASSETS



DISTRIBUTION OF LOANS



DISTRIBUTION OF DEPOSITS



COMPARATIVE STATISTICS OF INTEREST

| | 12/31/2020 | 12/31/2021 | Increase or (Decrease) |
|--|------------------|------------------|------------------------|
| Net Income from Operations | \$ 4,338,785 | \$ 3,438,524 | \$ (900,261) |
| Gain (Loss) on Investments/Assets | \$ 445,354 | \$ 782,036 | \$ 336,682 |
| Non-Operating Gain (Loss) | \$ (23,788) | \$ 31,637 | \$ 55,425 |
| Gain (Loss) from Prior Period | \$ 0 | \$ 0 | \$ 0 |
| Transferred to Reserves | \$ 2,749,604 | \$ 2,592,354 | \$ (157,250) |
| Total Available for Distribution | \$ 4,760,352 | \$ 4,188,924 | \$ (571,428) |
| Dividends Paid | \$ 2,010,748 | \$ 1,596,570 | \$ (414,178) |
| % Dividend Paid on Shares | 0.20% | 0.20% | 0.00% |
| Volume Loans Made This Year | \$ 45,980,630 | \$ 52,849,574 | \$ 6,868,944 |
| Volume Loans Made Since Organization | \$ 1,229,928,804 | \$ 1,282,778,377 | \$ 52,849,573 |
| Number of Loans Made This Year | 2,085 | 2,167 | 82 |
| Average Loan Amount This Year | \$ 22,053 | \$ 24,388 | \$ 2,335 |
| Loan Charged to Reserve | \$ 161,532 | \$ 100,321 | \$ (61,211) |
| Loan Charged Off Since Organization | \$ 9,230,743 | \$ 9,331,064 | \$ 100,321 |
| Number of Share Accounts | 18,887 | 19,107 | 220 |
| Average Share Account Balance | \$ 9,074 | \$ 10,879 | \$ 1,805 |
| Average Share Draft Account Balance | \$ 5,596 | \$ 5,774 | \$ 178 |
| Amount Returned to Share Holders Since Organization: | | | |
| In Dividends | \$ 86,630,327 | \$ 88,226,897 | \$ 1,596,570 |
| In Interest Refunds | \$ 633,880 | \$ 633,880 | \$ 0 |



INCOME & EXPENSES

| INCOME | 12/31/2020 | 12/31/2021 | Increase or (Decrease) |
|---------------------------|---------------|---------------|------------------------|
| Interest on Loans | \$ 5,835,572 | \$ 5,245,557 | \$ (590,015) |
| Less: Interest on Refunds | \$ 0 | \$ 0 | \$ 0 |
| Net Interest on Loans | \$ 5,835,572 | \$ 5,245,557 | \$ (590,015) |
| Income from Investments | \$ 3,699,550 | \$ 3,152,301 | \$ (547,249) |
| Other Income | \$ 2,435,821 | \$ 2,766,843 | \$ 331,022 |
| Total Gross Income | \$ 11,970,943 | \$ 11,164,701 | \$ (806,242) |

| EXPENSES | 12/31/2020 | 12/31/2021 | Increase or (Decrease) |
|---|---------------------|---------------------|------------------------|
| Compensation | \$ 2,618,867 | \$ 2,630,671 | \$ 11,804 |
| Employee Benefits | \$ 1,404,063 | \$ 1,368,218 | \$ (35,845) |
| Travel & Conference Expense | \$ 1,397 | \$ 5,690 | \$ 4,293 |
| Association Dues | \$ 45,086 | \$ 47,316 | \$ 2,230 |
| Office Occupancy Expense | \$ 474,952 | \$ 545,701 | \$ 70,749 |
| Office Operations Expense | \$ 829,040 | \$ 746,970 | \$ (82,070) |
| Education & Promotion Expense | \$ 127,341 | \$ 100,336 | \$ (27,005) |
| Loan Servicing Expense | \$ 841,052 | \$ 760,627 | \$ (80,425) |
| Professional & Outside Services | \$ 604,014 | \$ 531,643 | \$ (72,371) |
| Provision for Loan Loss | \$ 21,889 | \$ 13,202 | \$ (8,687) |
| Member Insurance | \$ 145,151 | \$ 147,863 | \$ 2,712 |
| Operating Fee - NCUA/ACUA | \$ 42,265 | \$ 46,963 | \$ 4,698 |
| Misc. Operating Expense | \$ 77,364 | \$ 43,779 | \$ (33,585) |
| Total Operating Expense | \$ 7,232,481 | \$ 6,988,979 | \$ (243,502) |
| Net Income from Operations | \$ 4,738,462 | \$ 4,175,722 | \$ (562,740) |
| Net Operating Income after Dividends | \$ 2,727,715 | \$ 2,579,152 | \$ (148,563) |

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 | 12/31/2020 | 12/31/2021 | Increase or (Decrease) |
|------------------|----------------|----------------|------------------------|
| Loans | \$ 108,351,174 | \$ 102,270,135 | \$ (6,081,039) |
| Cash | \$ 7,204,423 | \$ 5,923,097 | \$ (1,281,326) |
| Investments | \$ 249,160,946 | \$ 293,613,483 | \$ 44,452,537 |
| Fixed Assets | \$ 7,333,412 | \$ 7,525,797 | \$ 192,385 |
| All Other Assets | \$ 6,254,473 | \$ 6,017,786 | \$ (236,687) |
| Total Assets | \$ 378,304,428 | \$ 415,350,299 | \$ 37,045,871 |

| LIABILITIES & CAPITAL | 12/31/2020 | 12/31/2021 | Increase or (Decrease) |
|---------------------------------|----------------|----------------|------------------------|
| Accounts Payable | \$ 1,995,447 | \$ 1,903,942 | \$ (91,505) |
| Shares | \$ 240,761,495 | \$ 282,279,513 | \$ 41,518,018 |
| Share Certificate | \$ 80,973,255 | \$ 78,777,096 | \$ (2,196,159) |
| Regular Reserve | \$ 32,862,303 | \$ 35,441,455 | \$ 2,579,152 |
| Appropriated Undivided Earnings | \$ 21,735,600 | \$ 21,735,600 | \$ 0 |
| Undivided Earnings | \$ 0 | \$ 0 | \$ 0 |
| Unrealized Gain/Loss on AFS | \$ 354,216 | \$ (4,518,268) | \$ (4,872,484) |
| Other Comprehensive Income | \$ (377,888) | \$ (269,038) | \$ 108,850 |
| Total Liabilities & Capital | \$ 378,304,428 | \$ 415,350,299 | \$ 37,045,871 |





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