



# 2016

## ANNUAL REPORT



**COMMUNITY STRONG | TENNESSEE PROUD | SINCE 1950**



THE TENNESSEE CREDIT UNION  
Federally Insured by NCUA

# CHAIRMAN'S REPORT

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One of the most important jobs of the Board of Directors is to ensure that members of The Tennessee Credit Union have access to quality products and services and our members' best interests are considered in every decision. We are proud to report that 2016 was another strong year for the Credit Union in achieving these objectives.

Several important initiatives were undertaken. We announced our intent to expand our footprint with a new branch in the Bellevue/Belle Meade area (west of Nashville). We created a centralized call center to improve service to members and we transitioned CuCorp, Inc., our wholly owned mortgage subsidiary, into the parent organization to achieve synergies in back office operations.

***"We are proud of our heritage and are excited about the future."***

TTCU provides services to 23,798 members and 62,982 accounts. Members are demanding more of us – better online tools, more services available 24x7, and knowledgeable interactions with our staff. We hold ourselves accountable for delivering professional, courteous and responsive service every day and for providing a safe and secure place for members to save, borrow and grow financially.

TTCU has come a long way in 66 years. We are proud of our heritage and are excited about the future. Thank you for continuing to make The Tennessee Credit Union your financial institution of choice.

On behalf of our Board Members and staff, we thank you for your membership and loyalty.



**Ted R. Potter**  
Chairman

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## CREDIT UNION OFFICIALS

### **BOARD OF DIRECTORS**

Ted R. Potter, Chairman  
James C. Hall, Vice Chairman  
H. Woodward Pigg, Jr., Treasurer  
Sara T. Tune, Secretary  
Dr. James E. Barrick  
Chris M. Henson  
Edith P. Jordan  
Gerald W. Martin  
Betty Jo Reed

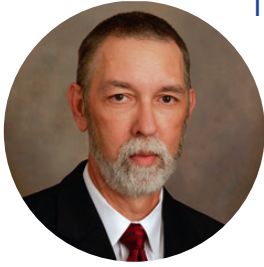
### **PRESIDENT/CEO**

Michael D. Martin

### **AUDIT COMMITTEE**

Shannon Dahlgren, Chairman  
Donnie Cardwell  
Robert Churchwell, Jr.  
Kathy Wood-Dobbins

# PRESIDENT'S REPORT



The Tennessee Credit Union remains committed to the simple principles of its founding as a member-owned, not-for-profit financial institution that exists to serve the diverse financial needs of its members. We continually strive to provide superior service and deliver value through the products we offer.

Members looking for loans found us to be a top choice — not only for great rates, but for convenience and efficient service. We grew our loan portfolio by more than \$7 million net at year end. Total assets exceeded \$306 million – growth of 4.69% or \$13.7 million. We grew Net Worth 1.42% to \$28.48 million. We increased membership, added nearly 900 Kasasa® checking accounts, and launched a special program, Restart checking, to help members rebuild their credit history.

***“There can be no compromise when it comes to the importance of member satisfaction.”***

We took a comprehensive look at what members needed and we ensured the tools enhanced the security and convenience of the banking experience. From adding Apple Pay, Samsung Pay and Android Pay, to EMV™ chip-enabled credit and debit cards, our goal was to provide layers of security for card transactions to better deter fraud. Operationally, we implemented a new member-centric software system to help our staff more efficiently access account data and complete transactions.

There can be no compromise when it comes to the importance of member satisfaction. That’s why we began an annual member survey in April, mailed on the anniversary month of joining TTCU. To date, our scores have been highly favorable with a 97% satisfaction rating for quality of services provided and nearly 94% indicating they would recommend TTCU to family and friends.

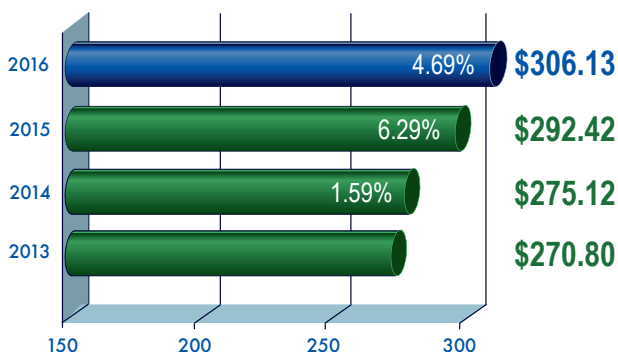
A strong commitment to community and education is a guiding principle of ours. We celebrated the 7th year of our partnership with Antioch High School and our TTCU Academy of Business and Finance, including a new program where students achieved certification as CUNA Credit Union Financial Counselors. We participated in more than 200 educational and community events, including hosting a welcome reception at our Main Branch for Dr. Shawn Joseph (new MNPS Director of Schools), continuing Cheekwood’s Scholastic Art Competition sponsorship, supporting the PENCIL Foundation, and conducting seminars on budget balance, insurance planning, and financial fitness.

We are proud of what we have accomplished and will continue to expand our services to meet our members’ changing financial needs. We thank our loyal members, our exceptional employees and our dedicated Board of Directors who helped make 2016 another year of progress for the Credit Union.

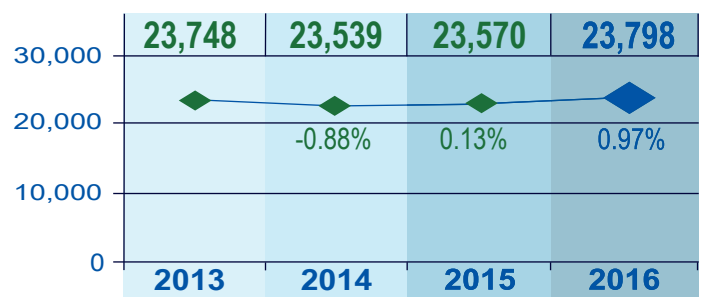
TTCU has been community strong and Tennessee proud since 1950. We look forward to a bright future ahead.

**Michael D. Martin, President/CEO**

## ASSET GROWTH (IN MILLIONS)



## MEMBERSHIP GROWTH



# REPORT OF THE AUDIT COMMITTEE

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The Tennessee Department of Financial Institutions conducts an annual examination of your Credit Union. The Audit Committee and the Board of Directors reviews the findings and recommendations of the examination. An independent auditing firm audits your Credit Union annually. The reports showed the Credit Union is functioning in a safe and sound manner and providing affordable and secure financial services to our members.

**Shannon Dahlgren**  
Chairman of the Audit Committee

# REPORT OF THE NOMINATING COMMITTEE

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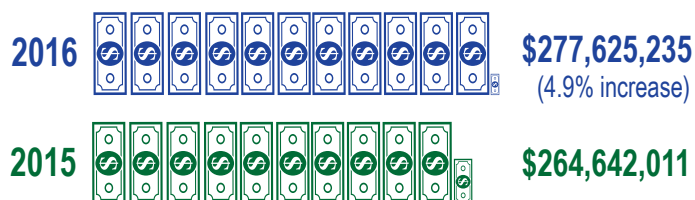
The Nominating Committee for 2016, composed of H. Woodard Pigg, Jr., Sara T. Tune, and chaired by Edith P. Jordan met on November 22, 2016. At that time, the following were nominated to the Board of Directors:

- Ted R. Potter
- James C. Hall
- Chris M. Henson

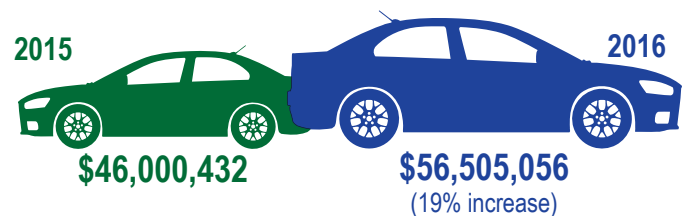
In accordance with the by-laws, instructions for the submission of nominees by petition were distributed via postcard in February 2017.

**Edith Jordan**  
Chairman of the Nominating Committee

## DEPOSIT BALANCE GROWTH



## AUTO LOAN PORTFOLIO





# STATEMENT OF CONDITION (UNAUDITED)

Comparative

<b>ASSETS</b>	<b>2016</b> (As of December 31)	<b>2015</b> (As of December 31)
Cash & Investments	\$ 152,467,578	\$ 148,455,968
Loans to Members, net	\$ 137,412,220	\$ 130,189,727
Property and Equipment, net	\$ 7,199,710	\$ 6,800,629
Other Assets	\$ 9,052,102	\$ 6,974,752
<b>TOTAL ASSETS</b>	<b>\$ 306,131,610</b>	<b>\$ 292,421,076</b>

## LIABILITIES AND MEMBERS' EQUITY

Accrued Expenses & Other Liabilities	\$ 2,303,769	\$ 2,089,124
Share Accounts	\$ 277,625,235	\$ 264,642,011
Equity & Reserves	\$ 26,202,606	\$ 25,689,941
<b>TOTAL LIABILITIES AND MEMBERS' EQUITY</b>	<b>\$ 306,131,610</b>	<b>\$ 292,421,076</b>

## INCOME

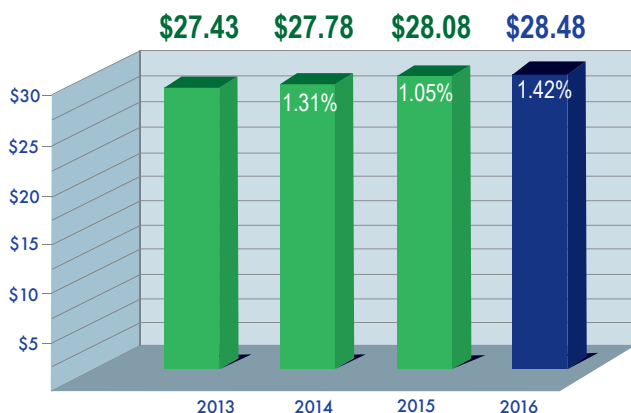
Loan Income	\$ 6,184,474	\$ 6,408,000
Income from Investments	\$ 1,330,188	\$ 1,058,591
Other Income	\$ 3,320,191	\$ 3,332,920
<b>TOTAL INCOME</b>	<b>\$ 10,834,853</b>	<b>\$ 10,799,511</b>

## OPERATING EXPENSES

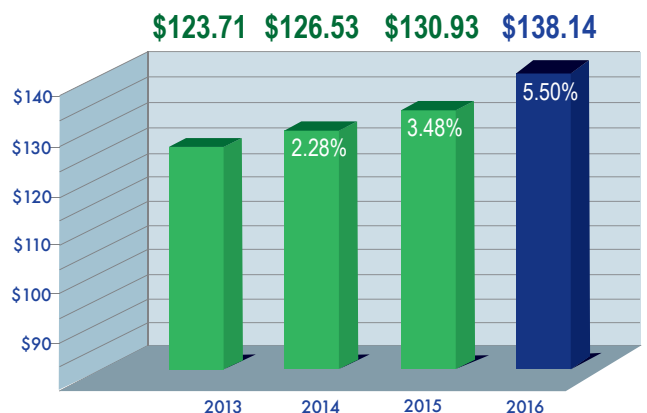
Salaries & Benefits	\$ 4,122,759	\$ 4,144,701
Total Other Operating Expenses	\$ 4,956,377	\$ 4,924,374
Provision for Loan Losses	\$ 458,248	\$ 590,856
Dividends Paid to Members	\$ 898,506	\$ 847,519
<b>TOTAL OPERATING EXPENSES</b>	<b>\$ 10,435,890</b>	<b>\$ 10,507,450</b>

Investment Gains (Losses)	\$ -	\$ -
<b>NET INCOME (LOSS) BEFORE NCUA ASSESSMENTS</b>	<b>\$ 398,963</b>	<b>\$ 292,061</b>
NCUA ASSESSMENT (Expense)	\$ -	\$ -
<b>NET INCOME</b>	<b>\$ 398,963</b>	<b>\$ 292,061</b>

## NET WORTH (IN MILLIONS)



## CONSOLIDATED LOAN GROWTH (IN MILLIONS)



# 2016 FACTOIDS



106,109 Views on Facebook  
60 Posts



831 Followers on Twitter  
120 Tweets



224 Community and Education Events



23,545 Opens/Reads - News & Press on website (66 articles)



26,595 Opens/Reads - Financial Topics & Tips on website (36 articles)

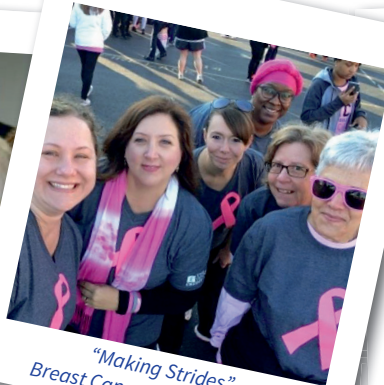


13,170 Email Subscribers

## COMMUNITY ACTIVITIES & EVENTS



Dr. Joseph, new MNPS Director  
Welcome Reception, Nashville



"Making Strides"  
Breast Cancer Walk, Nashville



"Pay It Forward" event  
Johnson City



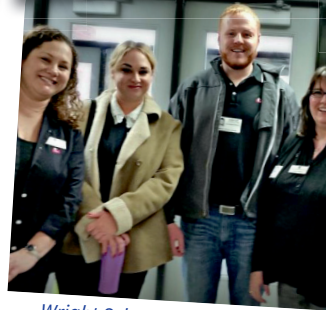
Barktoberfest  
Franklin/Cool Springs



Budget Balance Seminar  
Gallatin



Strawberry Festival  
Morristown



Wright School Winter Carnival  
Nashville



Miracle Jeans Day - \$3,237.66 Raised  
for Children's Miracle Network

## LOCATIONS

### MAIN BRANCH

1400 Eighth Ave. South  
Nashville, TN 37203

### WHITE BRIDGE ROAD

107 White Bridge Road  
Nashville, TN 37209

### COOKEVILLE

1281 S. Walnut Avenue  
Cookeville, TN 38501

### JOHNSON CITY/SUNSET

310 Sunset Drive  
Johnson City, TN 37604

### COOL SPRINGS

1809 Mallory Lane  
Brentwood, TN 37027

### WEBSITE

TTCU.org

### RIVERGATE

917 Rivergate Parkway  
Goodlettsville, TN 37072

### GALLATIN

716 Nashville Pike  
Gallatin, TN 37066

### KNOXVILLE

10431 Kingston Pike  
Knoxville, TN 37922

### E.T.S.U.

P.O. Box 23112  
D.P. Culp University Center  
Johnson City, TN 37614

### MORRISTOWN

2755 W. Andrew  
Johnson Hwy.  
Morristown, TN 37814

### EXPRESS CALL

(800) 338-1904

### MEMBER SERVICES

(800) 622-2535

