UPPER CUMBERLAND FEDERAL CREDIT UNION Mortgages • Auto Loans • Checking & Savings

ANNUAL REPORT FOR YEAR 2022

When We Learn, We Bloom

Comparing Year-End 2021 to Year-End 2022

Sue Tollett - Treasurer

Deposits increased during Year 2022 by \$7.53 million while total assets increased by \$9.58 million. The average savings balance per member is \$12,614 and the average loan balance per member is \$7,359. Outstanding loan balances increased by \$2.12 million with the largest growth in used auto loans.

Your credit union continues to experience minimal loan losses and delinquencies. Due to conservative underwriting standards and efficient loss control practices, loan charge-offs are considerably less than peer averages. Loan delinquency was almost non-existent at year end due to members faithfully keeping their loans current (0.13%). Net Worth to Assets has consistently been in the 8% - 9% range for over a decade during rapid growth and is currently 8.44% due to the excessive deposit growth during Year 2022.

Your credit union can only succeed when members unite their finances for the betterment of their credit union community. Please encourage your family, friends, and neighbors to consider UCFCU for all their financial services.





Teacher Convocation





Title Sponsor of the UC Bigfoot Festival



Upper Cumberland FCU - Statement of Financial Condition

	 12/31/2021	12/31/2022
Total Loans	\$ 65,306,855	\$ 67,427,083
Allowance for Loan and Lease Loss	\$ (625,513)	\$ (580,905)
Net Loans Outstanding	\$ 64,681,342	\$ 66,846,178
Non-Interest Earning Cash	\$ 2,980,423	\$ 2,864,176
Total Investments	\$ 36,764,707	\$ 43,922,123
Prepaid & Deferred Expenses	\$ 101,577	\$ 259,548
Fixed Assets (Net of Depreciation)	\$ 3,348,461	\$ 3,367,199
NCUSIF	\$ 937,928	\$ 1,052,153
All Other Assets	\$ 160,435	\$ 246,976
TOTAL ASSETS	\$ 108,974,873	\$ 118,558,353
Accounts Payable	\$ 1,197,045	\$ 1,866,358
Dividends Payable	\$ 240	\$ 284
All Other Liabilities	\$ 486,615	\$ 838,928
TOTAL LIABILITIES	\$ 1,683,900	\$ 2,705,570
TOTAL SHARES	\$ 98,319,453	\$ 105,846,225
Regular Reserve	\$ 3,000,000	\$ 3,000,000
Undivided Earnings	\$ 5,971,521	\$ 7,006,557
TOTAL EQUITY	\$ 107,290,974	\$ 115,852,783
TOTAL LIABILITIES AND EQUITY	\$ 108,974,874	\$ 118,558,353

Upper Cumberland FCU - Statement of Income

	12/31/2021		12/31/2022	
Net Loan Income	\$ 3,143,594	\$	3,317,586	
Total Investment Income	\$ 177,745	\$	463,435	
Total Interest Income	\$ 3,321,339	\$	3,781,021	
Interest on Deposits	\$ (64,490)	\$	(318,422)	
Net Interest Income	\$ 3,256,849	\$	3,462,599	
Provision for Loan Loss Expense	\$ (105,000)	\$	(63,002)	
Net Interest Income after Provisions	\$ 3,151,849	\$	3,399,597	
Total Operating Expenses	\$ 3,772,149	\$	3,965,583	
Fees & Charges	\$ 1,235,362	\$	1,401,522	
Other Income	\$ 174,205	\$	191,520	
Total Other Operating Income	\$ 1,409,567	\$	1,593,042	
(Gain)/ Loss on Sale of Assets	\$ (133,085)	\$	(7,981)	
Net Income	\$ 922,352	\$	1,035,037	

Chairman's Report Tony Brock - Chairman

UCFCU has been serving the financial needs of its members since 1935 and our goal is to be our members' primary financial institution. Credit unions are different from other financial institutions by operating as a non-profit financial cooperative. Unlike a bank, we are mutually owned and governed by the members we serve. Our guiding principle of "People Helping People" translates to a level of personal service our members will not experience anywhere else.

We are member-focused and service oriented. We want to offer members only the products and services that will address their individual financial needs. We want to help our members recognize the possibilities of how to best manage their hard-earned money to provide a more stable financial future for members and their family. Your credit union will work hard to provide various choices in how you can conduct your financial business at UCFCU.

During Year 2022 the mobile banking app was converted to a new and improved version. The feedback from members that are utilizing the new app are very positive. The credit union will continue to invest in products that help to improve our members mobile banking experience.

The nominating committee has nominated Mike Allen, Tony Brock, Nancy Hyder, and Sue Tollett for expiring board member terms. The credit union annual meeting and election will be held at 5:00 P.M., on Tuesday, March 28, 2023 at the Cumberland County Community Complex (fairgrounds) located at 1398 Livingston Rd., Crossville, TN.

Supervisory Committee Report

Donald Threet - Supervisory Chairman

In accordance with current regulations, your Upper Cumberland Federal Credit Union management, policies, procedures, and financial operations are subject to a periodic federal examination by National Credit Union Administration (NCUA). A supervisory audit is conducted on an annual basis by a CPA firm hired by the supervisory committee. There are also quarterly inspections by the CPA firm.

An annual supervisory audit was conducted as of June 30, 2022 by the firm of CU Audit and Compliance Group, Certified Public Accountants. The last regulatory examination was performed as of March 31, 2021 by NCUA to review credit union operations, policies, and management. I am pleased to report that the supervisory audit and the NCUA federal examination showed the credit union to be in sound and stable financial condition. These examinations and audits revealed the credit union to be operating very well, both financially and administratively.







Minutes of the March 29, 2022 Annual Meeting Nancy Hyder - Secretary

The 87th annual meeting of the members of Upper Cumberland Federal Credit Union was held at the Cumberland County Community Complex in Crossville, Tennessee on Tuesday, March 29, 2022, at 5:00 PM.

The meeting was called to order by Chairman, Tony Brock who read to the assembled members the call for meeting which outlined the business to be presented. A quorum was certified present by Secretary, Nancy Hyder. Since a quorum was present, Director Tony Brock declared the meeting officially open for business.

Chairman Tony Brock welcomed credit union members and stated that copies of the annual report were available at all branch locations, website, and were located on the tables for members to review.

Supervisory Chairman, Donald Threet addressed the credit union membership concerning the supervisory audit that was performed as of June 30, 2021. Tony Brock then asked for a motion that the minutes and the annual report be accepted as reported. The motion was made, seconded, and passed.

Tony Brock explained to the membership that the nominating committee (Leslie Goss, Jerry Swafford, and Sue Taylor) had nominated three people for the board of directors and the following people were elected by acclamation:

Thom Hassler, Herschel Murner, and Jay Wood

Chairman, Tony Brock announced the winners of the Employee of the Quarter for 2021 and then announced that the UCFCU Employee of the Year Award went to Mary Reagan.

Chief Executive Officer, Denise Cooper, announced that Melissa Hedgecoth had received the Distinguished Service Award in recognition of outstanding leadership during 2021. Melissa was also awarded one day off with pay during 2022.

A total of \$1,500 was awarded in door prizes in \$50 and \$100 amounts. Then, Tony Brock officially asked for a motion to dismiss the meeting. Motion was made, seconded, and passed. There being no further business, the annual meeting adjourned.



CONTACT US

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Together We Grow

