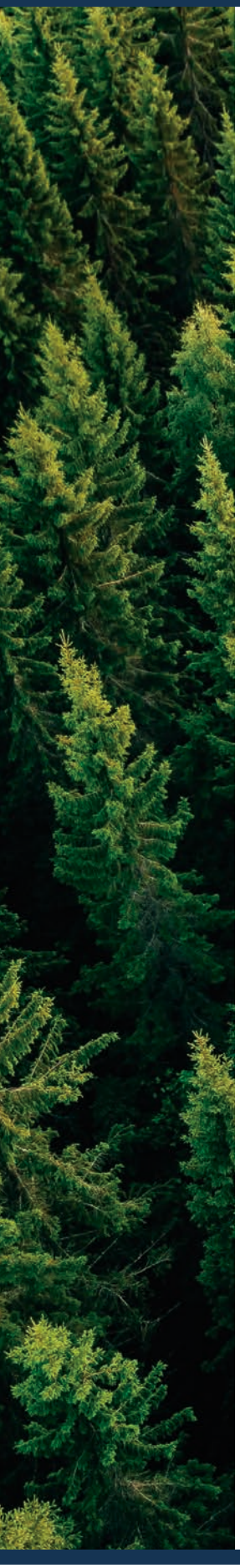
UPPER CUMBERLAND
FEDERAL CREDIT UNION
Mortgages • Auto Loans • Checking & Savings

Annual Report For Year 2021



Comparing Year-End 2020 to Year-End 2021

Sue Tollett - Treasurer

Year 2021 brought unique challenges to members and to UCFCU. Deposits increased significantly during Year 2021 by $12.91 million (15.12% increase) and total assets increased by $12.34 million (12.78% increase).

Outstanding loan balances increased by $5.86 million (9.86% increase) with the largest growth in auto loans. Your credit union loan staff set new records by approving 4,137 loans while also loaning $34.98 million to credit union members.

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 at year end was 0.04% and net charge-offs was 0.11%. Net Worth to Assets is currently 8.23% and Return on Assets is 0.90% due to the excessive deposit growth during Year 2021.

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.

Upper Cumberland FCU - Statement of Financial Condition

	12/31/2020	12/31/2021	$ Variance	% Variance
Total Loans	59,447,138	65,306,855	5,859,717	9.86
Allowance for Loan & Lease Loss	(589,724)	(625,513)	(35,789)	6.07
Net Loans Outstanding	58,857,414	64,681,343	5,823,929	9.89
Non-Interest Earning Cash/Deposits	2,756,079	2,980,423	224,344	8.14
Total Investments	30,513,229	36,764,707	6,251,478	20.49
Prepaid & Deferred Expenses	95,598	101,577	5,979	6.25
Fixed Assets (Net of Depreciation)	3,458,223	3,348,461	(109,761)	-3.17
NCUSIF	788,630	937,928	149,298	18.93
All Other Assets	160,718	160,435	(283)	-0.18
TOTAL ASSETS	96,629,891	108,974,874	12,344,983	12.78
Accounts Payable	2,897,241	1,197,045	(1,700,195)	-58.68
Dividends Payable	315	240	(76)	-23.93
All Other Liabilities	274,831	486,615	211,783	77.06
TOTAL LIABILITIES	3,172,388	1,683,900	(1,488,488)	-46.92
TOTAL SHARES	85,408,334	98,319,453	12,911,119	15.12
Regular Reserve	3,000,000	3,000,000		0.00
Undividend Earnings	5,049,169	5,971,521	922,352	18.27
TOTAL EQUITY	93,457,503	107,290,974	13,833,471	14.80
TOTAL LIABILITIES & EQUITY	96,629,891	108,974,874	12,344,983	12.78

Upper Cumberland FCU - Statement of Income

	12/31/2020	12/31/2021	$ Variance	% Variance
Total Loan Income	2,944,934	3,143,594	198,660	6.75
Net Loan Income	2,944,934	3,143,594	198,660	6.75
Total Investment Income	329,975	177,745	(152,230)	-46.13
Total Interest Income	3,274,909	3,321,339	46,430	1.42
Interest on Deposits	176,719	64,490	(112,229)	-63.51
Interest On Borrowed Money	318		(318)	0.00
Total Interest Expense	177,037	64,490	(112,547)	-63.57
Net Interest Income	3,097,872	3,256,849	158,977	5.13
Provision For Loan Loss Expense	383,160	105,000	(278,160)	-72.60
Net Interest Income after Provisions	2,714,712	3,151,849	437,137	16.10
Salaries	1,229,852	1,321,225	91,373	7.43
Employee Benefits	291,366	321,125	29,759	10.21
Travel & Conference	26,611	31,292	4,681	17.59
Association Dues	13,832	15,645	1,814	13.11
Office Occupancy	149,344	132,282	(17,062)	-11.42
Office Operations	278,237	301,122	22,885	8.23
Education & Marketing	72,032	84,964	12,932	17.95
Loan Servicing	211,436	266,329	54,893	25.96
Outside Services	796,331	1,099,557	303,226	38.08
Examination Fees	20,358	18,099	(2,260)	-11.10
Cash Over/Short	(1,283)	(1,076)	208	-16.20
Annual Meeting	1,860	486	(1,374)	-73.87
Misc. Operating Exp.	30,200	32,231	2,031	6.72
Depreciation Expense-Building & Leas.	106,556	63,326	(43,230)	-40.57
Depreciation Expense-Furniture, Fixt.	92,618	85,542	(7,076)	-7.64
Total Operating Expenses	3,319,348	3,772,149	452,801	13.64
Fees & Charges	1,066,372	1,235,362	168,990	15.85
Other Income	143,242	174,205	30,962	21.62
Total Other Operating Income	1,209,614	1,409,567	199,953	16.53
(Gain) / Loss on Sale Of Assets	(225)	(133,085)	(132,860)	59,048.69
Total Non-Operating Income	(225)	(133,085)	(132,860)	59,048.69
Net Income	605,203	922,352	317,149	52.40

$720.00 to Restoring Hope

$250.00 to YAI Boys' Track Team

Chairman's Report

Tony Brock - Chairman

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.

UCFCU has been member-focused and service oriented since 1935. We strive to offer members the products and services that will address their everchanging financial needs choices to 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. Your board of directors are excited to announce members will see enhancements to home banking, mobile banking, and mobile deposit after UCFCU converts to other vendors in October 2022.

The nominating committee has nominated Thom Hassler, Herschel Murner, and Jay Wood for expiring board member terms. The credit union annual meeting and election will be held at 5:00 P.M., on Tuesday, March 29, 2022, at the Cumberland County Community Complex (Fairgrounds).

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, 2021, by the firm of CU Audit and Compliance Group, Certified Public Accountants. A regulatory examination was also performed as of the quarter ending 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.

$800.00 to Clarkrange JROTC

$1500.00 to Phoenix School

Minutes of the March 30, 2021 Annual Meeting

Nancy Hyder - Secretary

The 86th annual meeting of the members of Upper Cumberland Federal Credit Union was held by teleconference in Crossville, Tennessee on Tuesday, March 30, 2021 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.

Tony Brock asked for Secretary, Nancy Hyder to read the minutes from last year's annual meeting since the meeting was held by teleconference. Note: Paper copies of the annual report were available at all branch locations and had also been posted on the UCFCU website for several weeks. Tony Brock then asked for Treasurer, Sue Tollett to discuss a financial summary for year 2020.

Evan Irwin, Auditor for the CPA firm (CU Audit and Compliance Group) addressed the credit union membership concerning the supervisory audit that was performed as of June 30, 2020. Once Evan was finished talking, 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 four people for the board of directors and the following people were elected by acclamation:

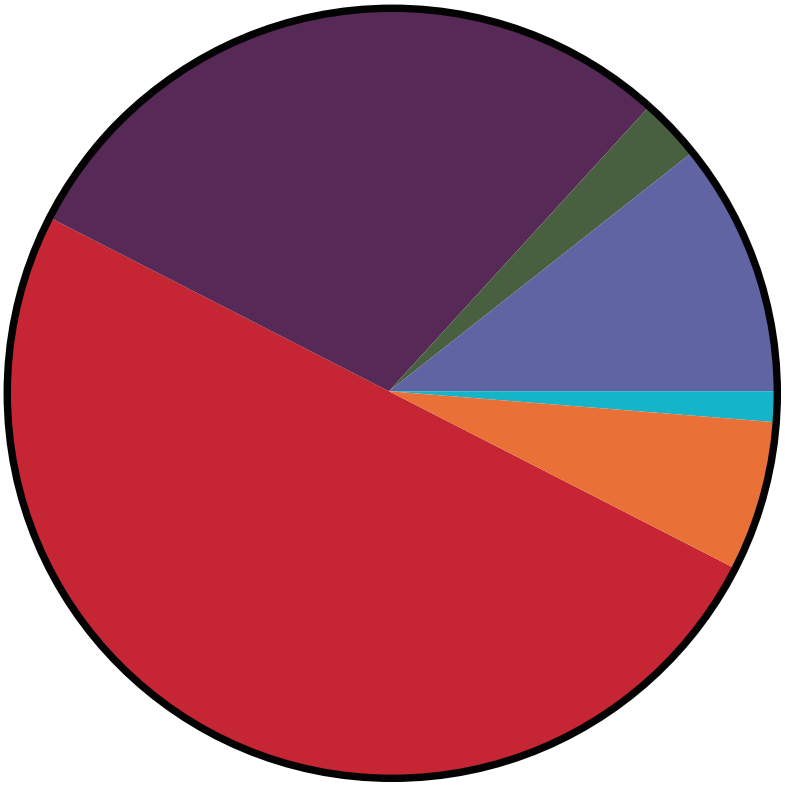
Tony Brock, Nancy Hyder, Linkous Keen, and Sue Tollett

Chairman, Tony Brock announced the winners of the Employee of the Quarter for 2020 and then announced that the UCFCU Employee of the Year Award went to Miranda Sherrill.

Chief Executive Officer, Denise Cooper, announced that Kayla Edwards had received the Distinguished Service Award in recognition of outstanding leadership during 2020. Kayla was also awarded one day off with pay during 2021.

Tony Brock asked for a motion to dismiss the meeting. Motion was made, seconded, and passed. There being no further business, the annual meeting adjourned.

Loan Composition



Source: Callahan & Associates

CONTACT US

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CLARKRANGE, TN 38553

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9 SOUTH BEND DRIVE
CROSSVILLE, TN 38555

COOKEVILLE BRANCH
228 E. BROAD ST.
SUITE 110
COOKEVILLE, TN 38501

EQUAL HOUSING LENDER

Together We Grow

Your savings federally insured to at least $250,000 and backed by the full faith and credit of the United States Government
NCUA
National Credit Union Administration, a U.S. Government Agency