

STATEMENT OF OPERATIONS

INCOME	2022	2023	OPERATING EXPENSES (CONTINUED)	2022	2023
Income From Loans	\$118,345,199.91	\$163,299,151.43	Member Insurance	\$6,051.37	\$15,151.75
Other Operating Income	\$26,822,274.93	\$44,292,296.00	State Supervision Fees	\$478,982.19	\$489,999.93
Investment Income	\$4,901,332.51	\$13,239,505.89	Cash Over & Short	(\$25,495.05)	(\$20,891.15)
Fee Income	\$21,156,619.85	\$19,224,826.94	Operating Losses	\$913,196.81	\$2,085,969.79
Gross Income	\$171,225,427.20	\$240,055,780.26	Interest on Borrowed Money	\$2,492,233.59	\$5,674,493.00
			Annual Meeting Expenses	\$64,387.27	\$40,185.40
OPERATING EXPENSES			Miscellaneous Operating Expenses	\$257,271.46	\$343,946.52
Compensation	\$34,133,550.65	\$38,630,646.56	Total Operating Expense	\$100,828,955.50	\$122,948,886.33
Employee Benefits	\$16,857,113.52	\$18,287,997.22			
Travel & Conference	\$218,792.32	\$288,432.54	NON-OPERATING EXPENSES		
Association Dues	\$206,975.47	\$225,830.96	Other Non-Operating Inc/Exp	\$243,816.68	(\$90,094.29)
Office Occupancy Expenses	\$3,695,587.78	\$3,769,775.82	Gain/Loss on Investments	\$0.00	(\$121,942.13)
Office Operation Expenses	\$23,670,078.32	\$27,094,170.11	Gain/Loss on Disposal of Fixed Assets	\$4,516.63	\$384,913.43
Educational & Promotional	\$2,777,343.86	\$3,426,452.99	Dividend Expense-Certificates	\$10,056,112.71	\$39,337,811.04
Loan Service Expenses	\$3,569,007.56	\$3,694,013.85	Dividend Expense-Other Share Accounts	\$8,146,711.48	\$14,024,459.79
Credit Loss Expense	\$4,464,729.74	\$10,784,568.09	Dividend Expense-Regular Shares	\$1,322,670.66	\$1,271,232.10
Professional & Outside Service	\$6,013,410.44	\$7,001,653.46	Total Non-Operating Expenses	\$19,773,828.16	\$54,806,379.94
Data Processing	\$393,975.66	\$380,327.95	Total Expense	\$120,602,783.66	\$177,755,266.27
ATM Expenses	\$641,762.54	\$736,161.54	Net Income	\$50,622,643.54	\$62,300,513.99

STATEMENT OF FINANCIAL CONDITIONS

ASSETS	2022	2023	LIABILITIES AND EQUITY	2022	2023
LOANS			LIABILITIES/NET WORTH		
Loans to Members	\$3,270,987,501.38	\$3,530,401,958.35	Notes Payable	\$203,768,256.80	\$178,970,531.01
Credit Cards	\$85,768,140.34	\$101,126,271.93	Accounts Payable	\$24,302,303.36	\$23,649,750.50
Total Loans	\$3,356,755,641.72	\$3,631,528,230.28	Dividends Payable	\$0.00	\$0.00
Allowance for Credit Losses	(\$7,500,720.34)	(\$19,962,848.00)	Unapplied Data Processing	\$21,365,411.21	\$31,387,941.60
Net Loans Outstanding	\$3,349,254,921.38	\$3,611,565,382.28	Other Liabilities	\$706,067.28	\$3,113,786.58
CASH			Total Liabilities	\$250,142,038.65	\$237,122,009.69
Cash	\$54,651,147.49	\$57,135,038.61	DEPOSITS		
Total Cash	\$54,651,147.49	\$57,135,038.61	Regular Shares	\$824,621,769.31	\$734,005,859.27
INVESTMENTS			Share Drafts	\$884,056,844.17	\$800,763,648.32
U.S. Government Obligations	\$0.00	\$0.00	IRA's	\$76,533,839.01	\$65,135,792.95
Federal Agency Securities	\$13,495,480.05	\$13,850,280.00	Investment Certificates	\$736,127,202.70	\$1,373,340,002.09
Corp Deposit	\$128,794,723.99	\$123,899,825.73	Other Shares	\$729,545,520.58	\$694,434,267.21
Other Investments	\$158,556,014.14	\$342,146,310.66	Total Savings	\$3,250,885,175.77	\$3,667,679,569.84
Insurance Fund Deposit	\$29,461,918.24	\$32,310,130.78	RESERVES		
Mutual Funds	\$0.00	\$0.00	Regular Reserves	\$167,837,782.08	\$181,893,074.08
Total Investments	\$330,308,136.42	\$512,206,547.17	Other Comprehensive Income	(\$9,231,250.00)	(\$5,299,308.00)
Allowance for Investment Losses	\$0.00	\$0.00	Other Reserves	\$0.00	\$0.00
Net Investments	\$330,308,136.42	\$512,206,547.17	Accumulated Gain/Loss AFS	(\$504,519.95)	(\$149,720.00)
OTHER ASSETS			Undivided Earnings	\$133,531,300.78	\$155,809,499.42
Land and Buildings	\$85,544,427.21	\$90,729,997.66	Total Reserves	\$291,633,312.91	\$332,253,545.50
Furniture, Fixtures, and Equipment (Net)	\$5,674,701.49	\$5,492,317.49	Total Equity	\$3,542,518,488.68	\$3,999,933,115.34
Other Assets	\$17,849,836.88	\$22,226,355.81	Net Income	\$50,622,643.54	\$62,300,513.99
Total Other Assets	\$109,068,965.58	\$118,448,670.96	Required Reserves	\$0.00	\$0.00
Total Assets	\$3,843,283,170.87	\$4,299,355,639.02	Net Income YTD	\$50,622,643.54	\$62,300,513.99
			Total Liabilities and Equity	\$3,843,283,170.87	\$4,299,355,639.02

ANNUAL REPORT

— 2023 —



REPORT TO THE MEMBERSHIP

This year, 2024, marks the 90th Anniversary of Knoxville TVA Employees Credit Union. In 1934, the Credit Union was founded under the "People Helping People" philosophy. Today, it is still the Credit Union's fundamental truth and guiding principle. From what started with 300 Members in 1934, the Credit Union now serves 275,896 Members with \$3,667,679,570 in deposits and \$3,631,528,230 in loans.

Chartered in 1934 to serve the employees and families of the Tennessee Valley Authority, the Credit Union initially offered basic saving and borrowing services. Throughout the years, the Credit Union expanded its services and field of Membership to include Blount, Jefferson, Hamblen, Knox, Loudon, Roane, Sevier, Sullivan counties, and Johnson City.

Together, we weathered depressions, recessions, pandemics, and inflation. Through these challenging times, the Credit Union thrived, allowing us to become the third-largest credit union in Tennessee.

Throughout 2023 and into the future, we remain focused on enhancing the financial well-being of our Members and their families. As we navigate the economic challenges ahead, we are very thankful for our "People Helping People" philosophy, a philosophy instilled in our daily operations by our Credit Union founders and our leadership today. Our focus has always been, and will always be, on our Members and providing them the best financial services possible.

Our Credit Union's mission is to help our Members grow financially. Even though this past year has been challenging with inflation and elevated interest rates, our Credit Union commitment has never wavered. We remain focused on Members and helping to navigate through these difficult times.

Here are some highlights from last year:

- Membership is 275,896
- Assets reached \$4,299,355,639, an increase of 11.87%
- Loans disbursed were \$1,581,984,862
- The Northshore Branch opened in January 2023, giving our Members 24 full-service locations
- The Call Center answered 714,030 calls and 1,087,124 inquiries and transactions were completed through Smart Teller – our automated phone service
- More than 156,000 users logged into online banking, completing more than 12.3 million transactions
- More than 58.3 million visits to our website
- There were 494,293 deposits, equaling \$257.3 million, made using the mobile app
- Members were paid \$2,299,306 in uChoose Rewards for using our debit and credit cards
- Savvy Money, the credit score tool within online banking and the mobile app, increased to 96,457 users, with 54% of those users improving their credit score
- Members conducted over 12 million transactions at our branches

These numbers represent the trust you place in us, and we are truly grateful for the opportunity to be your financial partner. The success of the Credit Union is measured by the success of our Members, and your Credit Union is successful because of you—our Members!

At Knoxville TVA Employees Credit Union, we believe in being part of

something bigger than ourselves. Our philosophy of People Helping People goes beyond the branch as we work to support public schools, improve financial literacy, and serve our communities. We are committed to the lives and communities we serve.

Here are some community events we participated in throughout 2023:

- Alzheimer's of Tennessee
- Blount County Special Olympics
- Blountville Library Back to School Kids Day
- Blue Plum Festival
- BOO at the Zoo
- Boys & Girls Club
- Christmas Parades
- Community Health Fairs
- Concerts & Movies on the Square Downtown
- Dog Days Riverfest
- ETSU Welcome Week
- Farragut Chamber Business Expo
- Grainger Co Tomato Festival
- High School Career Fairs
- Home Shows – Knoxville and Morristown
- International Food Festival
- Jefferson County Fair
- Knoxville Boat Show
- Knoxville Marathon Expo
- Lakeside of the Smokies Balloon Fest
- Military Night with the Johnson City Doughboys
- Mission of Hope Christmas Barrel Drive
- Mobile Meals
- Morristown Chamber Business Expo
- Morristown Parks & Rec Events
- News Sentinel Auto Show
- Night to Shine
- Nurses Night Out
- Powell Special Olympics
- Random Acts of Flowers
- Rossini Festival
- Second Harvest
- Foodbank—packing food for kids
- Shred Day
- Star Wars Night-Smokies Game
- Taste of Loudon
- Taste of Morristown
- Teacher's Night Out
- Two Bikes
- UT Bobblehead Night - Smokies Game
- UT Student Engagement
- Various school and college events
- WATE Women's Spectacular
- West Town Mall Special Events

Through our Simply Smart Foundation for Education, we awarded financial grants to every public high school within our service areas to help fund projects and enhance educational initiatives for our youth.

You voted the Credit Union as Best of Knoxville 2023 for:



Best Credit Union	Best Eco-Friendly/Green Business
Best Mortgage Company	Best Overall Leadership
Best Place to Work	Best Financial Planning Services
Best Broker	

In addition, the Credit Union was certified as a "Great Place to Work" through a survey of our employees.

We attribute the Credit Union's success to our employees' hard work and commitment to providing exceptional service to our Members. We focus daily on putting Members first and delivering the best, most convenient, friendly service.

We also acknowledge the volunteers who serve on our Board of Directors and Supervisory Committee and want to thank them for their time and dedication.

Together, we are working for the benefit of our Members and our East Tennessee community.

The Credit Union remains a secure source of financial services. We have adapted to changing technologies and are well-positioned to serve your financial needs now and in the future. No matter where you are on your financial journey, we want to help you achieve your goals and dreams.

Thank you for allowing the Credit Union to serve you. On behalf of the Employees, Board of Directors, and Supervisory Committee, thank you for your continued support. We look forward to serving your financial needs in the future.

Tom Heffernan
Chairperson of the Board

Lynn Summers
President and CEO

TREASURER'S REPORT

As we look back over the last 89 years, the Credit Union has faced many economic challenges since its chartering in 1934. Each challenge has prepared us for the next and helped us position the Credit Union to continue serving Members' financial needs regardless of the economic conditions. I am pleased to report our Credit Union continues to grow due to our mission of "Helping Members Grow Financially." In 2023, we experienced another great year of excellent financial performance.

2023 Highlights

- Assets reached almost \$4.3 billion, a 11.87% increase
- Deposits grew by 12.82%, an increase of \$416.7 million
- Loans outstanding reached \$3.6 billion, an increase of \$274.7 million

In addition to this growth, the Credit Union remains well-capitalized at 9.30%.

Steve Hillenbrand
Treasurer

SUPERVISORY COMMITTEE REPORT

It is the responsibility of the Supervisory Committee to ensure the Credit Union is meeting Members' financial needs and is financially safe and sound.

The Supervisory Committee meets regularly to examine reports, ensuring Members' assets are secure and safe. The Supervisory Committee monitors:

- The financial safety and soundness of the Credit Union internal controls
- Credit Union records and ensures they are maintained properly and accurately
- Service to Members is accurate and fair
- Adherence to Board Approved policies and compliance with applicable rules, regulations, and accounting and auditing standards
- Risks that may affect the Credit Union

A key component of the Credit Union's internal control is the internal auditing team. The Internal Auditors meet with the Supervisory Committee bi-monthly to review internal and external audit reports, risk assessments, and internal control policies.

Independent auditors, examiners from the State of Tennessee Department of Financial Institutions, and the National Credit Union Administration (NCUA) annually scrutinize Credit Union statements and records.

The Supervisory Committee is pleased to report the financial condition of the Knoxville TVA Employees Credit Union concerning the above-mentioned is correct and precisely represented.

The Credit Union continues to grow by serving Members' financial needs and maintaining a financially strong, secure, and reliable operation.

Sherry Vermillion
Chairperson of the Supervisory Committee

BYLAW CHANGES

Section 4-A. No member of the credit or supervisory committee shall receive any compensation for services as a member of the committee.

Section 4-B. As an alternative to reimbursement for members of the Board of Directors in subsection 4-C of this Article, each member of the Board of Directors may be compensated subject to the following conditions:

- 1) The Board shall adopt a resolution stating that the Credit Union requires expertise among Board members for the prudent general management of the affairs, funds, and records of the Credit Union.
- 2) Such compensation shall be payable to Board members elected after the adoption of the resolution in subsection B-1.
- 3) The Credit Union shall adopt a policy governing the participation and attendance that a Board member shall comply with in order to receive compensation and
- 4) The annual report of the Credit Union's income and expenses shall include Board member compensation as a specific expense item.

Section 4-C. Notwithstanding the provision of subsection 4-A, the Board of Directors may provide that the credit union shall reimburse any member of the Board of Directors or the credit or supervisory committee for any loss of earning caused by time spent in the service of the Credit Union, in such amount as the Board of Directors may determine, not to exceed the amount of earnings lost.

Section 7. If a director fails to attend three regular meetings of the Board for any twelve (12) consecutive months or otherwise fails to perform any of the duties devolving upon him/her as a director, his/her office may be declared vacant by the Board, and the vacancy filled as herein provided.