



In support of Tennessee's educational community for over 60 years





### Chairman's Report Mr. John R. Younger Chairman of the Board of Directors

This past year, The Tennessee Credit Union gave renewed attention to basics. We refocused our efforts in the field of education, recommitted to community outreach, and continued to provide the innovative products and level of member service that our members have come to expect.

A primary focus of 2010 was dedicated to promoting financial literacy in our local high schools by supporting the Academies of Nashville. The Academies represent a fundamental shift in public high school education, enabling students to learn about specific career paths in a highly personalized learning community. The Academies have already begun to yield positive results for the students by enriching their understanding of course material through hands-on learning and preparing them for life after high school. In the credit union movement, we've always understood the importance of community and education. We are, after all, a cooperative movement built on the principle of "people helping people."



With all of the successes of 2010, I want to take this opportunity to thank all of our members, employees, and community partners for helping to make this organization one in which we can all take pride.

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*John Younger, Chairman of the Board of Directors*



## President's Report Mr. Michael D. Martin President and CEO

For more than 60 years, The Tennessee Credit Union has provided a safe haven for your personal finances and we've taken a proactive approach to protecting you against a volatile market. We have not been immune to the trials of a tough economy, but we have a history of adapting successfully to the challenges we face and 2010 was no exception. In 2010, we increased our total assets by 6.71% and shares and deposits grew 7.25%. During a time when many lenders were tightening their lending guidelines or had stopped lending altogether, we continued to serve the lending needs of our membership.

The Tennessee Credit Union recognizes a strong need within our communities for more comprehensive financial education. In 2010 we renewed our commitment to the educational community through our partnership with Antioch High School and established an internship program to promote financial literacy and help prepare high school students for college and their careers. In addition, we supported a number of worthwhile non-profit efforts within our community including Susan G. Komen for the Cure, the Pencil Foundation, and the Metro Retired Teachers Association, among others.

We anticipate that 2011 will bring new challenges and opportunities and we look forward to meeting those challenges head on while continuing to safeguard your financial future. We



know that the needs of our members come first and our ability to effectively meet those needs through times of economic uncertainty remains steadfast. As we look to the year ahead, you can be confident that your Credit Union will remain resilient and well positioned to manage the current economic environment. We continue to develop new products, services and technologies that will offer convenience and security. Quality

service remains the cornerstone of The Tennessee Credit Union, and through our common bond of ownership, we will continue to work together to ensure the success of our Credit Union.



## Report of the Audit Committee

### Ms. Shannon Puckett

### Chairman of the Audit Committee



The Tennessee Department of Financial Institutions conducts an annual examination of your Credit Union. The Audit Committee and the Board of Directors reviewed the findings and recommendations of the examination. The Tennessee Credit Union received the second highest rating possible on December 17, 2010. In addition, an independent auditing firm audits your Credit Union annually.

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*Michael Martin, President and CEO*

## Report of the Nominating Committee

### H. Woodard Pigg, Jr.

### Chairman of the Nominating Committee

The Nominating Committee for 2011, composed of Austin W. Smith, Jr., Edith P. Jordan, and H. Woodard Pigg, Jr., met on September 21, 2010. At that time the following were nominated to the Board of Directors:

- John R. Younger
- Polly Sheldon
- Ted R. Potter

In accordance with the by-laws, instructions for the submission of nominees by petition were published in our January 2010 newsletter.



## 2010 ANNUAL REPORT

### STATEMENT OF CONDITION

UNAUDITED

Comparative	2010	2009
<b>ASSETS</b>		
Cash & Investments	\$95,550,832	\$70,379,715
Loans to Members Net of Allowance for Losses	\$124,423,055	\$134,584,682
Land & Buildings	\$7,279,120	\$7,370,386
Furniture, Fixtures & Equipment	\$660,077	\$675,416
Other Assets	\$3,182,848	\$3,553,495
<b>TOTAL ASSETS</b>	<b>\$231,095,933</b>	<b>\$216,563,694</b>
<b>LIABILITIES AND MEMBERS' EQUITY</b>		
Dividends Payable to Members	\$38,360	\$56,664
Accounts Payable & Other Liabilities	\$1,691,365	\$1,038,982
Share Accounts	\$204,733,080	\$190,833,434
Equity & Reserves	\$24,633,128	\$24,584,613
<b>TOTAL LIABILITIES, SHARES, &amp; RESERVES</b>	<b>\$231,095,933</b>	<b>\$216,563,694</b>
<b>INCOME</b>		
Loan Income	\$8,523,052	\$9,199,414
Other Income	\$4,303,650	\$4,189,803
<b>TOTAL INCOME</b>	<b>\$12,826,702</b>	<b>\$13,389,217</b>
<b>OPERATING EXPENSES</b>		
Salaries & Benefits	\$4,309,848	\$4,401,449
Total Other Operating Expenses	\$4,673,374	\$4,783,053
Provision for Loan/Lease Losses	\$923,267	\$1,183,222
Dividends Paid to Members	\$1,875,694	\$2,248,137
<b>TOTAL OPERATING EXPENSES</b>	<b>\$11,782,183</b>	<b>\$12,615,861</b>
Investment Gains (Losses)	(\$45,514)	(\$212,086)
<b>NET INCOME (LOSS) BEFORE NCUSIF Assessments</b>	<b>\$999,004</b>	<b>\$561,271</b>
NCUSIF Stabilization Net (Expense) or Recovery	(\$507,712)	\$877,537
<b>Net Income (Loss)</b>	<b>\$491,292</b>	<b>\$1,438,808</b>

**Main Branch**

1400 Eighth Ave. South  
Nashville, TN 37203  
(615) 244-1910  
(800) 622-2535

**Gallatin**

716 Nashville Pike  
Gallatin, TN 37066  
(615) 452-7910

**Knoxville**

10431 Kingston Pike  
Knoxville, TN 37922  
(865) 693-9500

**Morristown**

2755 West Andrew Johnson Hwy.  
Morristown, TN 37814  
(423) 586-1252

**Rivergate**

917 Rivergate Parkway  
Goodlettsville, TN 37072  
(615) 868-0290

**Cool Springs**

1809 Mallory Lane  
Brentwood, TN 37027  
(615) 780-7800

**Johnson City Sunset**

310 Sunset Drive  
Johnson City, TN 37604  
(423) 915-0222

**Chattanooga**

2615 South Broad Street  
Suite C  
Chattanooga, TN 37408  
(423) 266-7736

**West**

107 White Bridge Road  
Nashville, TN 37209  
(615) 352-1544

**Cookeville**

1281 South Walnut  
Avenue  
Cookeville, TN 38501  
(931) 528-8160

**E.T.S.U.**

P.O. Box 23112  
D.P. Culp University  
Center  
Johnson City, Tn 37614  
(423) 439-4423

**Website:** [www.ftcu.org](http://www.ftcu.org)  
**Express Call:** **(800) 338-1904**

**ELECTRONIC SERVICES**

Smart Branch (Online Banking)  
ATM's (Cirrus, STAR)  
Online Bill Payer  
Express Call Audio Response  
Shared Branch™ Network  
ATM CO-OP™ Network  
MoneyTower Network™ ATMs

**CHECKING SERVICES**

Experience Checking  
Student Checking  
Direct Deposit  
ATM/Debit Card  
Pre-Authorized Drafts  
(Automatic Bill Payment)  
Check Photocopies  
Online Check Images  
Cashier's Checks  
Money Orders

**SAVINGS SERVICES**

Savings Accounts  
Share Certificates  
Money Market Accounts  
Money Market Certificates  
Christmas Club Accounts  
Payroll Deduction  
Summer PayDays for Teachers  
Youth Accounts  
U.S. Savings Bonds  
IRA's

**LOAN SERVICES**

Home Mortgages  
Second Mortgages  
Home Equity Loans and Lines of Credit  
New Beginning Program  
Share Secured Loans  
Personal Lines of Credit  
New and Used Vehicle Loans  
First Time Buyer Auto Loan Program  
Recreational Vehicle Loans  
Overdraft Protection  
MasterCard and Visa Cards  
Visa Platinum Card  
Computer Loans  
New and Used Boat Loans  
Driver's Advantage Lending  
Payment Protection

**OTHER SERVICES**

Family Membership  
Safe Deposit Boxes  
24-Hour Deposit Drops  
Leisure Class for Seniors  
Notary Services  
Financial Consulting  
Vehicle Cost Guides  
Auto Insurance  
Life Insurance  
Homeowners Insurance  
Renters Insurance  
Dental Insurance  
Long Term Care Insurance  
Mechanical Repair Insurance  
BALANCETM (Financial Counseling)

**CREDIT UNION OFFICIALS  
BOARD OF DIRECTORS**

Mr. John R. Younger, Chairman  
Mr. Austin W. Smith, Jr., Vice Chairman  
Mr. Ted R. Potter, Treasurer  
Miss Polly C. Sheldon, Secretary  
Dr. James E. Barrick, Director  
Ms. Edith P. Jordan, Director  
Mr. Gerald W. Martin, Director  
Mr. H. Woodard Pigg, Jr., Director  
Ms. Betty Jo Reed, Director  
Mr. Michael D. Martin, President/CEO

**AUDIT COMMITTEE**

Ms. Shannon Puckett, Chairman  
Mr. Charles O. French  
Mr. James C. Hall  
Mrs. Sara T. Tune  
Mr. Robert Churchwell, Jr.

