



Cleveland/Bradley County  
**Teachers**  
Federal Credit Union

P.O. Box 4168 ~ Cleveland, TN 37312 ~ Phone: 423-479-6392 ~ Fax: 423-476-5262  
[www.cbctfcu.com](http://www.cbctfcu.com)

# 2008 ANNUAL REPORT



**Mission Statement:** *We are committed to helping members enhance their financial status by providing needed financial products and services while operating in a sound financial manner.*

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

## MEMBERSHIP ELIGIBILITY

According to the By-Laws of our Charter, the field of membership of the Cleveland/Bradley County Teachers Federal Credit Union is:

1. Employees of the Department of Education who work in Bradley County, TN
2. Employees of Tennessee Christian Academy who work in Cleveland, TN
3. Employees of Lee University who work in Cleveland, TN
4. Spouses of persons who died while within the field of membership of this credit union; persons retired as pensioners or annuitants from the above employment
5. Employees of this credit union; members of their immediate families; and organizations of such persons

*\*Immediate family members include: parents, grandparents, husband, wife, children, grandchildren, brothers and sisters.*

If you have questions about eligibility, please give us a call.



Sherra Witt  
Secretary



Lindsay Hathcock  
Treasurer



Scott Humberd  
President



Paul Ramsey  
Vice President



Duane Schriver

## 2008 Board of Directors



Ron Hill



Billie Hilliard



Herb Cannon



Paul Cretton



Ritchie Stevenson



Charlie Smith

## SERVICES AVAILABLE

### CDs

Money Orders  
VISA Gift Cards  
VISA Check Card  
VISA Credit Card  
Traveler Cheques  
Savings Accounts  
Drive-thru Window  
Safe Deposit Boxes  
Kids Cub Club Accounts  
Credit Disability Insurance  
First & Second Mortgage Loans

### IRA

Online Bill-Pay  
Cirrus ATM Cards  
Night Depository  
Black Book Values  
Payroll Deductions  
Vehicle Warranties  
Free Notary Service  
Overdraft Protection  
Coin Counting Machine  
Christmas Club Accounts  
Friendly Real People Service

### ATM

Loan Specials  
Direct Deposit  
Signature Loans  
ACH Origination  
Wire Capabilities  
Checking Accounts  
Home Equity Loans  
Share Secured Loans  
Life Savings Insurance  
New & Used Vehicle Loans  
Loan Protection Insurance

## President's Report

The Cleveland/Bradley County Teachers Federal Credit Union total membership as of December 31, 2008 was 3816. Our assets grew 4.50% for 2008 while the member loans grew by -3.50%. This drop in loans was due to the drop in the economy, and indicates that more people are saving their money rather than borrowing. Or, people simply could not afford to borrow money.

During the most recent planning session, discussions included improving and enhancing member services, and increasing membership growth. The Board and Marketing Department are working on ways to implement the new ideas.

One of the new improvements to member services is the two new ATM's that have been placed at each Wal-mart, near the gas pumps. Both are installed and operational, and provide convenient access to cash and account information.

We can be assured that even during this time of economic crisis in our country our credit union is sound, safe, secure, and continues to grow. Not one penny of insured savings has ever been lost by a member of a federally insured credit union.

The most recent audit has been successfully completed. I am pleased to announce that our credit union was evaluated against nationally recognized standards for a credit union our size and has received a satisfactory rating. This is an accomplishment of which we can all be proud. Many thanks are due to our capable and committed staff.

It has been a real pleasure working as your president for 2008.

Scott Humberd

President

## Report of the Credit Committee

The Board of Directors appoints the Credit Committee. It is responsible for the implementation and supervision of the loan policies of the credit union. The committee meets weekly, or as needed, to review and make decisions on loan applications. Each application is reviewed objectively with the decision made on the applicant's credit history, ability to repay, collateral offered, and individual needs. Policies and procedures set by the Board of Directors and the federal government are conscientiously followed.

Throughout 2008, the credit union continued to offer loan specials in addition to our regular loan products. The credit union continued to use "Break the Cycle" lending. This is similar to Pay Day Advance loans. Also in 2008, Financial Counseling was available at the credit union, and an alliance was continued with CU Community in Knoxville to be able to provide more First Mortgage loans to our members with up to 97% financing. Relationships were formed with local car dealerships in Cleveland, and special incentives were offered for purchasing from them and borrowing from the Teachers Credit Union.

During 2008 we made a total of 1152 loans with a dollar amount of \$6,158,443.63. Our total outstanding loan balance as of December 31, 2008 was \$19,247,615.42.

The Credit Committee realizes the awesome trust and responsibility placed on us. It is our intention to assist our members with their borrowing needs. The committee would like to thank you for your continued support in allowing us to service your loan needs throughout the past year. We look forward to the opportunity of serving you in 2009.

Mary Johnson

Chairperson

## Report of Supervisory Committee

The Supervisory Committee is responsible for the examination and evaluation of the adequacy and effectiveness of the internal controls of the Credit Union. We accomplish this with internal audits performed by our auditing firm of Peters and Associates. In addition, we are responsible for scrutinizing the acts of the credit union officers, committees and employees. It is our duty to determine if the credit union remains in compliance with board, state and other regulatory rules and laws.

Peters and Associates completed a comprehensive audit of the credit union as of March 31, 2008. This audit consisted of annual verifications of member accounts, detailed reconciliation of all general ledger accounts, surprise counts of cash and cash items, a review of Board of Director's minutes and the review of any unusual transactions. The audit showed a high opinion of the credit union, its management, and its employees. The annual auditor's report is available for review at the credit union office.

The National Credit Union Administration (NCUA), the regulatory body of federally chartered credit unions, completed an annual examination for the period ending September 30, 2008. Their findings resulted in no records of action. The Supervisory Committee wants to assure you we are in compliance with the rules and regulations as set by the NCUA.

The Supervisory Committee is happy to report the records, assets and affairs of the credit union are in good and proper order.

Ann P. McElrath

Chairperson

## Report of the Treasurer

Our Nation's "teachable moment" has been one in which we have all been more than just casual observers. Please forgive me from last year mentioning that our generation had never experienced a "great depression" and that while it can be argued that we are still not at that level today I think we have had our eyes opened to the knowledge and even wisdom of previous generations who have had the courage to face all of this before. And upon facing and overcoming their crisis they entrust us with more than they had ever dreamed. And with this gift comes the responsibility to carry this on and leave our future generations in better shape again and not forsake our responsibility with this opportunity.

Our credit union has been very blessed to have a varied dialogue and numerous viewpoints expressed at our meetings but also common goals of fairness, return on investment, safety of investments, increased convenience and excellence in membership service. With these goals and combined with mandated Federal and State oversights we have been able to continue to not only survive in this turbulent economic time but also to gain market share and also growth.

In 2008, the credit union experienced a 4.50% growth in total assets. Our assets increased to \$35,290,145.05 and we had net earnings of \$106,206.30 that contributed to a capital to average assets ratio of 12.93%. Our positive earnings and capital ratio are two factors that indicate overall strength of your credit union.

Again as stated last year may we always be cognizant of the heritage we have been given and strive to continue their vision of service and security with the benefit of new and updated 21st century advances and convenience. On behalf of my fellow board members, employees and all of the membership that we serve let me convey our appreciation for your continued trust, business and referrals of new members in this past year which have and will continue to keep us on this path of success in the years ahead.

Respectfully,

Lindsay L. Hathcock Jr. D.C.

Treasurer

## Financial Comparison Sheet

<b>ASSETS</b>	<b>Dec. 31, 2008</b>	<b>Dec. 31, 2007</b>	<b>Dec. 31, 2006</b>
Net Loans to Members	19,158,432.13	19,854,824.07	18,929,004.00
Cash / Federal Reserve Bank	1,538,373.11	1,409,586.27	1,585,396.00
Investments	12,776,778.72	10,847,121.88	8,858,890.00
Other Assets	1,816,561.09	1,627,173.46	1,690,850.00
<b>TOTAL ASSETS</b>	<b>35,290,145.05</b>	<b>33,738,705.68</b>	<b>31,064,140.00</b>
<b>LIABILITIES &amp; EQUITY</b>			
Accounts Payable	178,091.61	253,135.78	235,553.00
Shares	10,953,464.26	9,372,263.32	9,899,670.00
Share Drafts	3,654,673.48	3,390,964.67	2,989,052.00
Christmas Club	38,983.90	36,624.89	32,860.00
Share Certificates	14,788,453.98	15,149,617.21	12,286,798.00
IRA's	1,108,438.66	1,074,437.34	1,276,624.00
Reserves	2,177,556.06	2,177,556.06	2,177,556.00
Undivided Earnings	2,390,483.10	2,284,106.41	2,166,027.00
<b>TOTAL LIABILITIES &amp; EQUITY</b>	<b>35,290,145.05</b>	<b>33,738,705.68</b>	<b>31,064,140.00</b>
<b>INCOME</b>			
Interest on Loans	1,328,280.45	1,272,781.71	1,149,445.00
Investment Income	359,705.90	446,891.57	340,514.00
Other Income	366,814.33	248,826.28	220,147.00
<b>TOTAL INCOME</b>	<b>2,054,800.68</b>	<b>1,968,499.56</b>	<b>1,710,106.00</b>
<b>EXPENSES</b>			
Salaries & Benefits	477,562.10	450,456.79	455,285.00
Office Occupancy	65,974.91	69,469.80	64,952.00
Office Operations	73,144.57	82,862.04	74,836.00
Provision for Loan Losses	107,670.41	58,943.09	24,000.00
Other Expenses	454,470.52	413,224.64	372,185.00
<b>TOTAL EXPENSES</b>	<b>1,178,822.51</b>	<b>1,074,956.36</b>	<b>991,258.00</b>
<b>INCOME BEFORE DIVIDENDS</b>	<b>875,978.17</b>	<b>893,543.20</b>	<b>718,848.00</b>
<b>DISTRIBUTION OF EARNINGS</b>			
<b>DIVIDENDS</b>	<b>769,771.87</b>	<b>775,369.25</b>	<b>610,158.00</b>
<b>NET INCOME</b>	<b>106,206.30</b>	<b>118,173.95</b>	<b>108,690.00</b>
<b>NUMBER OF MEMBERS</b>	<b>3816</b>	<b>3722</b>	<b>3574</b>

**CLEVELAND/BRADLEY COUNTY TEACHERS  
FEDERAL CREDIT UNION  
ANNUAL MEETING  
February 24, 2009**

- |  |                                    |
|--|------------------------------------|
| 1. Call to Order                       | 8. Old Business                    |
| 2. Invocation                          | 9. New Business                    |
| 3. Appoint Parliamentarian             | 10. Report of Nominating Committee |
| 4. Roll Call (Establish Quorum)        | 11. Election of Officers           |
| 5. Welcome & Introductions             | 12. Awarding of Door Prizes        |
| 6. Approval of Minutes of 2006 Meeting | 13. Election Results               |
| 7. Reports of Officials                | 14. Adjournment                    |

CLEVELAND/BRADLEY COUNTY TEACHERS FEDERAL CREDIT UNION  
MINUTES OF ANNUAL MEETING  
HELD FEBRUARY 26, 2008

(Agenda Item 1) President Scott Humberd called the annual meeting to order at 4 p.m. at Cleveland High School.

(Agenda Item 2) Scott asked Gary Ray to provide the invocation, which was followed by all members reciting the Pledge of Allegiance.

(Agenda Item 3) Scott appointed Charles Hurley as parliamentarian for the meeting.

(Agenda Item 4) Based on count taken as members entered, Manager Brian Trotter reported that a quorum was present.

(Agenda Item 5) Scott thanked Principal Chuck Rockholt and CHS for providing facilities for our meeting.

(Agenda Item 6) On motion by Herb Cannon and second by Harold Trotter, the minutes of 2007 annual meeting were approved.

(Agenda Item 7) On motion by Ina Creel and second by Bertha Goldston the reports of committees and officials as presented in the annual report were approved.

(Agenda Item 8) There was no old business.

(Agenda Item 9) Under new business Scott provided Susan Hartsell a token of appreciation for her 5 years of employment.

Scott also presented Charles Hurley with a plaque for his 7 years as a board member.

(Agenda Item 10) Joan Bates gave the report for nominating committee which met on January 25. There are five seats to be filled with ten nominees: Bill Balzano, Paul Cretton, Kathi Douglas, Shirley Eldredge, Billie Hilliard, Scott Humberd, Ann McElrath, Gary Ray, Charlie Smith, and Ritchie Stevenson. Joan also stated that early voting at taken place at the Credit Union offices on February 25 under the supervision of Craig Peters.

(Agenda Item 12) As the ballots were being counted, Scott proceeded with awarding of door prizes. Several small prizes (\$20 and \$10 cash as well as vendor donations) were given away followed by the awarding of three larger cash prizes:  
\$100 – Cory Christ; \$200 – Willa Smith, \$300 - John Kirkpatrick

(Agenda Item 13) Scott provided the results of elections for the five new board members:  
Paul Cretton, Billie Hilliard, Scott Humberd, Charlie Smith, and Ritchie Stevenson.

(Agenda Item 14) There being no further business the meeting was adjourned.

Respectfully submitted,



Sherra Witt, Secretary



Scott Humberd, President



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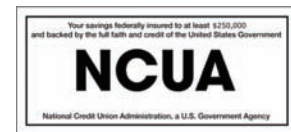
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**OFFICIALS**

**EMPLOYEES**

Mary Johnson, CEO  
Nancy Trotter  
Karen Gladson  
Leslie Sims  
Susan Hartsell  
Janice Hughes  
Debbie Maxwell  
Matt Carson  
Abraham Sarmiento  
Teresa Phillips

**BOARD OF DIRECTORS**

Scott Humberd, President  
Paul Ramsey, Vice-President  
Lindsay Hathcock, Treasurer  
Sherra Witt, Secretary  
Herb Cannon  
Paul Cretton  
Ron Hill  
Billie Hilliard  
Duane Schriver  
Charlie Smith  
Ritchie Stevenson

**PERSONNEL COMMITTEE**

Duane Schriver, Chairperson  
Steve Elliott  
Franklin Odom  
Steve Logsdon  
Kathi Douglas

**CREDIT COMMITTEE**

Mary Johnson, Chairperson  
Alice Hamilton  
Sheila Schriver  
Linda Prince  
Chuck Haney

**SUPERVISORY COMMITTEE**

Ann McElrath, Chairperson  
Shirley Elderedge  
Joan Bates  
Barbie Buckner  
Danny McDowell

**FUNDS MANAGEMENT**

Paul Ramsey, Chairperson  
Hal McMahan  
Rick Smith  
Charles Hurley  
Angie Gill