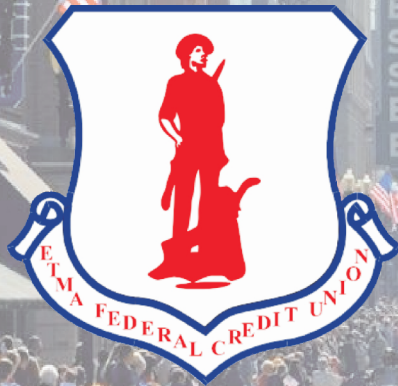


2023 Annual Report



ETMA Federal Credit Union

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2023

ETMA Annual Report



Letter from the CEO

2023 was an extraordinary year for ETMA. Your continued support is always appreciated, and our goal is to give our very best service to you.

It was a big year for technology! ETMA now offers instant issue for your debit cards and additional use in our texting platform making it easier to communicate with our members. In February of 2024, we had a Teller Cash Recycler installed to provide better security, accuracy, and efficiency for cash transactions.

Our net income in 2023 was over \$338,000, and we ended the year well capitalized by NCUA standards with a net worth of 11.92%.

Some ways that we have returned our profits include community donations, lower loan rates than our peers, CD Specials, and progression in updates to our building and additional technology.

None of this is possible without our amazing staff. Heather, Maranda, Brady, and Mary's service are unmatched, and I appreciate them so much. I also appreciate our temp employee, Amy, who helps us out when we are short staffed. She can

walk in and offer quality service on the spot. We were very happy for Gina who entered retirement this year but miss her and the many gifts she brought to ETMA for 31 years. I am blessed to be surrounded by the BEST!

Thank you to the Board of Directors and the Supervisory Committee for your continued support and guidance. I am thankful for Tammie Smeltzer's service of 18 years on the Board of Directors. I will miss her spunk and willingness to always jump in where needed. We wish her the best in her new endeavors. I am also so thankful for Mike Johnson who has served on the Board of Directors as Chairman for the last 7 years. His support and encouragement in my first years as a CEO will always be remembered. I wish him the best as he moves to Middle TN and advocates for ETMA across the state.

We look forward to 2024! Thank you for the confidence you have in your credit union that has been blessed to serve you for almost 68 years. Please let us know if there is any way we can serve you better.

Beth Kamer, CEO

This Year... At a Glance

Net Income

\$338,000



Net Worth

11.92%



Shares

\$23,180,383



Loan Portfolio

\$16,536,623

Chairman's Report

Welcome to the 68th Annual Meeting of the East Tennessee Military Association Federal Credit Union. Let me share with you some important information regarding your credit union's operations over the past year.

ETMA has sustained its impressive growth and financial stability throughout 2023. Despite the challenges posed by rising interest rates, an escalating cost of living, and a sluggish automotive loan landscape in 2023, our dedicated team at ETMA has diligently worked to secure the best rates for our valued customers. Notably, 2023 marked a pivotal year for technological improvements. We installed an instant issue debit card printer, no more waiting for debit cards. We are proceeding to receive new debit cards that will be contactless and apple and google pay friendly. We are installing a Teller Cash Recycler machine for cash security, efficiency, and accuracy. Currently we are in the process of allowing payments online through Loan Express from all payment methods. Also, we are preparing for updates to flooring, paint, and furnishings of the interior of the building. To help accomplish this, special care was made to watch expenses and increase the amount of loans as much as possible. 2023 also had very few delinquencies in loans contributing to an overall excellent year.

Once again, this year the Credit Union was able to achieve a positive net income for the year of just over \$338 thousand. Our annual NCUA examination and other external audits during the year confirmed ETMA's financial stability and adherence to compliance issues. Overall, ETMA's financials are indicative of a strong and healthy credit union.

From a community outreach/marketing perspective, ETMA continued to be active in 2023. ETMA participated in the Mountain Man Memorial March, contributed to the Commander Fund for retirement recognition, contributed to the Lady Gobs soccer team, contributed to Second Harvest

Food Bank, provided breakfast for Veterans through the United Veterans Council of East TN, donated to UT Army ROTC cadets through the General Neyland Golf Tournament, donated seats to the ETMAC Veteran Day luncheon, donated to Santa Cops through their golf tournament, participated in base Halloween and Christmas parties, collected food for the Veteran's pantry, and toys for Marine Reserve Toys for Tots. The staff did all they could to ensure ETMA was represented in the community.

Continuous updates to our technology include a new user-friendly website and a mobile app upgrade. We implemented a new texting solution that will provide another secure way to send requested documents and receive important information. If you have not made use of these tools, get with one of our staff members who will be glad to help you get started.

Speaking of our staff, we continue to be so proud of them and thankful for each one of them, and we relied on them heavily in 2023. Beth, Heather, Gina (retired in June), Maranda, Brady, and Mary (joined us in August) have certainly made 2023 the best year yet. I can't thank them enough for what they do for the board members and for every member of the credit union.

Finally, thank you to my fellow board members and to each and every member of the credit union. I am appreciative to my fellow board members who continuously strive to make ETMA Federal Credit Union successful year after year. To our members, we hope you enjoy the annual meeting, and please continue to let us know how we can serve you better.



Mike Johnson, Chairman of the Board

Treasurer's Report



From the Treasurer

With continued commitment to our members, we granted 189 loans in 2023 totaling \$4,065,528 bringing our total loans to \$16,536,623. As of December 2023, we had \$23,180,383 member shares and deposits, an increase of 5% over 2022. We have 1,574 Share Accounts at the end of 2023.

We have maintained a very low net loan loss of \$19,026 and delinquency percent at .18% for the year of 2023.

2023 was a record year for ETMA's net income. Net income for the year was over \$338,000, a 140% increase from 2022.

It is a pleasure serving on the ETMA Board of Directors. Our goal is to help our members achieve their financial goals. Please let us know how we can serve you better.

Katrina Hunt, Treasurer



Supervisory Committee *Report*

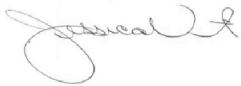
ETMA's Supervisory Committee has 4 committee members appointed by the Board of Directors which serve on behalf of the membership to ensure policies, procedures, and practices are in place to safeguard members' assets and meet all required financial reporting obligations.

The functions of the Supervisory Committee include:

- Ensuring internal controls are established and effectively maintained to protect members and the credit union
- Monitoring the timely preparation and accuracy of accounting records and financial reports
- Contracting for an independent verification of financial reporting and member accounts
- Overseeing the proper administration of and adherence to the rules and regulations guiding federal credit unions

During 2023, the Supervisory Committee contracted with CU Audit & Compliance Group to conduct quarterly procedures related to selected operations, and to perform a comprehensive audit of the credit union's financial statements. The National Credit Union Administration (NCUA), the regulatory agency for all federally chartered credit unions, also performed a supervisory examination.

Based on the results of the Audit Engagement Reports and the Examination Report of the NCUA, it is the opinion of your Supervisory Committee that ETMA Federal Credit Union continues to be financially strong and well managed, with sound policies and programs.



Jessica Vincent, Chair of the Supervisory Committee

Members include:

Doug Hill Jordan Tennesen Randy Browning

Nominating Committee *Report*

The Chairman of the Board of Directors appoints a Nominating Committee of three or more members at least 30 days before the Annual Meeting. The Nominating Committee must then nominate at least one person for every open position, including any unexpired term vacancy, on the Board of Directors.

After the nominations of the nominating committee have been placed before the members, the chair calls for nominations from the floor. When nominations are closed, and if there are nominations from the floor, the chair appoints staff, ballots are distributed, a vote is taken and tallied by staff, and the results are announced. All elections are determined by plurality vote and will be by ballot except when there is only one nominee for the office.

The Board will have 1 unexpired vacancy and 1 vacancy as of the Annual Meeting date. A nomination and bio will be presented at the Annual Meeting for both openings.

We are happy to announce that Curtis LaRue and Brandon Rodriguez have accepted another 3-year term on the Board of Directors.

Thank you to the Board of Directors for your dedication to ETMA.



Katrina Hunt, Committee Chair

Members Include:

Dale Long Jessica Vincent



Board of Directors

Mike Johnson -Chairman
Curtis LaRue -Vice Chairman
Dale Long -Secretary
Katrina Hunt -Treasurer

Brandon Rodriguez -Member
Tammie Smeltzer -Member
(Retired in 2023)
Jessica Vincent -Member

ETMA Team Members

Beth Kamer -CEO
Maranda Collins -Lead MSR
Heather Boring -Operations Mgr
Mary Dixon -MSR
Brady Nelms -Loan Officer

Supervisory Committee

Jessica Vincent -Chairman
Doug Hill -Member
Randy Browning -Member
Jordan Tennesen -Member



2023 ETMA Family



2023 Statement of Income & Expense

Balance Sheet (As of 12/31/23)

Assets

Loans, Receivables & Cash	\$18,857,427
Investments	7,389,813
Other Assets	399,413
TOTAL ASSETS:	26,646,652

Liabilities & Equity

Payables & Accruals	\$289,582
Total Member Savings	23,180,383
Total Equity	3,176,687
TOTAL LIABILITIES & EQUITY:	26,646,652

Income Statement (As of 12/31/23)

Loan Income	\$888,910
Investment Income	94,056
Misc Income	212,257
TOTAL INCOME:	1,195,223

Expenses (As of 12/31/23)

Operating Expenses	\$724,279
Dividend Expense	115,283
Provision for Loan Loss	17,506
TOTAL EXPENSES:	587,068

Non-Operating Income	-
NET INCOME:	338,155



Statement is Unaudited