

2022

ETMA Annual Report

Letter from the CEO

2022 was an exciting 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 mortgages! ETMA offered 25 and 30 year mortgages in 2022, and our total mortgage loan portfolio grew by just under \$2 million. This helped to push our total assets to over \$25 million.

Some ways that we have returned our profits include community donations, lower loan rates than our peers, an improved website, and the initial stages of offering instant issue debit cards and Apple, Google and Samsung pay in 2023. None of this is possible without our committed staff. I am

continually impressed by their dedication and sincere care for you, our members. I would like to express my gratitude to each one of them – Heather, Gina, Maranda, Brady, and our temporary employee, Amy. They go above and beyond every day!

Thank you to the Board of Directors and the Supervisory Committee for your continued support and guidance. I always appreciate your Volunteer spirit! We look forward to 2023! Thank you for the confidence you have in your credit union that has been blessed to serve you for almost 67 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
\$141,000

Net Worth
11.25%

Loan-to-share Ratio
63% to 70%

Loan Portfolio
\$16,387,000

Chairman's



Welcome to the 67th 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 continued its long history of steady growth and overall solid financial health in 2022. With a year of rising interest rates, rising cost of living and slower than normal automotive loans, your team at ETMA has worked tirelessly to bring the best rates for our customers. 2023 will be a big year in technology upgrades for debit card instant issue, apple pay and google pay that has been much anticipated. Also, we are looking at a much-needed refresh 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. In 2022, the Credit Union was able to make a much-needed upgrade to our sign. I hope you have seen the beautiful new sign. Another big item was completion of an external wood repair and painting outside. 2022 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 \$141 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 2022. ETMA participated in the Mountain Man Memorial March, handing out water and an encouraging smile to the weary participants that were doing the full-marathon distance. They were there for the base Children's Christmas Party handing out goodies.

You and the staff collected toys for the Marine Reserve Toys for Tots. ETMA contributed to the Commanders fund to buy Minute Men statues for retirees, supported Security Forces Santa Cops fund, giving presents to patients at Children's Hospital and contributed to Inheritance of Hope. The staff did all they could to ensure the ETMA was represented in the community.

Continuous updates to our technology include a new user-friendly website and a mobile app upgrade. We have upgraded our money counter for improved counterfeit detection, implemented a new texting solution that will provide another secure way to send requested documents and receive important information. If you've 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 2022. Beth, Heather, Gina, Maranda, Brady, and for a short time Amy, have certainly made 2022 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.

A handwritten signature in black ink that reads 'Michael Johnson'.

Mike Johnson, Chairman of the Board

RECORD YEAR for ETMA

From the Treasurer



With continued commitment to our members, we granted 259 loans in 2022 totaling \$7,945,498, a 22% increase over 2021 loans. As of December 2022, we had \$22,117,000 member shares and deposits, an increase of 8% over 2021.

We have maintained a very low loan loss and delinquency % for the year of 2022. Our net loan loss for the year was less than \$9,000.

2022 was a record year for ETMA's net income. Net income for the year was over \$141,000, a 111% increase from 2021.

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.

Jessica Vincent,
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:

1. Ensuring internal controls are established and effectively maintained to protect members and the credit union

2. Monitoring the timely preparation and accuracy of accounting records and financial reports

3. Contracting for an independent verification of financial reporting and member accounts

4. Overseeing the proper administration of and adherence to the rules and regulations guiding federal credit unions

During 2022, 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. Based on the results of the Audit Engagement Reports, 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.



Kevin Trostle, Chairman of the Supervisory Committee

Members include:
Doug Hill
Jordan Tennessen
Randy Browning
Tony Taylor



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 an unexpired vacancy at the end of April. A nomination and bio will be presented at the Annual Meeting. We are happy to announce that Jessica Vincent has accepted to fill another 3-year term on the Board of Directors. Thank you to the Board of Directors for your dedication to ETMA.

Tammie S. Smeltzer

Tammie Smeltzer, Committee Chair



Dale Long, Member



Jessica Vincent, Member

Board of Directors

Mike Johnson – Chairman
Tammie Smeltzer – Vice Chairman
Curtis LaRue – Secretary
Jessica Vincent – Treasurer
Dale Long - Member
Katrina Hunt – Member
Kevin Trostle - Member

ETMA Team

Beth Kamer – CEO
Heather Boring – Operations Manager
Gina Massey – Senior MSR, Marketing Relations
Maranda Collins – Lead MSR
Brady Nelms – Loan Officer

Supervisory Committee

Kevin Trostle – Chairman
Doug Hill – Member
Randy Browning – Member
Jordan Tennesen – Member
Tony Taylor – Member



2022 ETMA Family

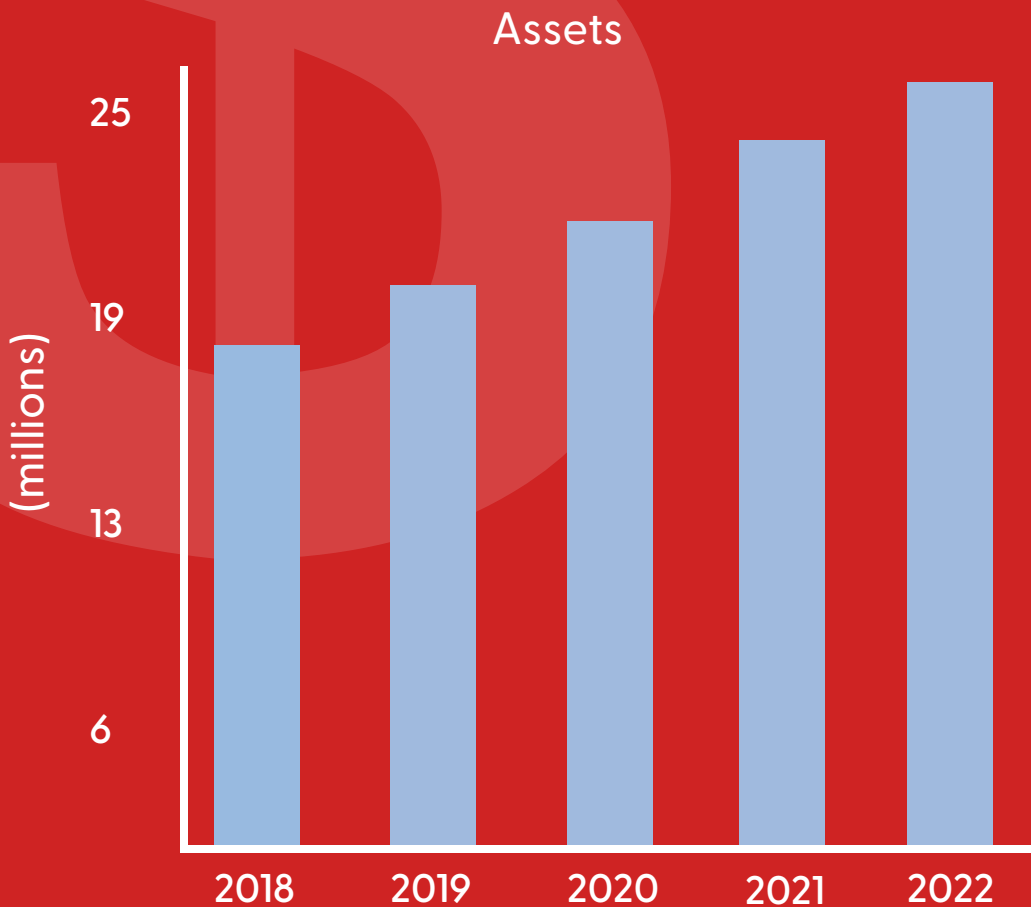
Statement of Income and Expense

Income

Interest Income From Loans	658,156
Interest Income From Investments	99,674
Non Interest Income	218,917
Total Income	976,747

Expenses

Compensation and Benefits	312,192
Travel and Conference	6,335
Office Occupancy Expense	52,827
Office Operations Expense	205,836
Educational and Promotional Expense	14,137
Loan Servicing Expense	39,958
Professional and Outside Services	140,438
Operating Fees	3,796
Misc Non Interest Expense	26,210
Loan Loss Provision	(2,748)
Total Non Interest Expense	798,981
Total Interest Expense	36,559
Net Income	141,207



Comparitive Balance Sheet

Assets	31-Dec-21	31-Dec-22	Increase (Decrease)	Percent Change
Unsecured Loans	429,940	429,641	(299)	-0%
Vehicle Loans	5,987,526	6,062,936	75,410	1%
Real Estate Loans	5,319,335	7,692,799	2,373,464	45%
Recreational Vehicle Loans	1,054,037	1,195,827	141,790	13%
Credit Card Loans	292,812	300,428	7,615	3%
Participation Loans	847,554	538,332	(309,222)	-36%
All Other Loans	169,575	167,246	(2,328)	-1%
Total Loans	14,100,779	16,387,208	2,286,429	16%
Allowance for Loan	(72,291)	(60,656)	11,636	-16%
Cash & Accounts Receivable	3,830,593	1,953,611	(1,876,982)	-49%
Investments	5,149,318	6,522,877	1,373,559	27%
Fixed Assets	323,865	312,228	(11,637)	-4%
Prepays	131,152	51,196	(79,956)	-61%
Accrued Income	45,622	59,003	13,381	29%
Other Assets	10,653	16,025	5,372	50%
Total Assets	23,519,691	25,241,493	1,721,802	7%

Liabilities & Equity

Other Liabilities	260,722	286,288	25,566	10%
Regular Shares	14,480,909	15,509,108	1,028,199	7%
Share Drafts	4,109,581	4,541,557	431,976	11%
Christmas/Vacation Club	9,262	8,615	(647)	-7%
IRA	780,601	749,724	(30,876)	-4%
Share Certificates	1,166,803	1,284,209	117,406	10%
Escrow Accounts	14,488	23,460	8,972	62%
Total Shares	20,561,644	22,116,674	1,555,030	8%
Total Liabilities	20,822,366	22,402,962	1,580,596	8%
Regular Reserves	205,124	205,124	-	0%
Undivided Earnings	2,425,683	2,492,201	66,519	3%
Net Income	66,519	141,207	74,688	112%
Total Equity	2,697,325	2,838,532	141,207	5%
Total Liabilities and Equity	23,519,691	25,241,493	1,721,802	7%
Members	1,564	1,569	5	0%
Number of Loans (excluding participation loans)	945	979	34	4%

