

**CLEVELAND/BRADLEY COUNTY TEACHERS
FEDERAL CREDIT UNION
ANNUAL MEETING
February 23, 2010**

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|----|-------------------------------------|-----|--------------------------------|
| 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 2009 Meeting | 13. | Election Results |
| 7. | Reports of Officials | 14. | Adjournment |

CLEVELAND/BRADLEY COUNTY TEACHERS FEDERAL CREDIT UNION
MINUTES OF ANNUAL MEETING
HELD FEBRUARY 24, 2009

President Scott Humberd called the meeting to order at 4 p.m. at Cleveland State Community College. (Agenda Item 1)

Scott asked Rev. Ron Hill to provide the invocation, which was followed by Pledge of Allegiance led by Hal McMahan. (Agenda Item 2)

Scott appointed Herb Cannon as parliamentarian for the meeting. (Agenda Item 3)

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

Scott thanked Dr. Carl Hite and CSCC for providing facilities for our meeting. (Agenda Item 5)

On motion by Bob Hamilton and second by Ruth Bailey, the minutes of 2008 annual meeting were approved. (Agenda Item 6)

Reports were given by officers and committees; these reports included President's Report by Scott Humberd, Credit Committee Report by Alice Hamilton, Treasurer's Report by Lindsay Hathcock, and the Supervisory Committee as written in program. On motion by Lindsay Hathcock and second by Alice Hamilton the reports were approved as presented. (Agenda Item 7)

There was no Old Business. (Agenda Item 8)

Under New Business, Scott recognized employees for years of service: Nancy Trotter, 15 years and Karen Gladson, 10 years. Each was presented a token of appreciation. Also recognized with a plaque was Herb Cannon who has worked for the credit union for 33 years—most recently on the Board of Directors. (Agenda Item 9)

Joan Bates gave the report for the nominating committee (Kathi Douglas, Ron Hill, Ann McElrath, and Scott Humberd), which met on January 13. There are three seats to be filled (Herb Cannon, Paul Ramsey, and Duane Schriver) with six nominees on the ballot: William Bailey, Alice Hamilton, Michael Plumley, Paul Ramsey, Duane Schriver, and Frank Shroyer. To vote members must be 18 years of age, with \$25 balance in account, be primary member on account, and have caused no loss to credit union. Absentee voting took place on February 23 in Credit Union Offices with Craig Peters present. (Agenda Item 10)

As the ballots were being counted, awarding of door prizes took place. With the assistance of several younger members of the Credit Union Scott presented several cash prizes (\$10 and \$20) followed by the awarding of three larger cash prizes: \$100 – Charles Wheeler; \$200 – Nelson A. Goldston ; \$300 – J. C. Eller. (Agenda Item 12)

Elections results were given. The following three were elected to the Board: Alice Hamilton, Paul Ramsey, and Duane Schriver. (Agenda Item 11/13)

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

Respectfully submitted,



Sherra Witt, Secretary



Scott Humberd, President



Cleveland/Bradley County
Teachers
Federal Credit Union

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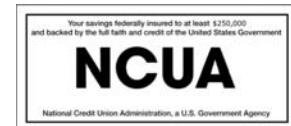
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OFFICIALS

EMPLOYEES

Mary Johnson, CEO
Nancy Trotter
Karen Gladson
Leslie Sims
Susan Hartsell
Janice Hughes
Debbie Maxwell
Melissa Johnson
Chuck Harris

BOARD OF DIRECTORS

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

PERSONNEL COMMITTEE

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

CREDIT COMMITTEE

Mary Johnson, Chairperson
Karen Gladson
Sheila Schriver
Joanne Swafford
Chuck Haney

SUPERVISORY COMMITTEE

Ann McElrath, Chairperson
Hal McMahan
Joan Bates
Barbie Buckner
Danny McDowell

FUNDS MANAGEMENT

Paul Ramsey, Chairperson
Herb Cannon
Rick Smith
Charles Hurley
Angie Gill



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

2009 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

Financial Comparison Sheet

ASSETS	Dec. 31, 2009	Dec. 31, 2008	Dec. 31, 2007
Net Loans to Members	16,522,889.59	19,158,432.13	19,854,824.07
Cash / Federal Reserve Bank	1,804,452.88	1,538,373.11	1,409,586.27
Investments	15,549,978.35	12,776,778.72	10,847,121.88
Other Assets	1,619,091.07	1,816,561.09	1,627,173.46
TOTAL ASSETS	35,496,411.89	35,290,145.05	33,738,705.68

LIABILITIES & EQUITY

Accounts Payable	111,897.08	178,091.61	253,135.78
Shares	13,059,612.46	10,953,464.26	9,372,263.32
Share Drafts	3,337,624.50	3,654,673.48	3,390,964.67
Christmas Club	39,210.16	38,983.90	36,624.89
Share Certificates	12,905,043.85	14,788,453.98	15,149,617.21
IRA's	1,497,657.17	1,108,438.66	1,074,437.34
Reserves	2,177,556.06	2,177,556.06	2,177,556.06
Undivided Earnings	2,367,810.61	2,390,483.10	2,284,106.41
TOTAL LIABILITIES & EQUITY	35,496,411.89	35,290,145.05	33,738,705.68

INCOME

Interest on Loans	1,181,536.79	1,328,280.45	1,272,781.71
Investment Income	229,000.93	359,705.90	446,891.57
Other Income	388,135.10	366,814.33	248,826.28
TOTAL INCOME	1,798,672.82	2,054,800.68	1,968,499.56

EXPENSES

Salaries & Benefits	472,587.30	477,562.10	450,456.79
Office Occupancy	63,174.52	65,974.91	69,469.80
Office Operations	73,537.00	73,144.57	82,862.04
Provision for Loan Losses	257,224.93	107,670.41	58,943.09
Other Expenses	566,117.63	454,470.52	413,224.64
TOTAL EXPENSES	1,432,641.38	1,178,822.51	1,074,956.36

INCOME BEFORE DIVIDENDS	366,031.44	875,978.17	893,543.20
DISTRIBUTION OF EARNINGS			
DIVIDENDS	388,786.69	769,771.87	775,369.25
NET INCOME	-22,755.25	106,206.30	118,173.95

NUMBER OF MEMBERS	3876	3816	3722
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MEMBERSHIP ELIGIBILITY

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 (Bradley County Schools, Cleveland City Schools, Cleveland State Community College)
2. Employees of Tennessee Christian Academy, Bowman Hills School, or Cleveland Christian School, 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; or teachers retired as pensioners or annuitants from any school.
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.



Scott Humberd



Kathi Douglas
Treasurer



Sherra Witt
Secretary



Lindsay Hathcock
President



Paul Ramsey
Vice President



Duane Schriver
Treasurer

2009 Board of Directors



Ron Hill



Billie Hilliard



Alice Hamilton



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

Our Cleveland Bradley County Teachers' Federal Credit Union has been blessed. New members, new educational institutions added and continued growth has been experienced. With your continued support and referrals we have not only made it through this year and its associated trials but we have been able to do so with reserves for our future. I'm not going to tell you that all has been "rosy". We have been the recipient of imposed regulation and fees that ALL credit unions have been forced to adopt. While this is necessary to the industry I have to tell you that I do not feel that it was fair. For decades we have been very conservative in our approach and investments with a vision for stability, growth and safety. And we and the other like minded credit unions across the nation have been forced to stabilize the industry from those who did not take our approach. But the good news is that even with these imposed governmental regulations and fees we remain strong, stable and ready to help our members with their financial needs and an ever increasing array of financial products.

Our success continues to be attributed to you, our members; our dedicated team of employees and our diverse group of committee members and board members. Striving and seeking to find ways to better our institution that we have been entrusted with from our founders and not only pass it on to our future generations but to do so with continued growth, market share and the desire to leave it in even better shape than when we were a small part of its rich history.

I have enjoyed my term as your president for 2009. We have witnessed a time in our Nation's history which thankfully does not happen all that often. And during this time we all tend to find out what wisdom our parents and grandparents always knew. Life is more than money, true security comes from above and truly "rich" people take time to invest in what is important before it's too late. I thank you from the bottom of my heart for the honor of serving this year and look forward with anticipation to what lies ahead for each of us and the Cleveland Bradley Teachers' Federal Credit Union.

Respectfully,

Lindsay L. Hathcock Jr. D.C.

Report of the Treasurer

In 2009, the credit union experienced a 0.57% growth in total assets. Our assets increased to \$35,496,411.89 and we had net earnings of \$-22,755.25 that contributed to a capital to average assets ratio of 12.80%.

While we had negative earnings in 2009, our capital ratio indicates the overall strength of our credit union.

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 2009, the credit union continued to offer loan specials in addition to our regular loan products. 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 2009 we made a total of 873 loans with a dollar amount of \$4,310,579.50. Our total outstanding loan balance as of December 31, 2009 was \$ 16,680,065.11.

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 2010.

Karen Gladson
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 audit performed by the auditing firm of Rodefer Moss & Co. PLLC, Knoxville Tennessee. 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.

Rodefer Moss and Company completed a comprehensive audit of the credit union as of February 1, 2009. 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 very good 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 June 30, 2009. Their findings resulted in several records of action. The Supervisory Committee is overseeing the changes necessary for corrections to the records of action in order to meet compliance with the rules and regulations set by the NCUA.

The Supervisory Committee wants to assure our members that the records, assets and affairs of the credit union are in good and proper order.

Ann P. McElrath
Chair