

**CLEVELAND/BRADLEY COUNTY TEACHERS
FEDERAL CREDIT UNION
ANNUAL MEETING
February 24, 2011**

- | | | | |
|----|-------------------------------------|-----|--------------------------------|
| 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 2010 Meeting | 13. | Election Results |
| 7. | Reports of Officials | 14. | Adjournment |

**CLEVELAND/BRADLEY COUNTY TEACHERS FEDERAL CREDIT UNION
MINUTES OF ANNUAL MEETING
FEBRUARY 23, 2010**

President Lindsay Hathcock called the meeting to order at 4 p.m. at Lee University. (Agenda Item 1)

Lindsay asked Rev. Ron Hill to provide the invocation. (Agenda Item 2)

Lindsay appointed Scott Humberd as parliamentarian for the meeting. (Agenda Item 3)

Based on count taken as members entered, a quorum was present. (Agenda Item 4)

No introductions. (Agenda Item 5)

On motion by Harold Trotter and second by Sandra Cretton, the minutes of 2009 annual meeting were approved. (Agenda Item 6)

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

There was no Old Business. (Agenda Item 8)

There was no New Business. (Agenda Item 9)

Due to minimum number of vacancies and candidates, there was no Report of the Nominating Committee. (Agenda Item 8)

Elected officials Lindsay Hathcock, Ron Hill, and Sherra Witt agreed to serve another term. Kathi Douglas's position will be filled by Marsha Goodwin. (Agenda Item 11/13)

Awarding of door prizes took place. With the assistance of several younger members of the Credit Union, Lindsay and office staff presented several cash prizes (\$10 and \$20) followed by the awarding of three larger cash prizes:

\$100 – Billie Hilliard; \$200 – Christina Melton; \$300 – Carolyn Braddy. (Agenda Item 12)

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

Respectfully submitted,



Sherra Witt



Lindsay Hathcock



Cleveland/Bradley County
Teachers
 Federal Credit Union

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EMPLOYEES



Leslie Sims
 CEO/Manager

Nancy Trotter
 Bookkeeper

Karen Gladson
 Loan Manager

Susan Hartsell
 Head Teller

Janice Hughes
 Marketing Director

Debbie Maxwell
 Loan Officer

Melissa Johnson
 Member Service Rep

Martha Brown
 Collection Manager

COMMITTEES

CREDIT COMMITTEE

Karen Gladson, Chairperson

Chuck Haney

Martha Wattenbarger

Joanne Swafford

Joan Bates

PERSONNEL COMMITTEE

Alice Hamilton

Danny McDowell

Johnny Mull

Franklin Odom

Scott Humberd

SUPERVISORY COMMITTEE

Ann McElrath, Chairperson

Hal McMahan

Tim Riggs

Barbie Buckner

Steve Montgomery

FUNDS MANAGEMENT

Paul Ramsey, Chairperson

Scott Humberd

Leslie Sims

Rick Smith

Charles Hurley

Angie Gill



2010 ANNUAL REPORT

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www.cbctfcu.com



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.*



Financial Comparison Sheet

ASSETS	Dec. 31, 2010	Dec. 31, 2009	Dec. 31, 2008
Net Loans to Members	14,703,003.85	16,522,889.59	19,158,432.13
Cash / Federal Reserve Bank	1,216,431.13	1,804,452.88	1,538,373.11
Investments	18,296,433.67	15,549,978.35	12,776,778.72
Other Assets	1,628,189.21	1,619,091.07	1,816,561.09
TOTAL ASSETS	35,844,057.86	35,496,411.89	35,290,145.05
LIABILITIES & EQUITY			
Accounts Payable	90,916.25	111,897.08	178,091.61
Shares	14,450,736.93	13,059,612.46	10,953,464.26
Share Drafts	3,776,885.24	3,337,624.50	3,654,673.48
Christmas Club	39,500.98	39,210.16	38,983.90
Share Certificates	10,635,213.70	12,905,043.85	14,788,453.98
IRA's	2,038,474.06	1,497,657.17	1,108,438.66
Reserves	2,177,556.06	2,177,556.06	2,177,556.06
Undivided Earnings	2,634,774.64	2,367,810.61	2,390,483.10
TOTAL LIABILITIES & EQUITY	35,844,057.86	35,496,411.89	35,290,145.05
INCOME			
Interest on Loans	1,000,813.44	1,181,536.79	1,328,280.45
Investment Income	304,878.85	229,000.93	359,705.90
Other Income	306,968.22	388,135.10	366,814.33
TOTAL INCOME	1,612,660.51	1,798,672.82	2,054,800.68
EXPENSES			
Salaries & Benefits	391,725.08	472,587.30	477,562.10
Office Occupancy	60,606.57	63,174.52	65,974.91
Office Operations	61,476.20	73,537.00	73,144.57
Provision for Loan Losses	94,065.84	257,224.93	107,670.41
Other Expenses	553,028.90	566,117.63	454,470.52
TOTAL EXPENSES	1,160,902.59	1,432,641.38	1,178,822.51
INCOME BEFORE DIVIDENDS	451,757.92	366,031.44	875,978.17
DISTRIBUTION OF EARNINGS			
DIVIDENDS	184,636.13	388,786.69	769,771.87
NET INCOME	267,121.79	-22,755.25	106,206.30
NUMBER OF MEMBERS	3833	3876	3816

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) or Polk County, TN - and their immediate family
2. Employees of Tennessee Christian Academy, Bowman Hills School, or Cleveland Christian School, who work in Cleveland, TN - and their immediate family
3. Employees of Lee University who work in Cleveland, TN - and their immediate family
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
President



Ritchie Stevenson
Vice President



Sherra Witt
Secretary



Paul Ramsey
Treasurer



Lindsay Hathcock

2010 Board of Directors



Ron Hill



Billie Hilliard



Alice Hamilton



Paul Cretton



Marsha Goodwin



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, 2010 was 3833. This slight drop in membership occurred largely due to the closing of dormant accounts after the government imposed new regulations regarding such.

Our assets grew 1% for 2010, with loans to members totaling \$14.7 million. 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. We are ready to help our members with their financial needs with an ever-increasing array of financial products. Currently, we are exploring mobile banking as an additional service for our members.

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 an improved satisfactory rating. This is an accomplishment of which we can all be proud. Many thanks are due to our capable and committed staff. Our success continues to be attributed to you, our members, our dedicated team of employees, and our diverse group of committee and board members.

It is my desire, as well as all the members of our credit union family, that our coming year will see continuous growth in your credit union.

It has been an honor serving as your president for 2010.

Respectfully,
Scott Humberd

Report of the Treasurer

In 2010, the credit union assets increased to \$35,844,057.86, resulting in a 0.98% growth in total assets.

We had net earnings of \$267,121.79 that contributed to a capital to average assets ratio of 13.42%.

Positive earnings in 2010, as well as our capital ratio, show the overall strength of our credit union.

It is my pleasure to report that our credit union is operating in a sound financial manner.

Paul Ramsey

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 2010, the credit union continued to offer loan specials in addition to our regular loan products. We had an opportunity to participate in the GM Private Offer. This offer gave an incentive of \$1,000 off the purchase of select new vehicles from the GM automotive line for our credit union members. The credit union also offered 100% financing and an extra percentage off their loan rate. We extended our Auto Loan Special to enable our credit union to participate in the full length of the GM offer. We disbursed 52 auto loans with this promotion.

During 2010 we made a total of 758 loans with a dollar amount of \$3,963,205. Our total outstanding loan balance as of December 31, 2010 was \$ 14,703,003.85.

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 2011.

Karen Gladson

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 an internal audit performed by the auditing firm of Craig Peters & Associates from 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.

Craig Peters & Associates completed a comprehensive audit of the credit union as of March 31, 2010. 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 September 30, 2010. Their findings resulted in a much improved review and increased performance rating.

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

Steve Montgomery