

you make the difference...



Pictured above are the Campus Support initiative check presentations. Far left, Les Fout of Pellissippi State Community college with Debbie Jones, CEO of UT Federal Credit Union. In the center is Dorothy Bryson of UT Knoxville with Jones and Betty Gissel, UTFCU Board Chair. Pictured at right is Jones, Charley Deal, Vice President of Alumni Affairs at UT Martin, and Karen Hicks, UTFCU Martin Branch Manager.

## Volunteers

Credit unions were founded on the philosophy of "people helping people." Therefore, the Board of Directors and Supervisory Committee are made up of credit union members who volunteer their time to ensure that your credit union is financially sound and responsive to your needs. We appreciate the dedication of the following members and thank them for their countless hours devoted to UT Federal Credit Union.

## Board of Directors

Betty Gissel, Chairman

Bennett Cox, Vice Chairman

Gary Schneider, Secretary

Harry Davis, Treasurer

James Brace, Security Officer

James Hodge

Therese Leadbetter

Jane Redmond

Gail White

## Supervisory Committee

Mike McNeil, Chairman

Denver Crainager

Ron Kesterson

David Coffey

## UT Federal Credit Union

### Main Office

2100 White Avenue  
Knoxville, TN 37916  
865-971-1971  
800-264-1971

### UT Medical Center Branch

1924 Alcoa Highway  
865-544-6691

### West Knoxville Branch

Franklin Square  
9700 Kingston Pike, Suite 24

### Farragut Branch

Renaissance Farragut  
12744 Kingston Pike, Suite 104

### Martin Branch

103 Hurt Street  
731-587-5451

### Memphis Branch

910 Madison Ave, Suite 100  
901-448-3600

[utfcu.org](http://utfcu.org)

## Campus Support

In order to grow and prosper as a credit union, UT Federal Credit Union has to nourish the "roots" that represent our founder members. UTFCU's Campus Support provides a the credit union with a way to honor our foundation. This initiative makes an annual donation for scholarships at the University of Tennessee campuses in Knoxville, Martin, and Memphis; and Pellissippi State Community College.

This program pledges 5% of profits derived from interchange income from the use of debit and credit cards to the General Scholarship Fund of each university campus within the field of membership.

In 2007, the credit union presented the following checks to UT and Pellissippi representatives:

University of Tennessee Endowment	\$ 13,427
UT Knoxville Scholarship Fund	\$ 10,000
UT Martin Scholarship Fund	\$ 5,000
UT Health Science Center Scholarship	\$ 1,000
Pellissippi State Community College	\$ 2,000

## Agenda

- Call to Order
- Presentation of Campus Support Checks
- Approval of 2006 Annual Meeting Minutes
- Board Chair's Report
- Treasurer's Report
- Supervisory Committee Report
- President's Report
- Unfinished Business
- New Business
- Guest Speaker:  
UT Gardens
- Nominating Committee
- Report of Election Results
- Recognition of Departing Board Members
- Door Prizes
- Adjourn

Thank you for attending!

2007



growing  
for u

Since 1969, UT Federal Credit Union has continued to grow and evolve to better serve your needs. Our growth has been built on the foundation of our promise to members: Friendly, responsive people helping you find the solutions for your lifetime of financial needs. UT Federal Credit Union pledges to provide our members with exceptional financial service, education, and leadership.

You make the difference at UT Federal Credit Union - let us grow for you.



growing to serve your needs...

## Board Chair and CEO Report

UT Federal Credit Union enjoyed an extraordinary year of accomplishments in 2007 with an eye toward growth and opportunity for the coming year.

Your credit union's Board of Directors, Management, and Staff has combined their efforts throughout the year to incorporate new products, services, and educational initiatives to offer you financial solutions for every stage of your life. Realizing the need to offer more in a competitive market, we listened to you, our members, to address specific needs and products you desire from your primary financial institution.

### 2007 Accomplishments

The credit union set strong, aggressive goals for 2007 and met the challenge. Several significant initiatives were identified and acted upon by the Board of Directors and Management. Most significantly was the application for, and subsequent approval of, a Community Charter for the five county areas encompassing the Knoxville area. In December, the National Credit Union Association (NCUA) approved the request for a change in the charter for UTFCU to expand membership to include anyone who lives, works (regularly conducts business), worships, or attends school in Knox, Anderson, Blount, Loudon, or Union counties.

With our current member needs in mind and an eye toward growth, additional locations for new branches were identified and a branching plan devised. The newest branch of UTFCU, located in Renaissance Farragut, is well positioned to serve our members in West Knox and Loudon counties. In addition, the West Branch was remodeled for better accessibility and a drive-through ATM was added.

### New products and services in 2007

Your credit union joined with 1,160 credit unions in 46 states that offer members greater convenience by sharing locations. You can conveniently make deposits and withdrawals, transfer funds, or make loan payments to your UTFCU accounts at more than 2,500 locations nationwide as part of the network.

UTFCU added more locations to the surcharge free ATM network by joining the MoneyTower Network found in most of your neighborhood Walgreens stores. You can now perform transactions surcharge free at more than 26,000 ATM locations across the U.S. and internationally. A new ATM also was placed in Children's Hospital to further serve that membership base.

In 2007 your credit union began offering Health Savings Accounts. These special savings accounts enable employees enrolled in high deductible plans to pay for current health expenses and save at special savings rates for future medical health expenses.

During 2007 UTFCU initiated the research and beginning stages of implementations for many financial services that will fully launch throughout the next few months allowing UTFCU to continue to offer exceptional member service while positioning the credit union for future success. Among these new services is the ability

to apply for credit union membership and additional account services through the web site.

Several upgrades were made to the UTFCU web site making it easier for members to access products, services, and accounts. Additional enhancements for 2008 include the ability to initiate ACH transfers between UTFCU and other financial institutions through secure channels offered by online banking.

### Planning for the future

Looking ahead to 2008, UTFCU will be busy launching Business Services which includes deposit and lending solutions, a variety of share and checking accounts, credit and debit cards, small business loans, and more financial options for our members who own their own businesses.

With this new addition of a broader membership base, we are committed to open new branches over the next several years. Future plans include branches to be placed in various locations throughout Knox and Blount counties that will serve the new demographic area that is available for membership.

### Reaching out to the community

Financial education continues to be a part of our mission. UTFCU staff presented free seminars in 2007 on topics including Home Buying, Car Buying, Paying Down Your Debt, and Understanding Your Credit Score. The number of people who attend UTFCU financial presentations is larger every year. This service will continue to grow in 2008. Additionally, your credit union is the state sponsor for the NEFE (National Endowment of Financial Education) High School Financial Planning Program, a free resource for teachers and parents to help high school students achieve real-world financial literacy.

It is your vision of success that gives us the inspiration to put into action avenues of growth, technology, and service. As we grow and evolve we keep the focus right where it belongs: on you, our valued members. UTFCU will continue to be your trusted financial partner, listening to your needs and responding with products and services designed to help you reach your goals.

Sincerely,

*Betty Gissel*

Betty Gissel  
Board Chair



*Debbie Jones*

Debbie H. Jones, CPA  
President/CEO



## Treasurer's Report

2007 proved to be a financially strong year for UT Federal Credit Union. Your credit union grew in membership to 26,718. Assets grew 6.02% to \$150,444,878. In addition, we experienced an increase of 3.80% in our total loan portfolio to \$115,859,297. Our attractive interest rates reinforced our members' need to save which resulted in \$7,181,387 in net share growth.

UTFCU is constantly growing to meet the needs of our members. It is with pleasure as the Treasurer of your Board of Directors to present these findings, presented below, to you - the reason for our success - the members of UT Federal Credit Union.

Sincerely,

*Harry Davis*  
Harry Davis,  
Treasurer

### Balance Sheet - for Years Ended December 2006 & 2007

Assets	2006	2007
Cash	\$ 3,240,956	2,769,901
Loans to Members	111,650,895	115,859,297
Investments	15,885,122	20,441,921
Other Assets	11,129,305	11,373,759
<b>TOTAL ASSETS</b>	<b>\$ 141,906,278</b>	<b>150,444,878</b>

### Savings, Liabilities, & Net Worth

Members' Shares	\$ 57,504,643	58,075,759
Checking	23,876,694	25,936,715
Certificates	41,259,387	45,809,597
Other Liabilities	5,013,695	5,180,310
Reserves	14,251,859	15,442,497
<b>TOTAL LIABILITIES</b>	<b>\$ 141,906,278</b>	<b>150,444,878</b>

### Income, Expenses, & Distribution of Earnings For Years Ended December 2006 & 2007

Income	2006	2007
Interest Earned on Loans	\$ 6,813,105	7,656,581
Int. Earned on Investments	570,594	702,445
Other Income	2,306,125	2,390,905
<b>TOTAL INCOME</b>	<b>\$ 9,689,824</b>	<b>10,749,931</b>

### Distribution of Income

Dividends	\$ 2,293,038	2,684,196
Operating Expenses	6,380,986	6,902,443
Net Income	1,015,800	1,163,292

your community credit union

## Supervisory Committee Report

Appointed by the Board of Directors, the five-member Supervisory Committee is responsible for ensuring the security of your credit union and protection of assets through internal audits and controls. The committee ensures that the credit union complies with governing directives established by the National Credit Union Administration (NCUA) and operates in accordance with federal guidelines.

Each year, the UT Federal Credit Union management, policies, procedures, and financial operations are subject to a federal examination by NCUA auditors. The NCUA conducted their annual examination of credit union records and account information as of June 30, 2007. **(teri to confirm date)**

A certified opinion audit was performed on the credit union's financial statements as of June 30, 2007, by the firm of Peters & Associates, Certified Public Accountants.

We are pleased to report that, based on issued reports of both the federal examination and certified opinion audit, your credit union continues to provide a financially sound and operationally effective credit union.

Throughout the year, UT Federal Credit Union management and Internal Auditor maintain a system of internal controls, review daily operations, and maintain an intricate computer system which provides state-of-the-art services safeguarding the credit union's assets. It is our pleasure, as your Supervisory Committee to announce these findings and to serve our fellow members of UT Federal Credit Union.

Sincerely,

*Mike McNeil*

Mike McNeil,  
Supervisory Committee Chair



Harry Davis  
Treasurer



Mike McNeil  
Chair, Supervisory Committee