

FINANCIAL Report*

BALANCE SHEET

| Assets | 2021 | 2022 |
|---------------------------|-------------------|-------------------|
| Loans | 17,110,267 | 18,157,384 |
| Allowance for loan losses | (100,838) | (138,314) |
| Cash | 9,492,059 | 4,216,773 |
| Investments | 34,331,570 | 40,797,570 |
| Land & Building | 369,550 | 345,080 |
| Other Assets | 908,150 | 958,979 |
| TOTAL | 62,110,758 | 64,337,472 |

Liabilities

| | | |
|-----------------------------|-------------------|-------------------|
| Members Shares | 34,333,564 | 35,963,806 |
| Share Drafts | 7,793,875 | 7,428,613 |
| Health Savings Accounts | 1,236,722 | 1,427,790 |
| Share Certificates | 4,236,500 | 3,551,000 |
| Money Market Savings | 9,558,972 | 10,622,578 |
| Reserves | 577,150 | 577,150 |
| Undivided Earnings | 4,289,985 | 4,679,870 |
| Interest & Accounts Payable | 83,990 | 86,665 |
| TOTAL | 62,110,758 | 64,337,472 |

STATEMENT OF INCOME & EXPENSES

| Income | | |
|-------------------------|------------------|------------------|
| Interest on Loans | 777,739 | 791,132 |
| Income from Investments | 445,894 | 546,224 |
| Other Income | 325,217 | 459,176 |
| TOTAL | 1,548,850 | 1,796,532 |

Expenses

| | | |
|----------------------------------|---------|---------|
| Employee Compensation & Benefits | 623,220 | 636,009 |
| Cost of Space | 74,243 | 77,636 |
| Office Operations | 95,044 | 82,795 |
| Professional & Outside Services | 177,372 | 198,712 |
| Other Expenses | 324,257 | 368,367 |

| | | |
|--------------|------------------|------------------|
| TOTAL | 1,294,136 | 1,363,519 |
|--------------|------------------|------------------|

| | | |
|---------------------------------|---------|---------|
| Net Earnings (before Dividends) | 254,714 | 433,013 |
|---------------------------------|---------|---------|

Distribution of Earnings

| | | |
|-------------------|---------|---------|
| Reserves | 0 | 0 |
| Dividends | 65,162 | 43,127 |
| Undivided Surplus | 189,552 | 389,886 |

*As of December 31, 2022

Credit Committee Report*

| TYPE OF LOAN..... | QUANTITY |
|---|------------|
| Signature Loans..... | 54 |
| Classroom Cash..... | 5 |
| Savers Loan..... | 1 |
| Co-maker Loans..... | 10 |
| Chattel..... | 90 |
| Home Equity Loans..... | 40 |
| Home Equity Lines of Credit..... | 6 |
| Mortgage Express..... | 5 |
| 1st Mortgage..... | 5 |
| Shares Pledged..... | 0 |
| Visa Classic Credit Cards - Lines of Credit..... | 11 |
| Visa Platinum Credit Cards - Lines of Credit..... | 9 |
| TOTAL..... | 236 |

| | |
|---|----|
| Loans Rejected..... | 22 |
| Other..... | 38 |
| (Counteroffers, members changed their mind, approved not disbursed) | |

Respectfully submitted,
Joan M. Targonski

*For the year January 1 - December 31, 2022

BOARD OF DIRECTORS

Jack Kertenis III
President

Pamela I. Babut
Vice President

Lori Triba
Treasurer

Abbey Kane
Secretary

Karen Jones
Chairperson - Supervisory Committee

Joan M. Targonski
Chairperson - Credit Committee

DIRECTORS

Elisabeth Corbo-Vogler
Oletha Walker
Mark Szczesiul
Dennis Gragnolati

CREDIT COMMITTEE MEMBERS

Edmond K. Drumm, Jr.
Cynthia Sikes

SUPERVISORY COMMITTEE MEMBERS

William Elrick
Myrijam Meserve

Tobacco Valley Teachers Federal Credit Union

182 South Road, Enfield, CT 06082

860-253-4780 or 800-749-8305

www.tvtfcu.org



2022 ANNUAL REPORT



An educated choice

President's Message

The Tobacco Valley Teachers Federal Credit Union continues to be profitable in these trying pandemic and uncertain financial times of 2022. Pandemic issues continue but are mitigated by procedures set up to deal with problems and to keep staff members safe. Members have access to our on-line services and drive up window to avoid direct contact.

The credit union continues to research and search for new products and services that will benefit members. We are constantly looking for new ways to help you to meet your financial needs.

Our loan department has two new members after a promotion and a retirement. They are working out well and are happy and eager to help members with their borrowing needs.

Abbey Kane has taken over as President of the Board of Directors as of January 1, 2023. She has moved from the position of Secretary. Mark Szczesiul has taken over as Secretary. The board congratulates both on their new leadership roles and wishes them the best in their futures. Jack Kertenis has left the Board after serving 18 years.

Thank you to all the staff for your hard work, loyalty, dedication, and resilience during these remarkable times. Thank you also to the management team for all the same qualities and for your leadership. Thank you for the volunteers serving on the Board and various committees.

You all make the Tobacco Valley Teacher's Federal Credit Union live up to its motto, "Not for profit, but for service."

Respectfully submitted,

Jack Kertenis III
President, Board of Directors

Manager's Message

Throughout 2022, our economy experienced many unfavorable changes. The Federal Reserve raised rates five times totaling a 3% annual increase. There was a dramatic increase in housing prices in just over two years and mortgage rates topped 6% for the first time in 14 years. Despite the economic changes, Tobacco Valley Teachers Federal Credit Union continued to be a safe and sound financial institution. The credit union's year closed out with \$64,337,204 in assets and net worth remained strong at 8%. Asset growth was 3.6%, loan growth 6%, loans/assets 28.2%, loans/shares 30.8% and year to date net income of \$389,885.30.

Various loan specials were offered throughout the year to assist members with their borrowing needs. Money Market and Share Certificate rates were raised so our members could yield higher dividends on their savings. Since the beginning of the COVID-19 pandemic, we continued to see an upswing in member usage of our digital platforms to access and transact on accounts 24/7. Going forward, we will continue to focus on opportunities to innovate and enhance our products and services.

We recognize the importance of community involvement and values the credit union philosophy of "people helping people." We proudly sponsored many local and national charity campaigns and couldn't have done it without the generous donations from our members.

This past year, we welcomed our two new Loan Officers, Ursula and Courtney, along with our new Member Service Representative (MSR) Nicole. Be sure to stop in and say hello. In December of 2022, Jack Kertenis, Board President, resigned from the board after 18 years of dedicated service. Thank you for your commitment and all that you've done for our credit union over the years. Your service is greatly appreciated and you will certainly be missed. As of 2023, Abbey Kane will be our new Board President, a Board of Director since 2009. Mark Szczesiul will be taking over Abbey's former position of Board Secretary. He has been on the Board of Directors since 2021. It's with a heavy heart that we inform you Betsy Slayton, former Mortgage Loan Officer, who retired after 21 years of service in December 2021, passed away in February 2022. She will be greatly missed.

Thank you, our members, for the opportunity to assist you with your financial needs. I appreciate your loyalty and commitment to your credit union and value your thoughts, opinions and ideas. Thank you to the Staff, Board of Directors, Supervisory and Credit Committees for your endless hard work and dedication to make Tobacco Valley Teachers Federal Credit Union what it is today!

Respectfully submitted,

Lori Triba
Manager/CEO

Supervisory Committee Report

The Supervisory Committee has two general goals: to ensure that management's financial reporting objectives have been met and the credit union's practices and procedures safeguard members' assets. To this end the Supervisory Committee meets monthly to review internal controls; an internal control is a process or procedure that a credit union's board of directors, management or other personnel establishes to provide reasonable assurance over the effectiveness of operations. Internal controls minimize the risk of errors and fraud, and increase the chances of detecting errors or fraud if they do occur.

Internal controls reviewed this year include:

- Teller Audit Report; all changes were made and approved by the Manager.
- Newly opened accounts; member eligibility checked through OFAC/Chex System.
- Surprise audits of random tellers' drawers and surprise cash audit of the vault.
- Review of employee accounts.
- Review of Currency Transaction Reports and Suspicious Activity Reports.
- Dual controls for incoming and outgoing wire transfers.
- Procedures for loan approval and denial, with examples.
- Annual ACH Audit performed by Credit Union League of CT; the one follow-up item noted has been initiated by the Manager.

Audit proposals were reviewed and the proposed audit contract from Bailey Scarano, Certified Public Accountants was recommended for a three-year term.

- 2022 Supervisory Audit with member account verification*
- 2023 Full Opinion Audit
- 2024 Supervisory Audit with member account verification

Each month the Supervisory Committee reviews all accounts closed and verifies by mail the specifics of each closure. Transparency and accountability are strong qualities that the employees of TVTFCU embody, and this is reflected through our continued membership growth.

Respectfully submitted,

Karen M. Jones
Chairperson, Supervisory Committee

*2022 Supervisory Audit was performed at the fiscal year-end, July 2022. The report was reviewed and the three findings have been addressed by management