

Treasurer's Report

St. Thomas Credit Union continues to show a positive financial year and improved performance in 2017 compared to 2016 as shown below:

- **Assets** grew from \$25,954,727 to \$26,182,575 - an increase of 0.90%
- **Loans** decreased from \$20,299,913 to \$19,785,069 - a decrease of 2.60%
- **Shares** grew from \$23,329,788 to \$23,399,074 - an increase of 0.30%
- **Operational Expenses** increased from \$1,301,471 to \$1,343,305 - an increase of 3.10%
- **Net Income** (profit) increased from \$90,443 to \$124,587 - an increase of 27.40%
- **Net Worth/Assets** grew from 9.71% to 10.18% - an increase of 4.60%
- **Delinquent Loans/Total Loans** increased from 0.41% to 4.06% - an increase of 89.90%
- **Net Charged-off Loans/Average Loans** slight increased from 0.21% to 0.25% - an increase of 16%
- **Membership** decreased from 3,217 to 3,020 - a net loss of 197 accounts, or 6.50%
- **Numbers of New Loans** granted decreased from 773 to 669
- **Amount of new loans** decreased from \$8,682,865 to \$7,149,620 - a decrease of 21.40%

All of the above is good news (with the exception of membership)! Looking at the performance of your credit union over the last year, the positive performance of STCU continues despite uncertainty in the global economy. The credit union has acted prudently to protect each member's financial assets. After all, your membership makes you an owner and contributor to our mutual success. We look forward to another successful year ahead in 2018.

Respectfully,

Susan Fussell

Treasurer/Secretary

St Thomas Credit Union Statement of Financial Condition December, 2016 & 2017

Balance Sheet	YR 2016	YR 2017
ASSETS		
Loans	20,299,913	19,785,069
Allow for Ln Loss	(216,267)	(286,568)
Cash on Hand	908,108	571,983
Investments	3,773,378	4,950,660
Fixed Assets	804,882	801,910
NCUSIF Deposit	219,656	223,178
Other Assets	165,057	1,439
TOTAL ASSETS	25,954,727	26,182,575
LIABILITIES		
Accounts Payable	89,678	99,931
Dividends Payable	15,534	17,115
TOTAL LIABILITIES	105,212	117,046
Shares	12,538,338	12,671,742
Share Drafts	2,601,700	2,650,912
All Other Shares & Deposits	8,189,750	8,076,420
TOTAL SHARES	23,329,788	23,399,074
Statutory Reserves	987,610	1,199,585
Undivided Earnings	1,532,117	1,466,871
Other Reserves	0	0
TOTAL EQUITY	2,519,727	2,666,455
TOTAL LIABILITIES & EQUITY	25,954,727	26,182,575
Income Statement		
Loan Income	1,076,763	1,098,052
Investment Income	43,284	56,985
Other Income	325,469	312,855
TOTAL INCOME	1,445,516	1,467,892
Employee Comp & Benefits Expense	596,220	569,656
Total Other Operating Expense	595,251	594,854
Provision for Loan Losses Expense	110,000	120,000
Cost of Funds (Dividends Expense)	53,602	58,795
TOTAL EXPENSE	1,301,471	1,343,305
Net Income (Loss)	90,443	124,587
OTHER INFORMATION		
# Loans Granted	773	669
Amount Lns Granted	8,682,865	7,149,620
# Members	3,217	3,020



Report of the Board of Directors

Welcome to our **58th Annual Meeting!** Each year, we gather our members together and reflect on the previous year's successes and events; review the financial state of the credit union and share our goals for the future. We invite and encourage you to take this opportunity to contact us with your questions or comments.

As a not for profit financial cooperative, we keep the needs of our members always at the forefront of our decision making process. One of our goals last year was an emphasis on the security of your information and accounts. You may have noticed increased layers of security in your online, in person, and phone transactions. Technology is rapidly changing, and our goal is to make the access to your information as transparent and safe as possible. We have put in place a policy to address debit and credit card breaches quickly and efficiently.

Sadly, in December 2017, we closed a branch located at 1100 Broadway, due to the building property being sold. On a positive note, the two employees manning the branch, John Witherspoon and Christopher Powell, now work in our main location. In addition, we hired two new Member Service Representatives, Gina Messina (2017), and Mechele Montgomery (2018). Mechele replaced Missy Thrash who was promoted to a Generalist. Please stop by to say hi and welcome them to our credit union family.

This year was a very profitable year for your credit union. Please review the Treasurer's Report. This report reflects our growth in assets and our increase in net income, making this one of our most profitable years. We continue to offer varied saving and loan products with very competitive rates.

Once again we are proud to announce St. Thomas Credit Union earned a "Superior Rating" from Bauer Financial, who has been analyzing and reporting the performance of U.S. banks and credit unions since 1983.

We look to the future and serving our membership with improved spaces and updated products:

Enhanced ATM Machines that will be EMV chip capable, providing more security.

Shared Branching through the CO-OP Network – you will have 15 credit union locations in Middle Tennessee and 5,671 nationwide available for your financial transactions, and 64 surcharge free ATM machines in Middle Tennessee and over 30,000 nationwide.

Remote Document Signing – Loan services at your fingertips! You will be able to apply, review, and sign loan documents from your computer tablet or smartphone.

Refer a Friend Program – Spread the word on the credit union difference to your friends, family, and co-workers. Everyone is rewarded!

Space Expansion - look for an update and renovation to our lobby and office spaces to protect your privacy and serve you better.

Our commitments to the credit union philosophy of "People Helping People" involved not only helping our members with good value and products but giving back to our community. Last year's efforts included "The Caring Angels" program of Saint Thomas Foundation, the children's toy drive for Tennessee Department of Human Services, an Annual Bake Sale for the Saint Thomas Breast Center (\$2,540), and volunteers and a T-shirt sale for Camp Bluebird (a Program for cancer survivors). We helped our community at large with your donations (\$2,141) to aid the members of St. Thomas Federal Credit Union in the Virgin Islands, who were devastated by Hurricanes Maria and Irma. Thank you for your care and participation!

It is our promise to give you the tools you need for a richer tomorrow. When you become a member of St. Thomas Credit Union, you are not just a number, but a part of a group that believes in making life better. It has been our honor and privilege to serve you.

Respectfully,

St Thomas Board of Directors,

Derrick Cox President ***Sherry Warren***, Vice-President

Susan Fussell, Treasurer/Secretary

Pat Hutchinson, Member ***Deborah Pitts***, Member

Deborah Crunk, Member ***Beth Smith***, Member

Report of the Supervisory Committee

The Supervisory Committee's responsibility is to oversee that St. Thomas Credit Union is soundly managed and that assets are safeguarded, the credit union's financial records are in order, and that strong internal controls are in place and implemented. We selected an independent auditing firm, CU Audit and Compliance, specializing in auditing credit unions, to perform quarterly and an annual audit of the credit union, who have reported positive results. Separately, an audit of our ACH (Automated Clearing House) system was conducted by Volunteer Corporate Credit Union and compliance was verified with no exceptions. We also had periodic audits of credit union financial records and accounts to ensure compliance with the federal government Bank Secrecy Act and verification the credit union met the guidelines of the Office of Foreign Asset Control (OFAC). The Committee would like to recognize the staffs and Board for the efforts made in this regard.

Respectfully,

The St. Thomas Credit Union Supervisory Committee,

Amanda Austin, Chairman

Pat Stefanik

Jean Johnson, BSA Auditor

Kim Stephenson

Report of the Nominating Committee

The committee has nominated the following members for the board of directors:

- **Derrick Cox**
- **Father John Raphael**
- **Sherry Warren**

Each term is for three years. We encourage any members who are interested in volunteering to serve your credit union to contact the Board or management staffs. Credit Union adhere to the policy of "People Helping People." The credit union is overseen by the Board of Directors who select committee members from willing volunteers.

Respectfully,

The St. Thomas Credit Union Nominating Committee,

Susan Fussell, Secretary/Treasurer

Deborah Pitts, Board Member