



Enrichment

federal credit union

We Go Where You Go



2023 74th Annual Report



National Credit Union Administration, a U.S. Government Agency - Member accounts are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.

Your Credit Union

At-A-Glance

Our Mission, Our Promise: We pledge to enrich our members' lives by providing a lifetime of exceptional financial products with service that exceeds expectations. Enrichment Federal Credit Union is committed to each and every member: to ensuring that you receive the highest level of personal service when you call or visit us, to providing the latest in modern and convenient financial services, and to keeping our pricing affordable.

By-the-Numbers



\$827M
Total Assets



45,571K
Members



137
Employees



9
County Charters and
Branch Locations



\$2.6M+
Ownership Rewards
Since 2021



\$195K+
Community
Investments



30K+
Local Network
of Fee-Free ATMs



80K+
Global Network of
Fee-Free ATMs



48
Auto Dealer
Partners

EFCU Locations

Membership lasts a lifetime. Once you are a member of Enrichment FCU, you're always a member. Anyone who lives, works, worships, or attends school in one of the nine counties we serve: Anderson, Blount, Claiborne, Knox, Loudon, Morgan, Roane, Scott, Union is eligible to join and take advantage of EFCU's exclusive benefits.

Digital Branch

enrichmentfcu.org

or call toll-free

800-482-0049



W. Knoxville

9210 Kinston Pike
Knoxville, TN 37922
865-531-4727

N. Knoxville

5201 Schubert Road
Knoxville, TN 37912
865-688-0866

Northshore

9419 S. Northshore Drive
Knoxville, TN 37922
865-531-1600

Halls

7005 Maynardville Hwy.
Knoxville, TN 37918
865-922-1414

Oak Ridge

201 S. Illinois Avenue
Oak Ridge, TN 37830
865-482-0045

Clinton

1116 N.C.G. Seivers Blvd.
Clinton, TN 37716
865-457-1266

Kingston

1009 Bradford Way
Kingston, TN 37763
865-376-3451

Midtown

1834 Roane State Hwy.
Harriman, TN 37748
865-376-3587

New Tazewell

404 S. Broad Street
New Tazewell, TN 37825
423-626-5505



Chairman and CEO's Report

Enrichment Federal Credit Union experienced another remarkable year full of growth, exceptional service, and new milestones - all of which wouldn't be possible without you, our loyal members. In 2023, assets grew 6%, to an all-time high of \$827 million, and membership increased by 839, ending the year with over 45,500 members. EFCU experienced another extraordinary year of loan growth and added \$66 million, or an increase of 11.43%, to the loan portfolio.

Here's a look at some of the highlights from 2023:

- Expanded our Field of Membership, extending service capabilities to Morgan County.
- Surpassed \$800 million in assets.
- Purchased property for future branches in Knox and Roane Counties.
- Contributed \$195,000 to charitable organizations.
- Paid a record \$6 million in dividends to members.

With a net worth of 10.55%, EFCU remains financially strong and steadfast in the communities we serve. Our success is the result of you, our dedicated members, and our commitment to putting you first in everything we do and every decision we make.

Sincerely,


Rick Benson
Board Chairman

Jeremy Hodges
Chief Executive Officer



Introducing **Early Direct Deposit** *with Enrichment Federal Credit Union*

We heard you loud and clear! You wanted quicker access to your funds, and we've made it happen.

 **Enrichment**
federal credit union now
Your paycheck came early! \$1573.21
has posted to your account.



Enrichment
federal credit union
www.enrichmentfcu.org

*Direct deposits made through ACH could be available for use up to two business days before the scheduled payment date. Early availability of direct deposits is not guaranteed and may vary from deposit to deposit. Automatic transfers may not occur the same day as early deposit. Federally insured by the NCUA.



Supervisory Committee's Report

Your Supervisory Committee is comprised of dedicated volunteers who are not employees of the Credit Union. The Supervisory Committee is responsible for ensuring that the Board of Directors and management of the Credit Union meets required financial reporting objectives and establishes practices and procedures sufficient to safeguard members' assets.

To carry out these responsibilities, they determine whether:

- (1) Internal controls are established and effectively maintained to achieve the Credit Union's financial reporting objectives.
- (2) The Credit Union's accounting records and financial reports are promptly prepared and accurately reflect operations and results;
- (3) The relevant plans, policies, and control procedures established by the Board of Directors

are properly administered; and,

- (4) Policies and control procedures are sufficient to safe guard against error, conflict of interest, self-dealing and fraud.

In 2023 the Committee:

- (1) Worked with our internal audit department and outside independent auditors to review audits of the Credit Union's operations;
- (2) Hired an independent CPA firm to conduct an audit of the Credit Union's financial statements for the year ended September 30, 2023 which resulted in an unqualified opinion.
- (3) The Credit Union is also examined annually by the National Credit Union Administration (NCUA). The Committee is responsible for meeting with the examiners and reporting the results of the examination to the Board of Directors and Management.



Treasurer's Report

Financial results for the year ending December 31, 2023, were very positive. Assets grew \$47 million or 6.04%, while deposits grew \$32.3 million or 4.58%. This growth in deposits compares favorably with our peers. This growth in deposits came in the form of share certificates, with EFCU's promotional certificate rate being the highest in the area for much of the year.

Total loans grew by \$66.3 million or 11.43% to a total of \$646.4 million as of December 31, 2023. Mortgage loans grew \$32 million or 11.52%, consumer loans grew \$21 million or 10.06%, business loans grew \$9.4 million or 13.02%. Loan losses remain at low levels with net charge-off ratio of 0.08%, well below the 2023 Q3 peer average of 0.40%.

Return on assets (ROA) from operations was 1.66%. The interest rate environment was once again challenging for all financial institutions. The Federal Open Market Committee (FOMC) raised the federal funds rate on four separate occasions in 2023, to a range of 5.25% to 5.50%. EFCU paid a record \$6 million in dividends while maintaining an ROA that compared favorably to peer institutions. Effective management of operating expenses, increased loan balances, and low loan losses were key factors of ROA in 2023.

EFCU is financially positioned to continue to offer the best products and services at the best prices, for current and potential members, well into the future. We thank you, our members, for your continued trust in us.



Consolidated Financial Statements

Consolidated Balance Sheet

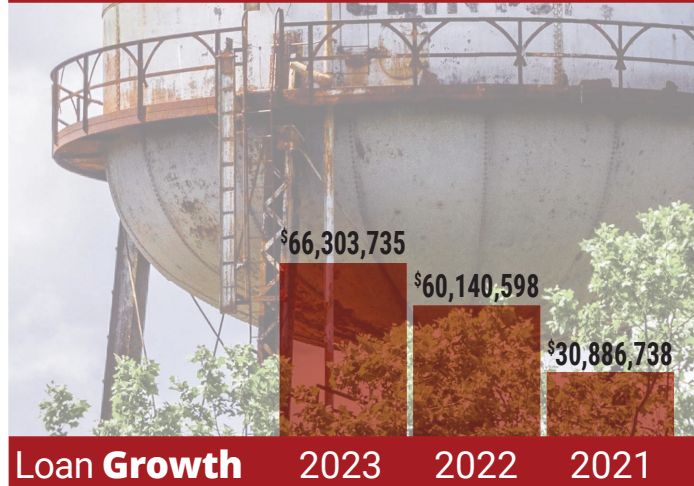
As of December 31, 2023 and 2022

	12/31/23	12/31/22
Loans	646,442,424	580,138,689
Allowance for Loan Losses	(1,193,000)	(410,260)
Cash	12,242,804	6,417,532
Investments	146,636,090	173,397,568
Fixed Assets	14,935,679	13,607,560
Other Assets	8,013,448	6,796,287
Total Assets	827,077,444	779,947,377
Accts Pay & Acctd Liab	3,535,830	2,992,007
LOC Borrowings	0	0
Deposits	736,248,584	703,986,642
Total Liabilities	739,784,413	706,978,649
Equity	87,293,031	72,968,727
Total Liabilities & Equity	827,077,444	779,947,377

Consolidated Income Statement

As of December 31, 2023 and 2022

	12/31/23	12/31/22
Operating Income	40,051,106	26,782,871
Operating Expenses	(22,134,542)	(19,073,018)
Net Operating Income	17,916,564	7,709,852
Interest on Borrowed Funds	(0.31)	-
Non-Operating (Income) Loss	(1,384,136)	-
Dividends	(5,977,179)	(2,515,672)
YTD Net Income	13,323,521	5,194,181



We Saved Our Members \$2.4 Million Last Year*



\$1,771,651
Home Loan Savings



\$502,588
Credit Card Savings



\$104,815
Fee Savings

*Direct financial benefits to members during the 12 months ending September 2023 as defined in the CUNA Membership Benefits Report for Enrichment Federal Credit Union. For more information regarding this analysis, please visit www.datatrac.net/memberbenefits. ©CUNA, ©Datatrac



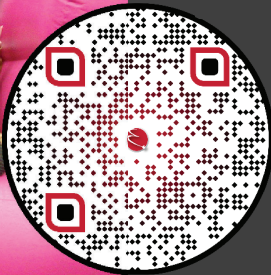
Community Enrichment Program

Investment

Enrichment is not only here to help our members, but also the communities we serve. We do all this to help further the mission of credit unions across the nation of "People Helping People." In 2023, members designated where more than \$195K in support to local non-profit organizations. These are just a few of the organizations members supported in 2023:



COMMUNITY Enrichment Program



ECFU's Community Enrichment Program allows members to choose how the credit union supports the communities we serve through charitable donations. Each quarter, \$25,000 is donated to local non-profit organizations. Place your vote today!

Scan the code to vote today for an organization that speaks to your heart.
www.enrichmentfcu.org/community-enrichment-program



73rd Annual Member's Meeting

Official Minutes

The 73rd Annual Meeting was called to order by Mr. Rick Benson, Chairman, in Oak Ridge, Tennessee on March 24th, 2023, 6:00 p.m.

The following directors were present: Rick Benson, Ted Young, Dwight K. Potter, Steve Braden, Beth Fee, and Tim Stallings. Also present: Jeremy Hodges, CEO. Supervisory Committee, Scot Winningham, Deb Szwarc, and Aimee Barret. Office personnel and Credit Union members.

Mr. Benson welcomed everyone to the 73rd Annual Meeting of Enrichment Federal Credit Union.

Mr. Young declared a quorum and Mr. Benson declared Mr. Jim Norman with the law firm of Joyce, Meredith, Flitcroft and Norman as Parliamentarian.

The motion was made by Mr. Young and seconded by Mr. Potter to approve the Minutes from the March 25th, 2022, Annual Meeting. Motion carried. 100% approval by the Members.

Mr. Benson stated that annual exams and audits performed over the last year found the Credit Union to be in a sound and stable financial condition. Mr. Benson also recognized the outstanding leadership of our Executive team: Jeremy Hodges, Mike Hayes, and Becky Woody, and thanked them for their continued dedication and service to the Credit Union. He also recognized Mr. Scot Winningham, Supervisory Committee Chairman, and his committee for their work as volunteers.

Mr. Hodges spoke at this time and thanked everyone for their service.

Mr. Hodges introduced the audio-visual presentation highlighting 2022, and recognized Kelley O'Dell for her outstanding work on the presentation.

Mr. Ted Young went over the Treasurer's Report and Statement of Financial Condition as of December 31, 2022. There were not any questions asked. The motion was made and seconded to approve the Treasurer's Report. Motion carried. 100% approval by the Members.

Mr. Scot Winningham, Chairman of the Supervisory Committee went over last year's Supervisory Committee Report. Mr. Winningham thanked his committee and the Internal Audit Department of Enrichment Federal Credit Union for their support and diligence over the past year. Mr. Winningham reported that each division of the Credit Union fully carried out the policies and procedures during 2022. The motion was made by Ms. Fee and seconded by Mr. Young to approve the Supervisory Committee Report. Motion carried. 100% approval by the Members.

There was not any Unfinished Business to discuss.

There was not any New Business to discuss.

Mr. Benson stated there are three Director positions on the Board whose terms are expiring. Mr. Potter read the Nominating Committee's Letter to Chairman Benson nominating Mr. Rick Benson, Ms. Beth Fee, and Mr. Tim Stallings, each to a three-year term to the Board of Directors for Enrichment Federal Credit Union.

Motion was made and seconded. Motion carried.

At this time, the drawings for prizes began.

Mr. Benson thanked everyone for their attendance.

Motion was made to adjourn at 6:35 p.m. by Mr. Young. Mr. Potter seconded. Motion carried.



Board of Directors & Supervisory Committee



Rick Benson
Board Chairman



Dwight Potter
Board Vice Chairman



Ted Young
Board Treasurer



Beth Fee
Board Member



John Clayton
Board Member



Steve Braden
Board Member



Tim Stallings
Board Member



Scot Wunningham
Supervisory Committee Chair



Aimee Barrett
Supervisory Committee Member



Deborah Szwarc
Supervisory Committee Member



"As always, excellent customer service and quick process for my loan. The entire team is great, Olivia makes my life so easy. This is the only financial institution I use for my personal and our business when it comes to loans. Great job! I'm sure to be back."

- William S.

*Member Google Review
December, 2023*