



Here  
for  
every  
why.



Annual & Community  
Report 2024





**“As I reflect on all we’ve accomplished in 2024, I can’t help but feel optimistic about what lies ahead.”**

## BOARD CHAIR’S REPORT

2024 was a year of transformation, growth, and exciting opportunities for Y-12 Credit Union. I’m honored to share the incredible milestones we achieved this past year.

### Elevating Our Brand

First, I’d like to highlight our refreshed brand, which was introduced at the start of the year. With a bold new logo and vibrant color palette, this transformation reflects the innovative spirit of Y-12 Credit Union. Throughout 2024, we rolled out these updates across our member communication, marketing collateral, and digital spaces, ending the year with a strong focus on making our branches more inviting and modern for our members.

### Expanding Our Reach

March brought an extraordinary opportunity as we received approval from the NCUA for a major Field of Membership (FOM) expansion. This included six underserved areas spanning parts of Tennessee, Kentucky, Alabama, Georgia, North Carolina, and Virginia. We’re thrilled about this chance to bring Credit Union membership to new communities and empower more individuals with financial solutions tailored to their needs.

In October, we took another exciting leap forward by entering into a definitive agreement to acquire First State Bank of the Southeast. This Middlesboro-based bank operates eight branch locations across Southeast Kentucky and Northeast Tennessee, marking a historic first for our Credit Union as we expand beyond Tennessee’s borders. This acquisition strengthens our commitment to serving a broader region while staying true to our values.

### Honoring the Past, Welcoming the Future

2024 also marked a moment of heartfelt gratitude as we celebrated the retirement of Ron Honeycutt from the Board of Directors after decades of dedicated service. Ron’s unwavering leadership and commitment have left a lasting impact on our Credit Union. On behalf of the entire organization, we thank Ron for his years of service to our members and the credit union movement.

At the same time, we welcomed Jessica Steed as a new director. Jessica, a certified public accountant, brings a tremendous wealth of experience and a member-first mindset. Having previously served on our Advisory Board and Supervisory Committee, we are confident she will make significant contributions to our Credit Union’s future.

### Looking Ahead

As I reflect on all we’ve accomplished in 2024, I can’t help but feel optimistic about what lies ahead. The groundwork we’ve laid this year through our rebranding, expansions, and continued service improvements positions us to build on this momentum in 2025 and beyond.

Thank you to our members, who are at the heart of everything we do, and to our team of employees and volunteers who pour so much dedication and passion into serving our Y-12 Credit Union family. It’s a privilege to work alongside you. Here’s to continued growth, innovation, and service in the year ahead.

*David Rupert*

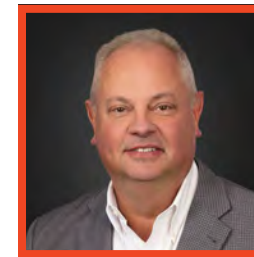
**David Rupert**  
Chair, Board of Directors

## BOARD OF DIRECTORS

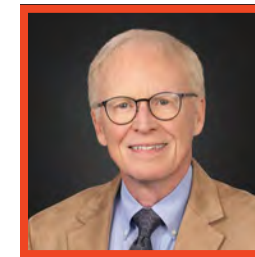
Your board and committee members are volunteers who generously give their time and talent to lead our Credit Union efforts. In addition to monthly meetings, they spend countless hours on Credit Union business and activities on behalf of our members. This volunteer spirit is the heart of the credit union movement.



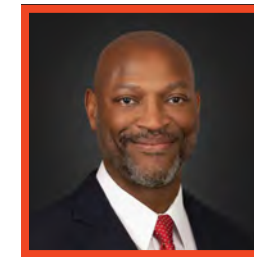
**David Rupert**  
Chair



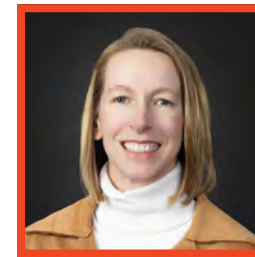
**Lloyd Jollay**  
Vice Chair



**David Liles**  
Financial Officer



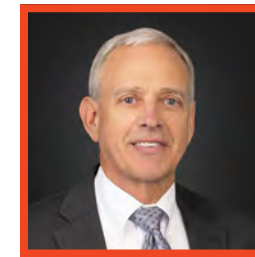
**Hurtis Hodges**  
Secretary



**Jessica Steed**  
Director



**Sam Pelchar**  
Director



**Tom Fisher**  
Director

### ASSET LIABILITY MANAGEMENT COMMITTEE

**Dustin Millaway**, Chair  
**Courtland Crouchet**, Member  
**David Liles**, Member  
**Jim Wood**, Member  
**Mark Ziegler**, Member

### CREDIT UNION SERVICES OF EAST TENNESSEE, LLC\*

**Lloyd Jollay**, Chair  
**Dustin Millaway**, Treasurer  
**Tom Fisher**, Secretary  
**Jan West**, Member  
**Jeff Jackson**, Member  
**Mark Ziegler**, Member

### SUPERVISORY COMMITTEE

**Kevin Cress**, Chair  
**Hilary Shreter**, Secretary  
**Hurtis Hodges**, Member

### EXECUTIVE TEAM

**Mark Ziegler**, President/Chief Executive Officer  
**Courtland Crouchet**, SVP/Chief Experience Officer  
**Dustin Millaway**, SVP/Chief Financial and Strategy Officer  
**Jim Wood**, SVP/Chief Lending Officer  
**Lynn Boston**, SVP/Chief People Officer  
**Todd Richardson**, SVP/Chief Technology Officer

\*Wholly owned subsidiary





# A BOLD NEW LOOK

At the start of 2024, we introduced an exciting chapter in the story of Y-12 Credit Union. Our refreshed brand complements who we are today—an innovative, forward-thinking credit union deeply rooted in a proud history. While our appearance has evolved, our commitment to serving you remains as strong as ever.

## What's New?

Our brand refresh includes several key changes that you may have already noticed. Here's a quick look at what's new:

### A Modern Logo

Designed to reflect our growth and innovation, our new logo combines contemporary design elements with a nod to our rich heritage. While it may look different, it carries the same integrity and meaning our name has always represented.

### A Member-Focused Approach

Through our new brand voice and visual identity, we've positioned ourselves as a financial partner that makes banking as easy as it should be – your trusted ally in managing life's finances.

### A Simplified "Nickname"

We're proud to now go by "Y-12 Credit Union." While our legal name remains Y-12 Federal Credit Union, this streamlined nickname reflects our focus on making every member interaction as simple and clear as possible.

### Bold, New Colors

Our updated color palette is vibrant and modern, representing the energy and optimism of our Credit Union as we continue to grow and evolve.

## What Does This Mean for You?

For many of you, these changes have already started to feel familiar. Over the past year, you've seen our updated branding introduced across multiple platforms, digital channels, and materials.

One of the most noticeable transformations will be in our retail facilities. These improvements began rolling out in the fourth quarter of 2024, and soon you'll see a fully unified look across all branches – designed to create an even better experience for you every time you visit.

## Looking Ahead

This brand refresh isn't just about how Y-12 Credit Union looks – it's about who we are and where we're headed. It's about ensuring we're continually innovating to serve our members in the best way possible. It's a reflection of our commitment to being a credit union that's not just proud of its past but ready for the future.

Here's to growth, innovation, and a bright future ahead.



## SUPERVISORY COMMITTEE REPORT

The Supervisory Committee is mandated by the Federal Credit Union Act and is responsible for ensuring that the Board of Directors and management of the Credit Union meet required financial reporting objectives and establish practices and procedures sufficient to safeguard members' assets.

The Supervisory Committee is composed of volunteers who are not employees of the Credit Union and whose members are appointed annually by the Board of Directors. We oversee an internal audit department and other external auditing support to assist in discharging the committee's responsibilities. We work with the Board of Directors and management to strengthen the Credit Union.

The Supervisory Committee engages certified public accounting firms to perform an independent annual audit of financial statements. The last auditor's report by Elliott Davis, LLC, determined that the consolidated financial statements present fairly, in all material respects, the financial position of the Credit Union in accordance with generally accepted accounting principles.

Additionally, we conduct and oversee a variety of audits and activities to ensure that internal controls and relevant policies and procedures meet regulatory requirements, are properly administered, and are sufficient to safeguard against error, conflict of interest, self-dealing, and fraud.

Based on the annual audit and the other audits and activities that have been conducted, the Supervisory Committee believes that your Credit Union's internal controls are effective and adequately protect the Credit Union, its members, management, and employees.

As the Credit Union continues to grow, the Supervisory Committee will continue to diligently fulfill our mission so that members may retain confidence in their Credit Union.

*Kevin Cress*

**Kevin Cress**

Chair, Supervisory Committee

## 2024 FINANCIALS

### Statement of Condition

For the year ended December 31, 2024 (in thousands)

<b>ASSETS</b>	<b>2023</b>	<b>2024</b>
Loans Net of Allowance for Loan Losses	1,619,768	1,707,640
Cash & Cash Equivalents	56,249	35,733
Investments	178,792	306,491
Fixed Assets	29,643	29,211
Other Assets	76,415	77,040
<b>Total Assets</b>	<b>1,960,867</b>	<b>2,156,115</b>

<b>LIABILITIES &amp; EQUITY</b>	<b>2023</b>	<b>2024</b>
Accounts Payable & Other Liabilities	37,799	35,253
Notes Payable	151,000	170,379
Member Shares	1,566,885	1,688,530
Non Member Shares	—	30,919
<b>Total Liabilities</b>	<b>1,755,684</b>	<b>1,925,081</b>
Regular Reserves	9,050	9,050
Undivided Earnings	196,133	221,984
<b>Total Equity</b>	<b>205,183</b>	<b>231,034</b>
<b>Total Liabilities &amp; Equity</b>	<b>1,960,867</b>	<b>2,156,115</b>

### Statement of Income & Expense

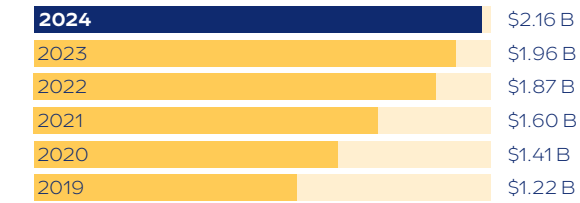
For the year ended December 31, 2024 (in thousands)

<b>INCOME</b>	<b>2023</b>	<b>2024</b>
Loan Interest	81,302	97,308
Investment Interest	6,550	11,204
Fee & Other Income	31,056	28,468
<b>Total Income</b>	<b>118,908</b>	<b>136,980</b>

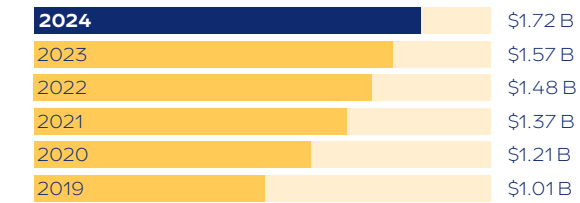
  

<b>EXPENSES &amp; COST OF FUNDS</b>	<b>2023</b>	<b>2024</b>
Operating Expenses (Including PLL)	71,052	77,444
Cost of Funds	24,254	36,387
<b>Total Expenses &amp; Cost of Funds</b>	<b>95,306</b>	<b>113,831</b>
Other Non-Operating Income Expense (Inc)	(217)	25
Net Income Before Stabilization	23,819	23,124
Stabilization Expense	0	0
<b>Net Income After Stabilization</b>	<b>23,819</b>	<b>23,124</b>

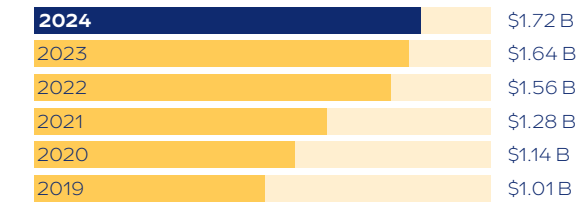
### TOTAL ASSETS



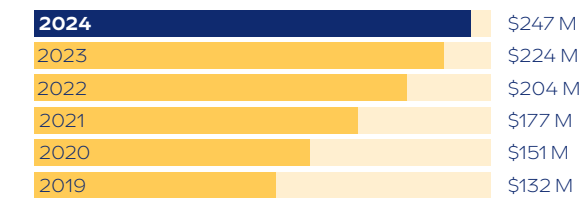
### TOTAL SHARES



### TOTAL GROSS LOANS



### TOTAL NET WORTH



## FINANCIAL OFFICER'S REPORT

After two years of steady rate increases, the Federal Reserve made a significant policy shift in 2024, cutting the federal funds rate by 1%. Through it all, Y-12 Credit Union continued to show exceptional financial stewardship. By the year's end, our regulatory capital or net worth ratio stood at a solid 11.45%, well above the threshold to be considered well-capitalized by the National Credit Union Administration (NCUA).

### Member Deposits Shine

Thanks to ongoing enhancements to our deposit products, member deposits grew by an impressive 8% in 2024, reaching \$1.69 billion. Leading the charge were our High Yield Money Market accounts and successful Share Certificate promotions. Even more importantly, we distributed \$29 million in dividends to our members, reinforcing our commitment to their financial growth.

### Lending Momentum Continues

This year was remarkable for our lending teams, as they granted an impressive \$512 million in loans, driving a 5% growth in our loan portfolio. Much of this success can be credited to key initiatives like the Indirect Lending program and the expansion of our Home Equity Line of Credit (HELOC) offerings, which provided greater flexibility and value to our members. Optimizing our auto decision process also delivered significant results, boosting auto decision rates from 23% to 53%. This improvement meant faster funding and quicker responses for our members. On top of that, our second quarter HELOC campaign, featuring no closing costs, was a standout success, making it easier than ever for members to access flexible financing solutions.

### Robust Overall Growth

With increases in member deposits, loan growth, and a boosted investment portfolio, we ended 2024 as a \$2.16 billion financial institution, marking an impressive 10% growth in total assets. Strategic initiatives and thoughtful management led to a net income of \$23 million and a healthy return on assets of 1.12%.

### Staying Future-Focused

While the future financial landscape may hold challenges, Y-12 Credit Union remains well-positioned to adapt and flourish, thanks to the collaborative efforts of our management team, volunteers, regulatory agencies, and external partners. These dedicated groups continually assess challenges and implement strategies to strengthen member services and security.

To every Y-12 Credit Union employee, volunteer, and, most importantly, our members – you are the heart and soul of everything we do. Your trust, dedication, and support drive us forward, inspiring us to work harder and dream bigger. Together, we're not just shaping brighter financial futures – we're building a stronger community.

*David Liles*

**David Liles**  
Financial Officer



## COMMUNITY IMPACT

### Bill T. Hicks Scholarship Sees Record Growth

The 2024 Bill T. Hicks Scholarship Program reached a remarkable milestone with 134 applicants from over 23 area high schools – the largest in its 14-year history and a 145% increase from 2023. This record-breaking year reflects Y-12 Credit Union's dedication to empowering East Tennessee students.

Established in honor of the late Bill T. Hicks, a devoted educator and former Y-12 Credit Union board member, the scholarship has become a symbol of excellence and opportunity for East Tennessee youth. It recognizes outstanding high school seniors annually, acknowledging their academic achievement, leadership, community service, and commitment to making a difference. Each recipient receives a \$5,000 scholarship to support their pursuit of higher education and long-term goals.

We take pride in the growth and diversity of this year's applicants. Reflecting the program's mission to support students from all backgrounds, 2024's recipients included 66% from minority communities, such as Hispanic, Pakistani, and Indian demographics. This diversity highlights the rich multicultural fabric of our region and our steadfast dedication to fostering equal opportunities for all.

**\$30K** in scholarships granted in 2024



### Strengthening Communities

In 2024, Y-12 Credit Union proudly sponsored and supported over 40 regional events and charity initiatives, leaving a meaningful mark on the communities we serve. From organizing a diaper drive for Helping Mamas Knoxville, which collected an incredible 10,000+ essential baby hygiene items, to supporting beloved events like Fantasy of Trees benefiting East Tennessee Children's Hospital and the Lavender Festival in Oak Ridge, we made it our mission to give back in impactful ways and establish a stronger brand presence throughout our region.

Our employees truly embody our commitment to giving back, contributing over 135 hours of volunteer time to support these and many other meaningful causes. To encourage this spirit of service, we provide employees with up to 16 hours of paid time to volunteer in their communities. It's not just about clocking hours or ticking boxes – it's about building something bigger together. Every act of kindness, big or small, adds up to stronger communities and real, lasting change.

### Financial Education

Financial education took center stage this year, and the Credit Union truly delivered! Beyond hosting 40+ sponsored events, we proudly joined 31 community-driven financial education initiatives in 2024. Our passion for empowering the next generation led us to deliver 39 dynamic classes and presentations to 38 regional school partners. Together, we reached over 11,000 students, from middle schoolers to college students, equipping them with the tools and knowledge to build a brighter financial future. This is more than just numbers; it's about making a real difference in our communities, one lesson at a time.

### Highlights from the Y-12 FCU Gives Foundation

In 2024, the Y-12 FCU Gives Foundation furthered its commitment to reducing childhood hunger in our East Tennessee communities. By granting an impressive \$320,000 in funds, including \$10,000 specifically designated to feed kids impacted by Hurricane Helene, we supported vital organizations that are doing the hard work of feeding kids.

Here's a quick look at what we achieved:

#### Community Strengthening

- Attended numerous chamber events across multiple counties
- Welcomed new board members, adding fresh energy to our mission
- Conducted 40 site visits to deepen relationships with recipient organizations

#### Innovations and Initiatives

- Developed a new grant matrix to ensure fair and impactful fund distribution
- Partnered with local organizations and coordinated a meaningful intern-led project at recipient agencies
- Introduced mid-year mandatory reports for partner agencies, increasing transparency and accountability

#### Streamlining Operations

- Launched a new pay platform, making donations and payments easier than ever
- Introduced a professionally designed brochure to elevate our outreach

#### Other Recognitions and Efforts

- Recognized with a prestigious Philanthropy Award
- Boosted awareness through WATE TV coverage and a year-round billboard campaign
- Hosted our first Annual Meeting and Spring Training, reenergizing our incredible team

**\$320K** granted to local organizations in 2024

We're proud of the strides we've made and remain dedicated to feeding hungry children in our communities. Here's to continuing our mission in 2025!



### Y-12 FCU Gives Foundation Golf Tournament

On October 15, 2024, the Y-12 FCU Gives Foundation hosted its 5th annual charity golf tournament at Fox Den Country Club in Knoxville – and what an incredible day it was! Thanks to the amazing support of our community, this year's event was our most successful yet, raising nearly \$105,000 to combat childhood hunger.

Every dollar raised will go directly back into local East Tennessee communities, funding grants for organizations dedicated to fighting hunger and supporting children in need. This event continues to be our signature fundraiser, allowing us to make a bigger impact each year.

Executive Director Gary Brewster shared his gratitude, saying, "Each year, I'm blown away by the growing support for this tournament. This has truly become a cornerstone of our foundation's mission, enabling us to fund more grants, feed more children, and make a real difference."





## STRONGER TOGETHER

We're proud to announce an exciting milestone in our 75-year history. In 2024 we embarked on a new journey by entering into an agreement to acquire First State Bank of the Southeast, expanding our community-focused approach into neighboring Southeast Kentucky.

This step marks more than just growth for us – we're bringing together the shared values, strengths, and legacies of two organizations deeply rooted in community commitment. Together, we're creating new opportunities while building on the trust and relationships we've fostered for many years.

### Expanding Opportunities and Enhancing Services

For members and customers, this partnership means more than added locations – it's about possibilities. With access to a broader range of loan options, advanced digital banking tools, personalized investment and retirement planning services, and more branch locations, the benefits are clear. First State Bank customers and Y-12 Credit Union members will gain access to an expanded network backed by the same commitment to personal service they've always known.

### Unified by Shared Values

The foundational values of "people helping people" continue to guide us, ensuring that this partnership is driven by a focus on helping individuals, families, and businesses succeed. Both institutions have strong ties to the communities we serve, and we're excited to honor First State Bank's legacy while leveraging our combined strength to positively impact Southeast Kentucky and East Tennessee for years to come.

### Building a Stronger Future Together

While the acquisition is still subject to regulatory approvals, we're optimistic about completing the process later in 2025. We're looking forward to welcoming new members, employees, and communities into the Y-12 Credit Union family. This partnership is more than just an acquisition – it's a promise to continue our commitment to providing innovative financial solutions, personalized care, and impactful community investments.

For the latest updates and to learn more, visit [y12fcu.org/strongertogether](https://y12fcu.org/strongertogether).



## 2024 CREDIT UNION AWARDS & RATINGS

### AWARDS

#### Top Workplaces Awards

- Culture Excellence Awards
  - Compensation & Benefits
  - Employee Appreciation
  - Employee Well-Being
  - Innovation
  - Leadership
  - Professional Development
  - Purpose & Values
  - Remote Work
  - Work-Life Flexibility
- Knoxville News Sentinel Regional Award – Top Workplaces
- National Industry Award – Financial Services Industry

Awards are based on feedback from a research-backed employee engagement survey.

#### Best of Anderson County

**Best Bank and Best Credit Union**

Voted on by readers of the Clinton Courier

### RATINGS

#### BauerFinancial, Inc.

**5-Star Rating**

The Nation's Premier Bank and Credit Union Rating Firm awarded its highest (5-Star) rating for financial strength and stability. Earning a 5-Star rating indicates we excel in areas of capital adequacy, profitability, asset quality, and much more.

#### LaFollette Press Readers' Choice Award

**Best Bank/Financial Institution**

Voted on by readers of the LaFollette Press

#### Marketing Association of Credit Unions Award

The MAC Awards highlight and award marketers who step up their game and create terrific campaigns with tangible results. We received a Gold Award in the Video-Non-Commercial category for our Fraud Awareness video.

#### Secret City Community's Choice Award

**Best Place to Work**

**Best Investment Firm**

Voted on by readers of the Oak Ridger



#### Employee Engagement Score

**86%**

#### Net Promoter Score

**83.70**

## WHY STATEMENT

We are here to transform the lives of our members.

## CORE VALUES

**Integrity.** We do the right thing.

**Communication.** We maintain open doors and open minds.

**Fun.** We are kind, have fun, and spread joy.

**Continuous Improvement.** We are committed to getting better every day.

**Collaboration.** We work together to achieve more.



[y12fcu.org](http://y12fcu.org)



Federally insured by NCUA

