



64th Annual Meeting

April 5, 2016



**MY COMMUNITY
FEDERAL CREDIT UNION
64th ANNUAL MEETING**

AGENDA

- I. Call meeting to order
- II. Ascertain that a quorum is present
- III. Approval of 2015 Annual Meeting Minutes
- IV. Chairman & President's Report – Chairman, Teresa Clingman
- V. Treasurer's Report
- VI. Supervisory Committee Report – Chairman Supervisory Committee, Glen Luff
- VII. Nominating Committee Chairman, Terry Youngblood
- VIII. Unfinished Business
- IX. New Business
- X. Adjournment

BOARD OF DIRECTORS

- Teresa Clingman, Chairman
- Terry Youngblood, Vice Chairman
- Bob Billhimer, Treasurer
- Charlotte Dunlap, Secretary
- Steve Shockley, Director
- Elizabeth Casbeer, Director
- Charlotte Dunlap, Director
- Charlie Harris, Director
- Glen Luff, Director

SUPERVISORY COMMITTEE

- Glen Luff, Chairman
- Tom Finnie
- Tiffany Hunt
- Mitzi Baker
- John Boswell

My Community Federal Credit Union
Minutes – 63rd Annual Meeting
April 20, 2015

Sharon Tischer, Chairman of the Board, called the Annual Meeting to order at 2:00 PM. The meeting was held at My Community FCU, 600 W. Louisiana, Midland, Texas. It was ascertained that a quorum was present.

Sharon Tischer called for a motion to dispense of the reading of the minutes from the 62nd Annual Meeting.

Moved: Terry Youngblood

Seconded: Teresa Clingman

To approve the dispensing of the reading of the 62nd Annual Meeting Minutes.

Motion passed unanimously.

The Nominating Committee recommends the following individuals to fill the three expiring terms:

- Steve Shockley 4/20/15 to 4/20/18 Term
- Teresa Clingman 4/20/15 to 4/20/18 Term
- Chris Arredondo 4/20/15 to 4/20/18 Term

Moved: Charlotte Dunlap

Seconded: Member

To approve the Nominating Committee's recommendation as presented.

Motion passed unanimously.

Sharon Tischer called for any unfinished or new business. There was none.

Sharon Tischer called for a motion to adjourn.

Moved: Terry Youngblood

Seconded: Charlie Harris

Motion passed unanimously.

The Annual Meeting was concluded at 2:05 PM.

My Community Federal Credit Union
64th Annual Meeting
April 5, 2016
Chairman and President's Report

The 2016 lending forecast, like the 2015 lending forecast, is optimistic for the industry, but should prove quite challenging for those communities dependent on the oil industry. The local layoffs, salary cuts and budget cuts experienced in 2015 are expected to continue into 2016.

Having membership in what I would consider a one industry town, we are very conscious of the oil industry decline. We saw an increase in delinquencies and charge offs in 2015. We expect those delinquencies and charge offs to continue and to increase further in 2016. In addition, loan demand will be a challenge as well. We will continue with the key metrics set during 2015 related to bracing for the impact of the drop in the oil economy. We will continue to focus on the following:

1. Creating efficiencies thru processes and technology
2. Enhance Management of Delinquency and Charge offs
3. Preserve capital at every opportunity

Our Forward Thinking strategies and analysis that have created the successes of this credit union for the past 5 years, will ensure we are successful in this anticipated difficult economy as well.

It is an honor to present the 2015 results of OUR Credit Union. We ended the year with total assets of \$317,086,306 compared to \$302,754,594 at yearend 2014. The Capital ratio remains extremely strong as of yearend 2015 at 10.65. We saw an increase in assets as well as membership from 2014 to 2015. Once again this year, we were focused on providing quality products at competitive prices while maintaining our strong capital position. We are very pleased with the results. It should also be noted that My Community was once again recognized as the Best Credit Union in Midland Texas by the Midland Reporter.

The results for 2015 are very impressive and allow us to continue to focus on our theme of "It's a New Day" for the current year. Members will benefit from great loan promotions and a variety of new products and services as we continue to look for new and better ways to serve our members. We recently rolled Remote Deposit Capture to our membership as well as on line loan applications with instant decisioning capability. We also rolled out a Rewards Checking Program in 2015 as well as many other exciting new products.

My Community has a long tradition of contributing to the community we serve. In 2015, we held a golf tournament benefiting the Make-A-Wish Foundation. MCFCU raised \$66,000 through the golf tournament. The proceeds from this campaign will be used to grant Wishes to as many as 8 local children with severe medical issues. Our staff participated each month in Meals on Wheels. MCFCU once again provided scholarships to 6 well deserving local students totaling \$15,000.

Respectfully submitted,

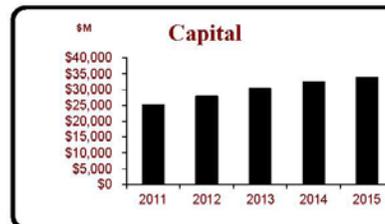
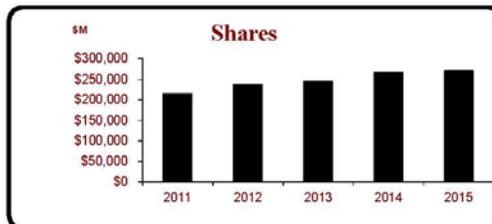
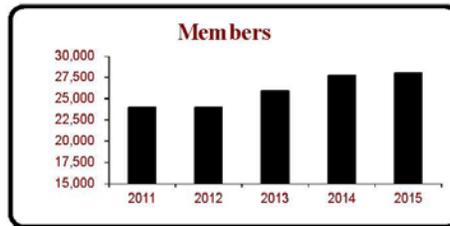
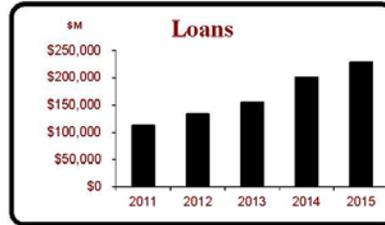
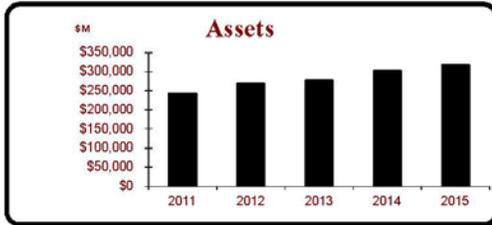
Donna K Neal
President/CEO

Respectfully submitted,

Teresa Clingman
Chairman



TREASURER'S REPORT
HISTORICAL DATA 2011-2015



MY COMMUNITY FEDERAL CREDIT UNION

Treasurer's Report

INCOME STATEMENT

For the Years Ending December 31, 2015 and 2014

	2015	2014
<i>INTEREST INCOME:</i>		
Interest on Loans	\$ 10,471,883	\$ 9,651,209
Investment Income	883,663	1,591,792
Total Interest Income	11,355,545	11,243,001
<i>INTEREST EXPENSE:</i>		
Dividend Expense	1,288,066	1,278,661
Interest on Borrowed Money	22,520	5,614
Total Interest Expense	1,310,586	1,284,274
Net Interest Income	10,044,959	9,958,727
<i>PROVISION FOR LOAN LOSSES:</i>		
Net Interest Income (Loss) After Provision	7,598,811	8,218,005
<i>OPERATING INCOME:</i>		
Fees and Charges	7,000,416	5,998,625
<i>OPERATING EXPENSE:</i>		
Salaries and Benefits	7,464,790	7,462,940
Travel, Education & Conference	54,949	93,387
Office Occupancy	459,240	424,679
Office Operations	3,384,139	3,050,168
Marketing & Promotion	377,516	295,464
Loan Servicing	571,656	332,199
Professional Services	730,075	672,231
Miscellaneous Operating Expense	116,947	109,241
Total Operating Expense	\$ 13,159,312	\$ 12,440,309
<i>OTHER GAIN (LOSS):</i>		
GAIN/(LOSS) Disposal on Asset	(135,380)	428,596
GAIN/LOSS Sale of OREO	-	-
NCUSIF Capital Write Down	-	-
NCUSIF Premium	-	-
SWC Capital Impairment	-	-
Total Other Gain (Loss)	\$ (135,380)	\$ 428,596
<i>NET INCOME (LOSS):</i>		
	\$ 1,304,536	\$ 2,204,916

MY COMMUNITY FEDERAL CREDIT UNION

Treasurer's Report

BALANCE SHEET

As of December 31, 2015 and 2014

	2015	2014
<i>ASSETS:</i>		
Gross Loans	\$ 228,860,125	\$ 200,787,590
Allowance for Loan Loss	(2,222,348)	(1,588,122)
Cash on Hand and in Banks	4,676,302	6,376,539
Investments	70,886,295	83,251,176
Fixed Assets	10,501,865	8,933,501
Other Assets	4,384,067	4,993,911
TOTAL ASSETS	\$ 317,086,306	\$ 302,754,594
<i>LIABILITIES:</i>		
Accounts Payable	\$ 827,960	\$ 1,933,215
Borrowed Funds	10,300,000	-
Accrued Expenses	2,410,589	2,273,544
Members' Shares:		
Shares	116,343,821	111,351,243
Checking	52,801,765	52,956,110
IRA Shares	9,869,434	9,458,618
IRA Certificates	6,561,246	6,950,792
Money Market	39,791,597	43,653,614
Regular Certificates	45,387,829	42,744,480
Total Liabilities	\$ 284,294,241	\$ 271,321,617
<i>MEMBERS' EQUITY</i>		
Other Comprehensive Income (Loss)	\$ -	\$ -
Unrealized G/L on AFS Investments	\$ (966,806)	\$ (1,021,358)
Capital	33,758,872	32,454,336
Total Members' Equity	\$ 32,792,065	\$ 31,432,977

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Supervisory Committee Report

The Supervisory Committee is appointed by the Board of Directors from among the members of this Credit Union. This year's Committee members are Glen Luff, Chairman, Tom Finnie, John Boswell, Mitzi Baker and Tiffany Hunt.

The Supervisory Committee is primarily responsible for ensuring that the financial condition of the Credit Union is accurately and fairly represented in the Credit Union's financial statements and that the Credit Union's management procedures and practices are sufficient to safeguard the members' assets. To accomplish their charge, the Committee is therefore responsible for making, or causing to be made, audits of operations and to see to the verification of Members' accounts.

To assist the Committee in these duties, external audit firms are retained to perform the required annual and compliance audits. Also, to assist the Committee, MCFCU has outsourced a majority of our Internal Audit functions while retaining a compliance/auditor on staff who reports directly to the Committee. Having staff on site as well as outsourced partnerships has resulted in numerous audits performed throughout the year on most MCFCU functional areas while still being involved in MCFCU's external audits.

The Committee also assists in handling problems (legal and otherwise) with Member accounts that may arise. Committee members are also available to assist the Board of Directors and MCFCU staff in routine and special requirements.

The annual audits by the outside auditors and the NCUA audit team resulted in excellent reviews and a top rating for the credit union. Also, it is the opinion of this Committee that the MCFCU financial statements reflect a true and accurate picture of the MCFCU financial condition.

Respectfully submitted,

Glen C. Luff, Chairman
Supervisory Committee

My Community Federal Credit Union
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Nominating Committee Report

The Chairman for the Nominating Committee for 2016 is Terry Youngblood. There are two additional Committee Members; Bob Billhimer and Charlie Harris. The 2016 Slate of Board of Directors for the three expiring terms have been selected and the nominees are:

Sharon Tischer
Charlotte Dunlap
Elizabeth Casbeer

ELIZABETH CASBEER

Elizabeth Casbeer has served on the Board of My Community FCU for more than 25 years. Prior to serving on the Board, Elizabeth served 10 years on the Supervisory Committee. She has lived in Midland for 65 years and is currently employed at OXY Permian LTD, a petroleum, exploration and development company. Elizabeth is a Senior Regulatory and Compliance Advisor for Oxy and has been employed there 15 years. Elizabeth retired from ARCO Permian after 32 years of service. Elizabeth has served on the Camp fire Board for more than 30 years and has served for several years on the United Way Executive Committee. Elizabeth has approximately 75 hours in business, accounting, petroleum technology and computer classes from Midland College.

SHARON TISCHER

Sharon Tischer has served on the Board of My Community FCU since 2007. Prior to serving on the Board, Sharon served 7 years on the Supervisory Committee. Sharon joined the Credit Union in 1980 while employed with ARCO. Born in Natchez, Mississippi, Sharon is married with two sons and five grandchildren. Sharon earned a Bachelor's Degree from North Texas in Denton and has worked in the Oil and Gas industry for over 35 years.

CHARLOTTE DUNLAP

Charlotte Dunlap received her BBA from Stephen F. Austin State University. She began a career with Atlantic Richfield Oil and Gas in 1974 and retired with Southern Union Gas Services in 2007. Charlotte's career in the gas industry ranged from gas revenue accounting, gas regulations, sales and purchase contract administration, and plant and field construction contract administration. Charlotte arrived in Midland in 1981 and made it her home. Charlotte has served on the Board of My Community FCU since September 2012. Prior to serving on the Board, Charlotte served 3 years on the Supervisor Committee.

Nominations will not be taken from the floor.

Respectfully submitted,

Terry Youngblood Chairman, Nominating Committee