



LINKAGE™
CREDIT UNION

Where People and Finance Connect.

85th Annual Meeting
of
The Members

Sunday, February 28, 2016

The Palladium

Waco, Texas

LINKAGE CREDIT UNION

**85th Annual Meeting
Sunday, February 28, 2016**

Agenda

Call to Order

Welcome

Invocation

Determination of Quorum

Reading of the Minutes

Remembrances

Introduction of Nominees

Election of Directors

Reports to the Members

New Business

Old Business

Closing Remarks from the CEO

Door Prizes

Refreshments, Fellowship & Adjournment

Minutes
Linkage Credit Union
Annual Meeting of the Members
Saturday, March 7, 2015
The Baylor Club

The 84th annual meeting was called to order at 2:08 p.m. by Chairman of the Board, George Balady and welcome was given. He called on Donna Burzynski to give the invocation. Mr. Balady asked Mark Gilham for a determination of quorum and Mr. Gilham verified the quorum. Ninety-nine (99) members and six (6) guests were in attendance.

Secretary of the Board, Theresa Meyers, read the minutes of the last meeting and the minutes were accepted unanimously on a motion by Marie Torres and seconded by Robert Wigman.

After a reading of the names, a moment of silence was led by George Balady in remembrance of members who deceased in 2015.

Theresa Meyers read the nominating committee's slate of candidates; Incumbents, Mark Gilham and Donna Burzynski and, Charles Relyea to fill an unexpired term until the 2016 meeting.

After calling for nominations from the floor and hearing no such nominations, Mr. Balady asked for a motion to suspend the nominations. Mr. Wigman offered a motion to suspend the nominations, and Mr. French seconded that motion with no opposition. Mr. Balady asked for a motion to elect the slate of candidates by acclamation. So moved by Mr. Wigman and was seconded by Mrs. Frazier. The membership in agreement voted by a verbal "yes" or "no" and it was unanimous to elect Mark Gilham, Donna Burzynski and Charles Relyea to the board for the respective terms.

The reports were given and speeches made. There were no issues of old business or new business brought by the members. A drawing for door prizes was held and several lucky members won prizes.

There being no further business, the meeting was adjourned. The members enjoyed a time of fellowship and refreshments.

George Balady

Chairman of Board

Theresa Stanton Hill

Secretary/ Treasurer

REMEMBRANCES

We said farewell and rest in peace to...

Nola Lane

Leonard Mays

Irene Brown

Jeff Beck

Irene Tadlock

Marvin Boldridge, Sr.

Nelda Leuschner

Titus Latchison

Evelyn Joann Daniel

Tracy Shaw

Dolores Rivera

George Pauling

George Vinecourt

Louise Hopkins

Codell Kelly

Effie Stingley

NOMINATING COMMITTEE REPORT

The Nominating Committee chaired by Christine Kelly, along with members Bambi Garner and Mandy Holle recommend for re-election to the board of directors:

Theresa Stanton Hill

Richard Garcia

Charles Relyea

CHAIRMAN'S REPORT

Dear Members:

It was my honor to serve as your Chairman of the Board again in 2015. The directors met once each month and attended to the business of the credit union. I am pleased to report our credit union enjoyed a successful financial year.

Asset growth increased to \$13,082,844 dollars. It is the largest asset status the credit union has experienced in 85 years. Our members have entrusted us with \$10,940,303 dollars in deposits. By the same token, our members had borrowed \$7,482,717 dollars at year-end. Speaking on behalf of the directors, I can attest the credit union is in good shape, financially healthy and experiencing some growth at about 3.5%. The credit union's excellent capital/net worth position remains strong at 16.20%.

We have about 1,900 members in our credit union family. At year-end we had:

- 783 Share Draft/Checking Accounts
- 594 Unique Borrowers holding 984 loans
- 202 Certificates of Deposit
- 229 VISA Credit Card account holders
- 1933 Share Accounts
- 18 Christmas Club Accounts

I would encourage each of you to utilize as many credit union services as possible. You can apply for a loan online, or even on your smart phone at www.linkagecu.com.

Thank you for recommending Linkage Credit Union to your friends and family. Last year, the number one reason given by new members when joining was... "Family or Friend Referral". It means so much to all of the Board of Directors, Management and Staff that you recommend us. Good job, thank you!

Again, thank you for your membership, loyalty and for joining us today at this milestone 85th Annual Meeting.

George Balady

Chairman of the Board

Linkage Credit Union
Statement of Financial Condition (Year-End)

Balance Sheet

Assets	2015	2014	2013
Loans to Members	\$ 7,482,717	\$ 7,780,804	\$ 7,146,904
Reserve for Loan Loss	\$ (72,990)	\$ (103,928)	\$ (89,217)
Reserve for Share Draft Loss	\$ (2,249)	\$ (4,952)	\$ (4,880)
Cash	\$ 927,575	\$ 613,882	\$ 516,843
Investments	\$ 4,346,033	\$ 4,037,137	\$ 4,481,669
Fixed Assets (net of depreciation)	\$ 357,546	\$ 370,642	\$ 349,674
Other	\$ 44,252	\$ 59,711	\$ 65,505
Total Assets	\$ 13,082,884	\$ 12,753,297	\$ 12,466,498
Liabilities & Equity			
Accounts Payable	\$ 20,845	\$ 10,594	\$ 7,853
Member Deposits	\$ 10,940,303	\$ 10,688,781	\$ 10,451,042
Total Equity and Reserves	\$ 2,121,736	\$ 2,053,922	\$ 2,007,603
Total Liabilities & Equity	\$ 13,082,884	\$ 12,753,297	\$ 12,466,498

Income Statement

Income			
Interest Income - Member Loans	\$ 526,207	\$ 509,531	\$ 484,316
Investment Income	\$ 38,776	\$ 35,292	\$ 41,780
Service & Product Income	\$ 224,274	\$ 182,366	\$ 161,877
Misc. Income	\$ 4,114	\$ 3,826	\$ 3,034
Total Income	\$ 793,371	\$ 731,015	\$ 691,007
Expenses			
Staffing Expense/Taxes/Insurance	\$ 340,733	\$ 315,951	\$ 296,289
Operational Expenses	\$ 265,724	\$ 242,182	\$ 205,353
Provision for Loan and Share Draft Loss	\$ 691	\$ 28,271	\$ 32,429
Promotion/ Annual Mtg/ Advertising	\$ 45,516	\$ 34,477	\$ 45,164
Real Estate/ Property Taxes	\$ 17,460	\$ 17,022	\$ 16,934
Directors Travel & Conference	\$ 7,260	\$ 2,165	\$ 7,481
NCUSIF/ TCCUIF assessments	\$ -	\$ -	\$ 8,676
(Gain)/Loss on Investment	\$ (4,252)	\$ -	\$ 786
Total Operating Expenses	\$ 673,132	\$ 640,068	\$ 613,112
Dividends paid to Members	\$ 52,425	\$ 44,629	\$ 47,880
Total Expenses	\$ 725,557	\$ 684,698	\$ 660,992
To (From) Undivided Earnings	\$ 67,814	\$ 46,317	\$ 30,015

Credit Committee Report

The credit union approved 458 new money loans in 2015 for \$4,347,718.58. As compared to 2014, the dollar amount of new money loans decreased by \$281,360.77.

The total dollar amount of all loans outstanding to our members, including VISA credit cards and overdrafts as of year-end was \$7,482,717.48.

We are very proud of have been able to assist our members with their financial needs. Thank you for your continued support.

SUPERVISORY REPORT

The Board of Directors engaged the services of accounting firm Pattillo, Brown and Hill LLP, Certified Public Accountants, to perform a supervisory audit of the credit union as of September 30, 2015. That audit was performed and with satisfactory results.

Also, our state regulator, Texas Credit Union Department performed an examination as of September 30, 2015 and reported any findings and recommendations to the board. The board reports the credit union is operating in compliance with regulations and policy in a safe and secure manner.