

Board of Directors



Mr. Thomas Cline
CHAIRMAN



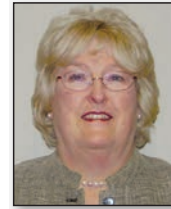
Mr. Everett (Teddy) Hicks
VICE-CHAIRMAN



Mr. Eugene Johnson
TREASURER



Mr. Steven Kanehl, CPA
SECRETARY



Dr. Anne Edison



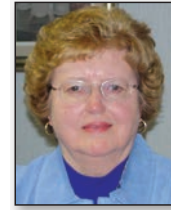
Mr. Reginald Fox



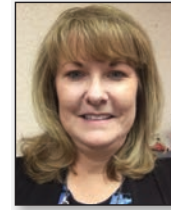
Mr. Dennis Jarrett,
CPA, CPFO



Ms. Doretha Spells



Ms. Carolyn Chittenden



Ms. Sharon Conti, CPA
PRESIDENT/CEO

Supervisory Committee

Robert D'Agostino, CHAIRMAN
Veronique Frucot

Angela Meade
Kipp Rogers

Thomasena Woods

Employees

Leadership

Sharon Conti, CPA
PRESIDENT/CEO

LaQuisha Garrett
ACCOUNTING MANAGER

Amy Phillips
LOAN MANAGER

Elizabeth Wiese
MARKETING/BUSINESS DEVELOPMENT
OFFICER

Meghan Harris
OPERATIONS MANAGER

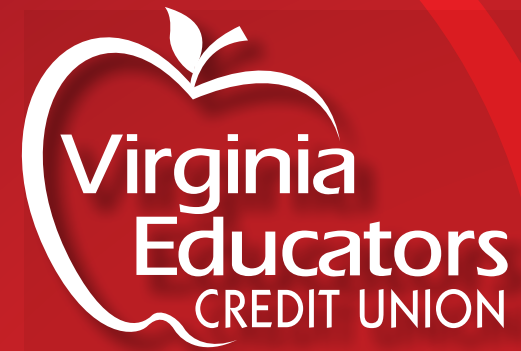
Michelle Mills
NETTLES BRANCH SUPERVISOR

Team Members

Adia Hughes
Amanda French
Brittany Couell
Brooke Rimando
Charlene Johnson

Lisa McKee
Marjorie Mendez
Meghan Howard
Meredith Lochstampfor
Michael Batton

Raven Robinson
Sharie Bowens
Valerie Wolfe
Victoria D'Andrea-Roy



Annual Meeting

DATE: Tuesday, March 8, 2016
PLACE: Menchville High School
Newport News, VA

Agenda

- Registration and Refreshments
- Presentation of Colors & Pledge of Allegiance
 - Lt. Col Alden, USAF (Ret.)
 - Menchville High School Air Force Junior ROTC Color Guard
- Musical Performance
 - Menchville High School Show Choir (M)pulse
 - Jennifer Jarrett, Director
- Welcome from President
 - Sharon Conti, President/CEO
- Annual Meeting Minutes from 2015
 - Steven Kanehl, Secretary
- Board of Directors' Report
 - Thomas Cline, Chairman
- Supervisory Committee Report
 - Robert D'Agostino, Chairman
- Treasurer's Report
 - Eugene Johnson, Treasurer
- Nominating Committee
 - Reginald Fox, Chairman
- Scholarship Winners Recognition
 - Elizabeth Wiese, Scholarship Committee Chairman

Door Prizes

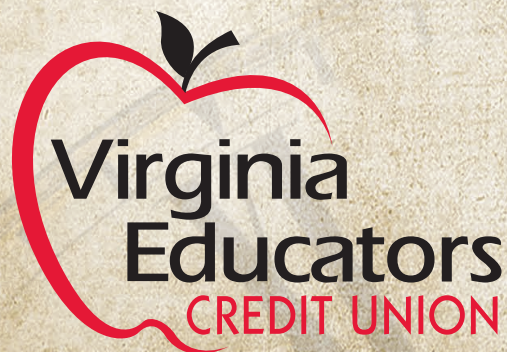
VECU would like to thank Menchville High School Principal Robert Surry, for helping to make tonight's meeting possible.

Annual Report

The *Educated* Financial Choice

Federally insured by NCUA.

2015 Annual Meeting



NETTLES DRIVE OFFICE
12626 Nettles Drive, Newport News, VA 23606

MAIN STREET OFFICE
812 Main Street, Newport News, VA 23605



Supervisory Committee Report

Robert D'Agostino, CHAIRMAN

The Supervisory Committee fulfills two basic functions for Virginia Educators Credit Union. First and foremost, the committee monitors the decisions of the Board of Directors to ensure all financial matters are conducted properly and according to VECU's policies, as well as state and federal laws. Secondly, the committee is charged with overseeing the annual audit.

The September 30, 2015 audit conducted by Nearman, Maynard, Vallez, PLC examined evidence, on a test basis, supporting amounts and disclosures in the financial statements. The audit resulted in an unmodified or "clean" opinion, indicating that financial statements presented fairly, in all material respects, the financial position of Virginia Educators Credit Union. At year-end, the Credit Union's net worth ratio continued to remain strong at over 11%.

(The National Credit Union Administration states that Credit Unions with a net worth of 7% or more are considered well capitalized.) Additionally, the Supervisory Committee conducts reviews throughout the year targeting specific elements and activities in support of the overall audit and regulatory requirements.

The Supervisory Committee is pleased to offer this positive report of financial operations for Virginia Educators Credit Union. During 2016, our Committee will continue to monitor the credit union through proper review and communications to ensure that effective internal controls are maintained.

Members: Veronique Frucot, Angela Meade, Kipp Rogers, Thomasena Woods

Board of Directors' Report

Thomas Cline, CHAIRMAN

The year 2015 was a year of continued slow economic recovery for many of our members and school systems, although there was improvement from the prior year. During these recent times of budgetary constraints, the credit union industry has seen an increase in member support of our not-for-profit financial cooperative organizations. Overall, credit union share deposits have increased nationally. Virginia Educators Credit Union (VECU) experienced a similar growth in assets close to \$1.3 Million during this past year as members continued to save and grow retirement and savings balances. Although VECU's loan volume was less than prior year, the credit union's net worth capital ratio (which is used to gauge the "health" of a financial institution) is over 11% — well above the standard, which considers 7% to be well capitalized and financially sound. Our credit union continues to maintain a strong financial position with the support of the dedicated employees, volunteers, and members of the credit union.

Credit unions were originally founded to provide individuals with an opportunity to receive credit (loans) at reasonable and manageable rates. VECU does and will continue to provide low and competitive rates on loans to ensure members' financial goals, which include vehicle and home ownership, can be achieved. Please consider and support your credit union as your first choice for all of your lending needs. Additionally, your credit union is committed to providing you with services to manage and improve your financial well-being. While we provide many free, convenient services such as e-statements, e-Alerts, Internet/online Branch (Moneylink), debit cards, telephone audio response, bill pay, and mobile/cell and text services, we added remote deposit this year. This new service provides members with the ease of making secure deposits through the convenience of a cell phone. Virginia Educators Credit Union offers a full array of convenient financial products, services, and counseling to ensure that you and your family

are on the road to financial success and remain financially stable and strong. If you haven't already done so, be sure to make your appointment soon for a free credit review and/or financial plan as part of our Smart Credit Check program supported by the Virginia Credit Union League.

As an educational based credit union, Virginia Educators knows the importance of providing financial educational opportunities for our members and students. VECU was awarded the Desjardins First Place State Award for the eighth year in a row for promoting financial literacy in classrooms from Kindergarten through High School grades, as well as the universities and colleges within our field of membership. VECU also continued to provide financial support of student and educator scholarships, and mini-grants for teachers. While our credit union's niche is in the educational field, VECU also maintains a strong commitment to community and charitable needs. Our credit union is proud of its participation and support of the good works achieved by organizations such as the Children's Miracle Network and the Children's Hospital of the King's Daughters. We also appreciate the contributions from our membership in helping us support these good works.

Virginia Educators Credit Union belongs to the member owners. We are a financial cooperative operating within the philosophy of "people helping people." The Board of Directors, management, and staff thank you for making the "educated" financial choice through your membership. Please share the benefits of membership with your family and co-workers who are also eligible to join to ensure our credit union continues to grow and prosper in 2016!

Members: Carolyn Chittenden, Anne Edison, Reginald Fox, Everette "Teddy" Hicks (Vice-Chairman), Dennis Jarrett, Eugene Johnson (Treasurer), Steven Kanehl (Secretary), Doretha Spells

Treasurer's Report

Eugene Johnson, TREASURER

Financial Statistics for Year Ending December 31

	2015	2014
ASSETS		
Cash	7,955,101	6,550,748
Investments	30,108,130	28,898,683
Loans, Net of Allowance for Loan Losses	19,690,375	20,808,830
Total Other Assets	2,256,653	2,365,442
TOTAL ASSETS	60,010,259	58,623,703
LIABILITIES		
Accrued Dividends & Other Liabilities	256,181	240,555
Total Shares & Deposits	53,061,506	51,762,023
TOTAL LIABILITIES	53,317,687	52,002,578
EQUITY		
Undivided Earnings	5,712,993	5,641,546
Regular Reserves	979,579	979,579
TOTAL EQUITY	6,692,572	6,621,125
TOTAL LIABILITIES, SHARES AND EQUITY	60,010,259	58,623,703
INTEREST INCOME		
Interest on Loans	1,244,805	1,380,214
Income from Investments	118,143	108,902
TOTAL INTEREST INCOME	1,362,948	1,489,116
INTEREST EXPENSE		
Dividends on Shares	76,795	130,853
Interest on Borrowed Money	0	0
TOTAL DIVIDEND/INTEREST EXPENSE	76,795	130,853
NET INTEREST INCOME		
Provision for Loan Loss	(119,156)	(178,107)
NET INTEREST INCOME AFTER PROVISION	1,166,997	1,180,156
TOTAL NON-INTEREST INCOME		
	1,011,354	1,060,387
NON-INTEREST EXPENSE		
Employee Compensation & Benefits	787,829	921,850
Office Occupancy Expense	185,840	236,417
Office Operations Expense	278,531	349,293
Educational & Promotional Expense	60,914	73,880
Miscellaneous Operating Expenses	794,546	652,879
TOTAL NON-INTEREST EXPENSES	2,107,660	2,234,319
NET INCOME	70,691	6,224