



The business of building  
a community.





NCUA (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.

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*“This scholarship helped me achieve my life dream of becoming a teacher. It relieved some of the financial stress of college. I was able to push myself and graduate with honors. I’ll always be grateful to EECU.”*

**Crystal Newsome**  
2008 Glenn Mandeville  
Memorial Scholarship recipient,  
second-grade teacher



*George Thompson Jr*  
**George Thompson**  
 Chairman

*Lonnie Nicholson*  
**Lonnie Nicholson**  
 President and  
 Chief Executive Officer

## Report of the Chairman and President

As a member-owned financial services organization, EECU has a clear-cut mission: help members achieve their financial goals, be good stewards of their money, and help support the communities we serve. We take these responsibilities very seriously, and realize our success is based on our actions and building trust. In 2014, we made great strides in achieving our mission. We are pleased to report not only the robust financial condition of the credit union, but also some of the individual accomplishments we made throughout the year aimed at continually providing new value to our membership and our communities.

In 2014, EECU experienced quality growth in membership and key financial areas. We were honored to welcome over 22,000 new members to the EECU family, bringing our total membership to 183,455, a net increase of 3.7% over the prior year. Assets grew 6.6% during the year to \$1.674 billion, representing a healthy rate of growth. While our growth numbers are impressive, we're most proud of the positive impact we had on our members. We helped over 1,000 members purchase, refinance, or utilize equity in their homes. We helped nearly 14,000 members purchase a new vehicle. And, we helped almost 3,400 members obtain a low-rate credit card. These activities represent new milestones for the organization, but more importantly, they represent the building blocks for helping members achieve their goals while fostering trusted relationships.

The year also saw the development of programs designed to help members such as our Fresh Start Program, a program that allows members with lower credit scores to improve their interest rate following a series of consecutive on-time payments. We also enhanced several programs including our credit and debit cards and mobile banking

to provide members with more options and additional value. We launched the World MasterCard®, which rewards members with points for each dollar spent, and the Catalyst MasterCard®, which provides cash rewards with each purchase. A business MasterCard® was also added to our offerings, giving small business owners more flexibility and options. As members are increasingly conducting business with their credit union via our mobile banking app, we've added features like mobile-friendly loan applications and easy addition of new bill pay payees that expand the functionality of this vital technology. And, we added chat capability on our website allowing members who choose to conduct business online convenient access to helpful member service representatives.

Serving small businesses is an important focus for EECU, and this year we revamped our business services program to better assist entrepreneurs in our community. Our service offerings now include an array of checking accounts that better meet businesses' needs along with valuable ancillary services that facilitate easy management of company finances. We know it takes a great deal of trust to put your business in our hands, and EECU is committed to earning that trust.

We realize community-based initiatives help build a great place for people to live and work; it's with

that in mind that EECU continued its service to the community through various initiatives. Since 1988, we have supported higher education in our community through our scholarship program. We're proud to have contributed \$30,000 in 2014 to high-achieving students in our service area, bringing the program's total to over \$420,000 in scholarships granted since inception.

We also realize the importance of getting our staff involved in the community and one such initiative is our 15-year involvement with Junior Achievement. EECU is proud to sponsor the "JA in a Day" program at De Zavala Elementary in Fort Worth. While we invest financially in the program, 25 fortunate EECU employees also get to spend an entire workday with these bright students, helping them foster work-readiness, entrepreneurship, and financial literacy.

We're pleased with the work we did in 2014 to help members achieve their financial goals, to be good stewards of their money and to help support the communities we serve. It's not only our mission, it's how a strong community is built – a community that we're honored to work in every day, a community we call home. On behalf of the Board, management, and staff at EECU, we thank you for your continued trust and support and look forward to serving your needs in 2015.



# Report of the Treasurer and Credit Committee



*Frank Molinar*  
**Frank Molinar**  
 Treasurer

*Johnny Largent*  
**Johnny Largent**  
 Chairman of the  
 Credit Committee

U.S. economic growth is expected to become more robust and sustainable in 2015. The gross domestic product expanded at a seasonally adjusted annual rate of 5% in the third quarter of 2014. This represented the strongest quarter of growth since 2003. The momentum should continue into 2015 as consumer spending strengthens with more positive sentiment about the direction of the economy and lower energy costs with the collapse of oil and natural gas prices spurring growth in retail sales.

The U.S. unemployment rate improved from 6.7% to 5.3%, reflecting 2.95 million additional new jobs. Employment gains were experienced in health care, food service, and construction with further growth expected to be widespread across nearly all industries in 2015. Economists predict average monthly job growth of 250,000 jobs, equating to a slight improvement in the annual number of new jobs expected next year. Although increased hiring and manufacturing activity are expected in 2015, the low labor participation rate has hindered the pace of expansion of the U.S. economy.

Short-term interest rates are expected to increase in mid-2015 with prospects of an overnight Fed Funds rate of .75% by year-end. Consumer prices are expected to increase faster in 2015 despite lower energy costs resulting from the collapse of gasoline and natural gas prices. The core rate of inflation, which excludes food and energy prices, should rise approximately 1.8% consistent with 2014, driven by higher demand for housing and rising housing costs. A gradual increase in the pace of U.S. economic activity is expected with higher rates of business investment to expand output, although annual gains in business spending remain modest compared to pre-recession levels. Positive expansion in the manufacturing sector is expected with higher demand for new cars and light trucks, aircraft and heavy material transportation.

Sales of existing homes are expected to grow 8% in 2015 with a strong rental market pushing multi-family construction back to normal levels. New single-family home construction and sales are expected to surge approximately 25% in 2015, representing, however, only 60-70% of pre-recession levels. Full recovery of the housing market is not expected until 2017. The consumer confidence index improved dramatically as U.S. consumers turned exceedingly upbeat about the economy in early 2015. The present index is the highest since January 2008 and consumers are more optimistic about job prospects and the future labor market.

EECU experienced growth in member savings balances of \$90 million or 6.60%, fueling growth in assets of almost \$104 million to \$1.674 billion. Despite continuation of the low interest rate environment, management increased rates of return on member savings accounts and certificates of deposit during the latter half of 2014 to fund its lending operations and record loan growth. Total loans outstanding increased 14.7% or \$165 million compared to the prior year's 12.1% rate of growth or \$121 million. The credit union set another record level of new loans of \$760 million, up 17% over the previous year's record of \$648 million.

The credit union's operating performance improved dramatically from \$16.2 million to \$21.6 million in 2014, positioning EECU effectively for the planned facility and branch expansion in 2015. With the enhanced revenues and earnings capacity, management made significant strides in growing capital strength, as the credit union's regulatory net worth ratio grew from 10.7% to 11.4% during 2014. The credit union's credit quality ratios remain outstanding with an overall rate of loan delinquency of .41% and net charge off ratio of only .384%, both well below industry norms. Equity capital was enhanced by \$21.5 million from \$163.5 million to \$185 million, providing significant improvement in members' ownership equity and augmenting the value of credit union membership at EECU.

Prospects for 2015 appear favorable for more sustained economic and job growth, and higher consumer spending. We are confident EECU's 2015 strategies and initiatives will provide enhanced value and comfort of mind to our members as we work on your behalf to remain a vibrant, well-respected financial institution in the communities we serve. Please accept our sincere gratitude for your continued support and confidence in EECU.



**Dr. Robert Chu**  
 EYEWORKS Group

*“To reach the next level in our company’s growth we needed an effective financial partner. EECU really does care about our success and will be an invaluable partner for many years to come.”*

# Report of the Audit Committee

Your audit committee meets on a regular basis to oversee the credit union's audit function. Its mission is to ensure accurate and fair presentation of the credit union's financial condition, and to assist management in evaluating the effectiveness and efficiency of risk management practices, resource management, internal controls, regulatory compliance, and overall governance. Through comprehensive standards, measurements, and oversight, we work diligently to ensure the continuation of EECU's fiscal health and sound operations. To accomplish its oversight and fiduciary responsibilities, the audit committee is assisted by the auditing services of Orth, Chakler, Murnane, and Company, CPAs, and the independent accounting firm of Doeren Mayhew. Internal auditing utilizes a risk-based approach to provide an independent, objective review of operations through a variety of comprehensive auditing engagements throughout the year.

Doeren Mayhew conducts an annual, independent audit of the credit union's financial statements. The audit committee meets on a routine basis to establish auditing plans, review audit results, and ensure timely correction of deficiencies by operating management. Regulatory examinations are performed on an annual basis by the Texas Credit Union Department and the National Credit Union Administration. These examinations focus on EECU's financial condition, safety and soundness, credit administration practices, operating results, and management oversight. The audit committee is pleased to report EECU remains operationally and financially safe and sound.

The Annual Report and related financial statements are true and correct to the best of our knowledge and belief, and present fairly the financial condition and statement of income for the period covered.

  
**Frank Molinar**  
 Treasurer

  
**Robert C. Sanger**  
 Chief Financial Officer

# Financials

<b>ASSETS</b>	2014	\$1,674,403,084	2013	\$1,570,451,738
<b>LOANS</b>	2014	\$1,292,565,007	2013	\$1,127,040,206
<b>DEPOSITS</b>	2014	\$1,452,177,140	2013	\$1,362,469,229
<b>MEMBERS' EQUITY</b>	2014	\$185,039,952	2013	\$163,520,786
<b>DIVIDENDS</b>	2014	\$8,866,823	2013	\$9,658,812
<b>NET INCOME</b>	2014	\$21,674,352	2013	\$16,189,670
<b>MEMBERSHIP</b>	2014	183,455	2013	177,611





## EECU Board of Directors

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Pictured from left to right: Nikita Russell (2014-2017); Ben Davis (2014-2017); George Thompson, Jr., Chairman (2012-2015); Johnny Largent (2014-2017); Dr. Joe Bean, Secretary (2012-2015); Dr. Rich Dear, Vice Chairman (2012-2015); Mauro Serrano (2013-2016); Frank Molinar, Treasurer (2013-2016); Karel Rucker (2013-2016)

*“EECU has been a great business partner, offering a full range of services that helps us grow. It’s great to have help meeting the challenges of an ever-changing business climate and staying ahead of the economic curve.”*

**Mark Fowlkes**  
Fowlkes, Norman &  
Associates, Inc.

# Consolidated Statements of Financial Condition

ASSETS		
December 31, 2014 and 2013	2014	2013
Cash and cash equivalents	\$ 191,934,312	\$ 238,884,495
Non-negotiable certificates of deposit	-	1,389,877
Investment securities		
Available-for-sale	119,782,430	133,087,141
FHLB stock	1,470,000	1,617,600
Loans held-for-sale	4,082,937	2,444,465
Loans to members, net of allowance for loan losses	1,292,565,007	1,127,040,206
Accrued interest receivable	3,947,551	3,554,388
Property and equipment	31,020,349	29,326,012
Share insurance deposit	12,968,272	12,702,358
Investments in CUSOs	527,597	527,597
Defined benefit pension plan	9,546,263	12,754,002
Other assets	6,558,366	7,123,597
<b>Total assets</b>	<b>\$ 1,674,403,084</b>	<b>\$ 1,570,451,738</b>

LIABILITIES AND MEMBERS' EQUITY		
	2014	2013
<b>Liabilities</b>		
Members' shares and savings accounts	\$ 1,452,177,140	\$ 1,362,469,229
Borrowed funds	19,620,500	25,020,500
Accounts payable and other accrued liabilities	17,565,492	19,441,223
<b>Total liabilities</b>	<b>1,489,363,132</b>	<b>1,406,930,952</b>
<b>Commitments and Contingent Liabilities</b>	<b>-</b>	<b>-</b>
<b>Members' equity - substantially restricted</b>	<b>185,039,952</b>	<b>163,520,786</b>
<b>Total liabilities and members' equity</b>	<b>\$ 1,674,403,084</b>	<b>\$ 1,570,451,738</b>

# Consolidated Statements of Earnings

EARNINGS		
December 31, 2014 and 2013	2014	2013
<b>Interest income</b>		
Loans receivable	\$ 50,961,037	\$ 47,177,180
Investment securities	2,906,614	2,385,598
<b>Total interest income</b>	<b>53,867,651</b>	<b>49,562,778</b>
<b>Interest expense</b>		
Interest and dividends on members' savings accounts	8,866,823	9,658,812
Interest on borrowed funds	976,964	1,043,726
<b>Total interest expense</b>	<b>9,843,787</b>	<b>10,702,538</b>
<b>Net interest income</b>	<b>44,023,864</b>	<b>38,860,240</b>
<b>Provision for loan losses</b>	<b>5,402,914</b>	<b>5,768,647</b>
<b>Net interest income after provision for loan losses</b>	<b>38,620,950</b>	<b>33,091,593</b>
<b>Non-interest income</b>		
Fees and charges	26,936,396	24,910,742
<b>Non-interest expenses</b>		
Compensation and benefits	22,017,468	20,948,388
Office operations	12,005,619	10,460,681
Occupancy	2,792,853	2,614,103
Operating expenses	7,067,054	7,789,493
<b>Total non-interest expenses</b>	<b>43,882,994</b>	<b>41,812,665</b>
<b>Net earnings</b>	<b>\$ 21,674,352</b>	<b>\$ 16,189,670</b>

The consolidated financial information presented on these pages is a condensed representation of the EECU December 31, 2014, financial statements without cash flows, changes in equity, and comprehensive footnotes, prepared by our independent certified public accounting firm Doeren Mayhew in the audited consolidated financial statements, which are available for review in the executive offices of EECU, Fort Worth, Texas.



# Looking Forward

2014 was another remarkable year for EECU and its members. Your credit union is already hard at work preparing new initiatives that will build further value for our members and for the community.

We're looking forward to building deeper relationships with our members through social media, online services, and the new chat feature in the member contact center. While these tools utilize new technology, their use emphasizes our long-time commitment to listening to our members and understanding their needs. Through these interactions, we can steer our efforts toward enhancements in products and services that improve our members' financial lives.

We will help promote local commerce by offering more services to small-business owners in our community. Our business services program was recently expanded to help accommodate the growing demands in our marketplace.

We know the importance of understanding your personal finances, and that's why EECU will be expanding our financial education resources in 2015. We now have a representative in each branch trained as a certified financial counselor equipped to help members identify and solve financial challenges. This year, we will offer more seminars and workshops on topics that matter to our members, like the First-Time

Homebuyers, Investment Services, and Household Budgeting seminars to mention a few.

We anticipate completion of our new Operations Center at 2532 Cullen Street in the second quarter. This facility will support future growth and enable us to house similar functions closer to one another, creating more synergy and efficiency between departments and paving the way for smoother member experiences. We're especially excited to be located near the new Trinity River Uptown development of Fort Worth. Our Cullen Street location allows us to expand our footprint and be a part of the exciting growth in this community.

We're looking forward to serving the banking needs of the growing community in the Alliance Corridor in Fort Worth. Our newest branch at 3451 Texas Sage Trail is scheduled to open in the third quarter of 2015. We continue to evaluate additional branch opportunities in the marketplace that allow us to increase member convenience and build new relationships.

EECU has always been active in our vibrant community. In 2015, we hope to increase these efforts with focused initiatives that maximize our available financial resources and personnel. We're excited to listen to our community and act in ways that provide value and enhance our members' financial lives.

We're sure that 2015 will be an outstanding year for both EECU and our members. Our continued goal is to maintain the trust you place in us as your financial institution, to serve our members' needs at the highest level possible, and help build a greater community for us all.

## BUSINESS SERVICES

- Automated Clearing House (ACH)
- Certificates of Deposit
- Checking Accounts
- Debit MasterCard®
- eDeposit
- Insurance
- Loans
- Merchant Card Services
- Payroll and Human Resources Services
- Savings Accounts

## CHECKING

- Real Worth
- Real Worth with Interest
- Young Adults
- 65 and Better
- Money Market
- Debit MasterCard® with Purchase Rewards

## CONVENIENCE

- 55,000 free ATMs Worldwide\*
- Direct Deposit/Payroll Deduction
- FinanceWorks™ Financial Management Program
- eAlerts
- Mobile Banking
- Mobile Deposit
- Online Account Opening and Loan Approval
- Online Banking and Bill Pay
- Online Statements
- Phone Banking
- Online Chat

## INSURANCE AND INVESTMENT SERVICES

- Auto, Recreational Vehicle, and Homeowner Insurance
- Annuities
- Mutual Funds
- Stocks
- Bonds

## LOANS

- Auto and Auto Leasing
- Credit Cards
  - Platinum Plus MasterCard® – premium or low-rate
  - World MasterCard® – Rewards! points
  - Catalyst MasterCard® – cash rewards
- Home Equity and HELOCs
- Home Improvement
- Mortgage (Purchase Money)
- Recreational Vehicle
- Signature (Personal)

## SAVINGS

- Regular Savings
- Certificates of Deposit
- Money Market
- IRA

\*Fee-free ATMs are available worldwide through the Allpoint® Network, which includes Target® and 7-Eleven® locations.



# Convenient Locations

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## FORT WORTH

1617 W. 7th St.  
Fort Worth, TX 76102

## ARLINGTON

2212 Southgate St.  
Arlington, TX 76013

## BURLESON

750 N.E. Alsbury Blvd.  
Burleson, TX 76028

## CLIFFORD

9350 Clifford St.  
Fort Worth, TX 76108

## HULEN

6049-A S. Hulen St.  
Fort Worth, TX 76132

## HURST

1600 Campus Dr.  
Hurst, TX 76054

## LITTLE ROAD

1253 N. Little School Rd.  
Arlington, TX 76017

## MANSFIELD

1720 U.S. Highway 287 N.  
Mansfield, TX 76063

## NORTHSIDE

301 N.W. 28th St., Suite 121  
Fort Worth, TX 76164

## SAGINAW

717 W. Bailey Boswell Rd.  
Saginaw, TX 76179

## SOUTHLAKE

1460 W. Southlake Blvd.  
Southlake, TX 76092

## WATAUGA

7436 Denton Highway  
Watauga, TX 76148

## WEATHERFORD

108 E. Park Ave.  
Weatherford, TX 76086

Drive-thru ATMs available at all branch locations with the exception of the Weatherford branch which has a walk-up ATM onsite.

[eecu.org](http://eecu.org) | 817.882.0800

Fax: 817.882.0099 Toll-free long distance: 800.333.9934 Business Services: 817.882.0245  
Investment Services: 817.882.0138 Telephone Banking: 817.882.0767

A BETTER WAY OF BANKING™



Federally insured by NCUA

NCUA (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.



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