

Welcome to the 2014 Annual Meeting of Community Service Credit Union

Annual Meeting Agenda

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| 1. Welcome and Invocation | 6. Approval of the Minutes of the 2013 Annual Meeting | 10. Election of Directors |
| 2. Ascertainment of Quorum | 7. CEO's Report | 11. Special Recognition |
| 3. Call to Order | 8. Chairman's Report | 12. Adjournment |
| 4. Appointment of Recording Secretary | 9. Report from the Nominating Committee | 13. Drawing for Door Prizes |
| 5. Introductions | | |

Minutes of the 2013 Annual Meeting

The Annual Meeting of the members of Community Service Credit Union was called to order by the Chairman of the Board, Mr. Wayne Scott, on Saturday, April 27, 2013, at 10:00 a.m. in the Conference Room at the Texas Prison Museum. After determination that a quorum was present, Ms. Lisa Byrd was appointed Recording Secretary.

Mr. Scott welcomed everyone to the 59th Annual Meeting of Community Service Credit Union and introduced the Board of Directors, Staff and special guests.

Mr. Scott asked if there were any corrections, deletions or additions to the minutes of the 2012 Annual Meeting of Community Service Credit Union. There being none, a motion to approve the minutes of the April 21, 2012 Annual Meeting was made by Mr. David McNutt, seconded by Mr. Mike Turner and unanimously approved.

Chairman Scott reported to the membership that he was very pleased with the current CEO, management team and employees, describing them as energetic and member service oriented. With the aftermath of the 2008-2009 banking crisis, new laws to protect the integrity of all financial institutions put more responsibility on financial institutions and, as a result, two new board committees were formed in 2012 to review and develop policies to ensure regulatory compliance. While these additional board responsibilities require a greater time commitment of the directors, reported Mr. Scott, the Credit Union is gaining a board with more knowledge and enhanced skills.

Mr. Scott directed the membership to their handout for the results of operations for 2012 and reported that the Credit Union's 2012 performance was very strong. The Credit Union's independent audit and account verification, reported Mr. Scott, was performed by the accounting firm Nearman, Maynard, Vallez, CPAs, P.A., for the period ended 9/30/2012, with no material exceptions. Mr. Scott also reported that the Board works closely with management to develop an annual Strategic Plan and Budget to ensure that CSCU will continue to meet the membership's financial needs and demands.

Mr. Scott then introduced Ms. Brenda Hooker, CEO/President, to give the CEO Report.

Ms. Brenda Hooker welcomed and thanked the membership for attending the Annual Meeting of Community Service Credit Union. After 29 years of employment at CSCU, Ms. Hooker reported that she had seen the credit union grow from \$10 million in assets to \$75 million in assets. As of 12/31/2012, Ms. Hooker reported that CSCU had \$75 million in Total Assets, \$39 million in Loans and \$28 million in Investments. CSCU increased over \$2 million in Loans in 2012. Ms. Hooker then reported on the 2012 newly-implemented and the 2013 coming-soon financial services as well as the 2012 debit card processing conversion which provided enhanced fraudulent transaction detection. Some of the services Ms. Hooker discussed included the 24-hour Call Center processing 1600 calls per month, the Buzz Points Reward Program rewarding CSCU debit card use & local merchant patronage, Mobile Banking and Mobile Capture which will allow the membership deposit capability through smart phone technology. Ms. Hooker encouraged the membership to bring a friend to next year's annual meeting, utilize as many Credit Union services as possible and spread the word about CSCU. This is your community and your Credit Union, reported Ms. Hooker, and it has been an honor to be here 29 years. Thank you for your loyalty to CSCU.

Mr. Scott introduced Mr. Mike Countz to provide the Nominating Committee Report. Mr. Countz reported that the 2013 Nominating Committee consisted of himself as Committee Chairman, Mr. Scotty Kyle and Ms. Cathy Stokes. The Committee nominated Ms. Ferne Frosch for Director Position #7 (three year term expiring 2016) and Mr. Doug Dretke for Director Position #6 (three year term expiring 2016). Mr. Scott thanked Mr. Countz for his report and then asked if there were any nominations from the floor for Positions #6 and/or #7. There being none, a motion to elect Ms. Ferne Frosch to Position #7 for a three-year term was made by Mr. Larry Winkelmann, seconded by Ms. Paula Armstrong, and a motion to elect Mr. Doug Dretke to Position #6 for a three-year term was made by Mr. John Bradley, seconded by Mr. Harold Hurry. Mr. Scott reported that both directors were elected by acclamation. Mr. Scott reported that Mr. Dretke was out of the country and unable to attend today.

There being no further business, a motion was made by Mr. Frank "Poncho" Roberts, seconded by Mr. John Bradley, and unanimously voted to adjourn the meeting at 10:20 a.m.

Paul Brown, Secretary



2013 Statement of Financial Position

ASSETS	
CASH AND BANK DEPOSITS	\$7,701,977
INVESTMENTS	\$27,827,441
LOANS	\$45,151,251
RECEIVABLES	\$272,857
ACCRUED INTEREST	\$178,554
LAND	\$144,066
BUILDING AND LEASEHOLD IMPROVEMENTS	\$1,716,480
FURNITURE AND EQUIPMENT	\$312,110
OTHER ASSETS	\$773,7667
TOTAL ASSETS	<u>\$84,078,502</u>
LIABILITIES	
ACCOUNTS PAYABLE	\$539,689
OTHER PAYABLES	\$240,894
TOTAL LIABILITIES	<u>\$780,583</u>
MEMBER DEPOSITS	
REGULAR SHARES	\$23,685,211
CHECKING	\$14,897,314
CERTIFICATES OF DEPOSIT	\$20,877,038
IRA CERTIFICATES OF DEPOSIT	\$2,486,184
MONEY MARKET	\$11,553,993
OTHER SAVINGS	\$2,027,357
TOTAL DEPOSITS	<u>\$75,527,097</u>
RESERVES & UNDIVIDED EARNINGS	\$7,770,822
TOTAL LIABILITIES, MBR DEPOSITS AND RESERVES	<u>\$84,078,502</u>

2013 Statement of Income and Expenses

INCOME	
INCOME ON LOANS	\$2,430,710
INCOME FROM INVESTMENTS	\$288,424
OTHER INCOME	\$1,510,307
TOTAL OPERATING INCOME	<u>\$4,229,441</u>
EXPENSES	
COMPENSATION AND BENEFITS	\$1,525,215
TRAVEL & CONFERENCE	\$29,165
OFFICE OCCUPANCY EXPENSE	\$217,631
OFFICE OPERATIONS EXPENSE	\$385,473
MARKETING AND EDUCATION	\$98,175
LOAN SERVICING	\$160,137
PROFESSIONAL SERVICES	\$1,020,471
PROVISION FOR LOAN LOSS	\$159,417
OTHER OPERATING EXPENSES	\$66,685
TOTAL OPERATING EXPENSE	<u>\$3,662,368</u>
INCOME FROM OPERATIONS	\$567,073
NON-OPERATING GAIN (LOSS)	(\$57,851)
DIVIDENDS AND INTEREST PAID TO MBRs	(\$228,041)
NET INCOME	<u>\$281,181</u>



Staff Milestones

Brenda Hooker
Chief Executive Officer
30 Years

Barbara Currie
FSR Manager
30 Years

Lisa Byrd
Human Resources Manager
25 Years

Karen Denman
Senior Loan Officer
15 Years

Board of Directors

Wayne Scott
Chairman

Jack Parker
Vice Chairman

S.O. Woods, Jr.
Treasurer

Paul Brown
Secretary

Ferne Frosch
Director

Mike Countz
Director

John Burney
Director

Doug Dretke
Director

Office Locations and Contact Information

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