



62nd
Annual
Meeting

April 11, 2014

**MY COMMUNITY
FEDERAL CREDIT UNION
62nd ANNUAL MEETING**

PROGRAM

- 6:15 p.m. Odessa Chuck Wagon Gang**
- 7:30 p.m. Welcome and Announcements**
- 7:35 p.m. Conduct 62nd Annual Meeting**

**MY COMMUNITY
FEDERAL CREDIT UNION
62nd ANNUAL MEETING**

AGENDA

- I. Call meeting to order**
- II. Ascertain that a quorum is present**
- III. Approval of 2013 Annual Meeting Minutes**
- IV. President's Report – President / CEO, Donna Neal**
- V. Chairman's Report – Chairman, Sharon Tischer**
- VI. Treasurer's Report**
- VII. Supervisory Committee Report – Chairman Supervisory Committee, Glen Luff**
- VIII. Nominating Committee Chairman, Charlotte Dunlap**
- IX. Unfinished Business**
- X. New Business**
- XI. Adjournment**

BOARD OF DIRECTORS

- Sharon Tischer, Chairman
- Teresa Clingman, Vice Chairman
- Bob Billhimer, Treasurer
- Terry Youngblood, Secretary
- Steve Shockley, Director
- Elizabeth Casbeer, Director
- Charlotte Dunlap, Director
- Chris Arredondo, Director

SUPERVISORY COMMITTEE

- Glen Luff, Chairman
- Tom Finnie
- Chris Arredondo
- Charlie Harris
- John Williams

My Community Federal Credit Union
61st Annual Meeting
April 19, 2013

Sharon Tischer, Chairman of the Board, called the annual meeting to order at 7:00 PM at the Midland County Horseshoe Arena. It was ascertained that a quorum was present.

Sharon Tischer called for a motion to dispense of the reading of the minutes from the 60th Annual Meeting.

Moved: Elizabeth Casbeer
Seconded: Steve Shockley

To approve the dispensing of the reading of the 60th Annual Meeting Minutes.

Motion passed unanimously.

Sharon Tischer asked for a motion to approve the 60th Annual Meeting Minutes as written.

Moved: Terry Youngblood
Seconded: Glenn Redmond

To approve the 60th Annual Meeting Minutes as written.

Motion passed unanimously.

Donna Neal, President/CEO, via pre-recorded video, welcomed Members and Staff to the 61st Annual Meeting of My Community FCU and presented the 2012 results. Donna stated MCFCU ended the year with total assets of \$268,688,789 compared to \$242,843,220 at yearend 2011. The Capital ratio as of yearend 2012 was 10.43% compared to 10.34% as of yearend 2011. We saw an increase of 10.64% in assets and increased capital by 11.59% from 2011 to 2012. While we were not intentionally trying to increase assets, the fact that we were able to increase assets while also increasing capital is a great accomplishment. Donna stated the results for 2012 are very impressive and allow us 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.

Sharon Tischer, Chairman of the Board, presented The Directors' Report, via pre-recorded video, and assured the members that My Community Federal Credit Union was financially secure. Sharon Tischer thanked the Board for their commitment and dedication and introduced the board members present. Sharon Tischer recognized management and staff for their excellent level of service to the membership. Sharon Tischer also expressed our appreciation for the support of the membership and stated that we look forward to their continued business and support and partnership throughout 2013 and beyond.

Continued...

Glen Luff, Chairman of the Supervisory Committee, via pre-recorded video, presented the Supervisory Committee Report. Glen Luff informed the Members that the annual audits by the outside auditors and the NCUA audit team resulted in excellent reviews. Also, it is the opinion of this Committee that the MCFCU financial statements reflect a true and accurate picture of the MCFCU financial condition.

Bob Billhimer, Chairman of the Nominating Committee, via pre-recorded video, presented the Nominating Committee Report and informed the floor there were no petitioned candidates for the expired or vacant positions. The Nominating Committee consisted of Bob Billhimer, Terry Youngblood, Stan Sartain and Margaret Dutchover. There are 3 expiring term positions.

The Nominating Committee recommends the following individuals to fill the three (3) expiring terms:

- Sharon Tischer 4/19/13 to 4/19/16 Term
- Elizabeth Casbeer 4/19/13 to 4/19/16 Term
- Charlotte Dunlap 4/19/13 to 4/19/16 Term

Moved: Glenn Redmond
Seconded: Member

To approve the Nominating Committee recommendations as above.

Motion passed unanimously.

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

Sharon Tischer called for a motion to adjourn.

Moved: Elizabeth Casbeer
Seconded: Glenn Redmond

Motion passed unanimously.

Business portion of Annual Meeting adjourned at 7:10 PM.

MY COMMUNITY FEDERAL CREDIT UNION
62nd ANNUAL MEETING OF MEMBERSHIP
APRIL 11, 2014
DIRECTORS' REPORT

My name is Sharon Tischer and it is my honor to serve as Chairman or the Board of Directors of My Community Federal Credit Union. I would like to recognize the other board members currently serving: Teresa Clingman - Vice Chairman, Bob Billhimer - Treasurer, Terry Youngblood - Secretary, Elizabeth Casbeer, Steve Shockley, Chris Arredondo, and Charlotte Dunlap.

I would like to take this opportunity to thank each of these board members for their time and service. They perform this service voluntarily, and without compensation. They, like you, are members of this credit union and have a vested interest in the safety and stability of this financial institution. It is the Board's responsibility to establish strong, clear policies that direct the management and staff in their day-to-day operations. It is through these actions that we strive to make continuous improvement in all areas of the credit union.

I would also like to thank the group of volunteers serving on the Supervisory Committee. Their job is to validate the accuracy of financial reporting, assure that internal controls are established and maintained, and protect the security of member's information. As you are aware, threats to security increase every day, and

We recognize that none of the Board's goals would be realized without the employees and leaders who execute on these plans and policies every day. The reputation of our credit union in the community as well as with our members is dependent on the daily level of customer service provided by our employees.

The Board of Directors would also like to express their appreciation for the support of the membership. We would especially like to thank those members who are with us tonight. Your presence here is evidence of your involvement and commitment.

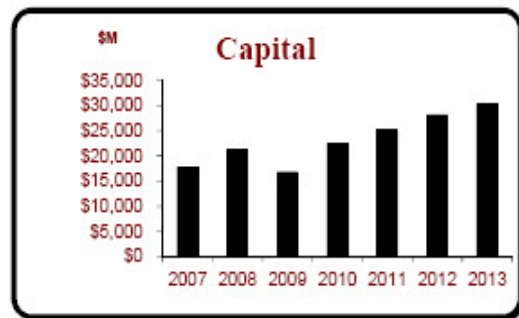
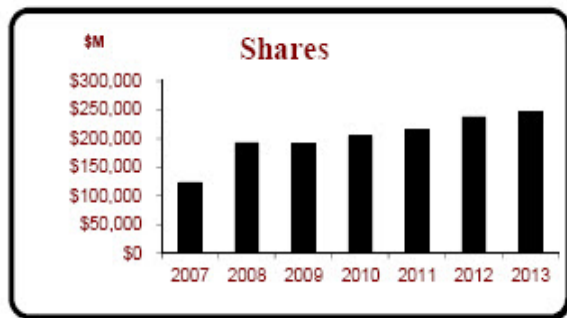
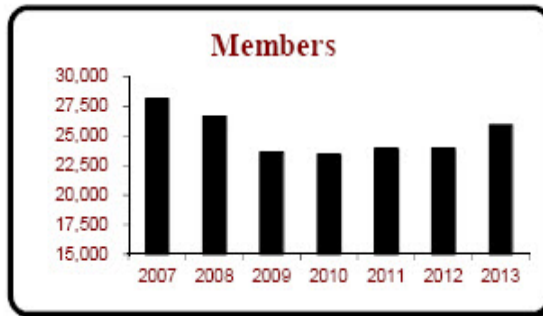
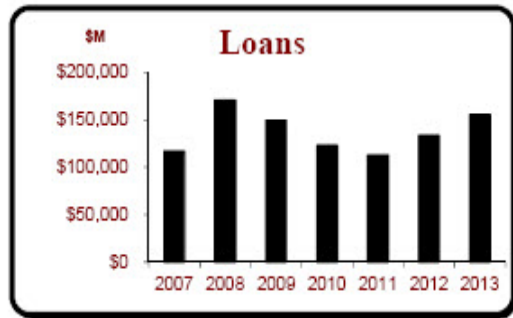
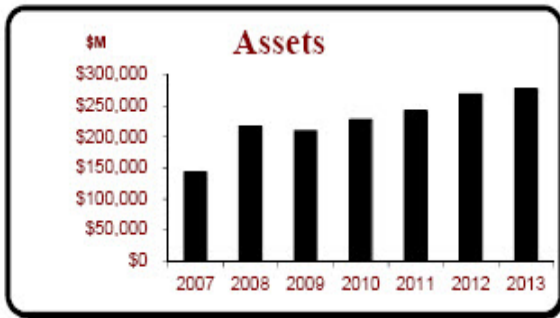
We look forward to 2014 with the challenges and opportunities it will bring. We are planning a project to expand our presence in Odessa, and hope to better serve our members across the Permian Basin.

Best Regards,

Sharon Tischer
Chairman of the Board



**TREASURER'S REPORT
HISTORICAL DATA 2007-2013**



MY COMMUNITY FEDERAL CREDIT UNION

Treasurer's Report

INCOME STATEMENT

For the Years Ending December 31, 2013 and 2012

	2013	2012
INTEREST INCOME:		
Interest on Loans	\$ 8,218,837	\$ 7,092,074
Investment Income	1,271,401	1,376,048
Total Interest Income	9,490,238	8,468,122
INTEREST EXPENSE:		
Dividend Expense	1,319,870	1,447,349
Interest on Borrowed Money	32	424
Total Interest Expense	1,319,902	1,447,773
Net Interest Income	8,170,336	7,020,349
PROVISION FOR LOAN LOSSES:	339,740	(900,271)
Net Interest Income (Loss) After Provision	7,830,596	7,920,620
OPERATING INCOME:		
Fees and Charges	5,400,213	4,926,696
OPERATING EXPENSE:		
Salaries and Benefits	6,180,864	5,514,092
Travel, Education & Conference	85,388	72,293
Office Occupancy	369,825	411,795
Office Operations	2,855,646	2,758,163
Marketing & Promotion	400,179	277,282
Loan Servicing	300,221	142,777
Professional Services	495,321	414,503
Miscellaneous Operating Expense	117,727	135,432
Total Operating Expense	\$ 10,805,172	\$ 9,726,335
OTHER GAIN (LOSS):		
GAIN/(LOSS) Disposal on Asset	(3,688)	(3,406)
GAIN/LOSS Sale of OREO	-	-
NCUSIF Capital Write Down	(189,364)	(207,300)
NCUSIF Premium	-	-
SWC Capital Impairment	-	-
Total Other Gain (Loss)	\$ (193,051)	\$ (210,706)
NET INCOME (LOSS):	\$ 2,232,586	\$ 2,910,275

MY COMMUNITY FEDERAL CREDIT UNION

Treasurer's Report

BALANCE SHEET

As of December 31, 2013 and 2012

	2013	2012
ASSETS:		
Gross Loans	\$ 155,440,761	\$ 133,163,710
Allowance for Loan Loss	(989,687)	(1,322,654)
Cash on Hand and in Banks	5,005,405	5,005,405
Investments	104,701,979	119,633,718
Fixed Assets	7,290,695	7,496,195
Other Assets	6,104,457	4,712,405
TOTAL ASSETS	\$ 277,553,609	\$ 268,688,779
LIABILITIES:		
Accounts Payable	\$ 1,424,847	\$ 1,790,790
Accrued Expenses	2,502,028	2,577,159
Members' Shares:		
Shares	100,628,056	91,580,416
Checking	42,787,271	38,533,267
IRA Shares	9,046,920	9,136,756
IRA Certificates	7,979,836	8,658,817
Money Market	41,835,256	42,926,493
Regular Certificates	43,701,659	46,362,525
Total Liabilities	\$ 249,905,873	\$ 241,566,223
MEMBERS' EQUITY		
Other Comprehensive Income (Loss)	\$ (364,109)	\$ (472,624)
Unrealized G/L on AFS Investments	\$ (2,237,575)	\$ (421,655)
Capital	30,249,420	28,016,834
Total Members' Equity	\$ 27,647,735	\$ 27,122,556
TOTAL LIABILITIES AND CAPITAL	\$ 277,553,609	\$ 268,688,779

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My Community Federal Credit Union
62nd Annual Meeting
April 11, 2014
President's Report

Good evening. I am Donna Neal, President/CEO of My Community Federal Credit Union (MCFCU). On behalf of the Board of Directors and the entire staff, it is our privilege to welcome you to the 62nd annual Meeting of My Community Federal Credit Union.

America's credit unions saw growth in several key indicators during 2013, but other trends were less positive according to the National Credit Union Administration (NCUA). NCUA is urging credit unions not to leverage their futures by taking on excessive interest rate risk. The current rate environment is a challenge for profitability and federally insured credit unions are urged to avoid falling into the trap of over-concentration in long-term investments. Loans, membership and net worth saw continued positive growth for credit unions in the fourth quarter of 2013, but net interest margins continue to decline. Compressed net interest margins contributed to a fall in return on average assets compared to the fourth quarter of 2012 for credit unions overall. 2014 is expected to be a challenging year for credit unions as we weather through low interest rates resulting in smaller margins and declining returns.


It is an honor to present the 2013 results of OUR Credit Union.

We ended the year with total assets of \$277,553,609 compared to \$268,688,789 at yearend 2012. The Capital ratio as of yearend 2013 was 10.90% compared to 10.43% as of yearend 2012. These are very exciting results. We saw an increase in assets as well as capital from 2012 to 2013. Once again this year, we were focused on avoiding "hot money" and maintaining our strong capital position. We are very pleased with the results. It should also be noted that My Community was recognized as the Best Credit Union in Midland Texas by the Midland Reporter.

The results for 2013 are very impressive and allow us 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.

My Community has a long tradition of contributing to the community we serve. In 2013, we held a golf tournament benefiting the Make A Wish Foundation. MCFCU raised \$35,000 through the golf tournament. The proceeds from this campaign will be used to grant Wishes to as many as 5 local children with severe medical issues. Our staff participated each month in Meals on Wheels. Our employees raised \$15,000 for Children's Miracle Network and collected over 100 pounds of food for the West Texas Food Bank. MCFCU once again provided scholarships to 5 well deserving local students totaling \$12,500.

Respectfully submitted,


Donna K Neal
President/CEO

My Community Federal Credit Union
62nd Annual Meeting
April 11, 2014
Supervisory Committee Report

I am Glen Luff, Chairman of My Community Federal Credit Union's Supervisory Committee. The Supervisory Committee is appointed by the Board of Directors from among the members of this Credit Union. This year's Committee members are myself, Chairman, Tom Finnie, Chris Arredondo, John Williams and Charlie Harris.

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 an Internal Auditor on staff, Carl Smoot, who reports directly to the Committee. The Internal Auditor performs numerous audits throughout the year on most MCFCU functional areas, as well as 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 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
62nd Annual Meeting
April 11, 2014
Nominating Committee Report

I am Charlotte Dunlap, Board Member of My Community Federal Credit Union. I was appointed as Chairman of the Nominating Committee for 2014 by Sharon Tischer, our Board Chairman. There are two additional Committee Members, Elizabeth Casbeer, Board Member and Yvonne Brooks, ARCO Retiree. Although there are three Board of Directors with expiring terms, the My Community FCU Board of Directors has decided to only fill two of these seats. The Board has made a decision to reduce the size of the Board from 9 members to 7 members and this is the reason for only filling the two seats.

The 2014 slate of Board of Directors for the two seats to be filled are:

TERRY YOUNGBLOOD, Board Member 3- year term

Terry has a degree in Accounting from Sul Ross State University. After graduation, Terry worked as the Assistant Business Manager for what was the Odessa Junior College. He then joined the FBI as a Special Agent Accountant and worked primarily white collar crime cases. He was a firearms instructor, SWAT Team Leader and Street Survival instructor for the FBI. He retired from the FBI after serving 30 years. He has lived in Midland for 7 years. He joined what is now My Community Federal Credit Union. Terry previously served on the Supervisor Committee at My Community. He has served on the Board of Directors for My Community FCU since March of 2011.

ROBERT BILLHIMER, Board Member 3- year term

Robert (Bob) Billhimer, a retired FBS Special Agent, was first a Board of Director with Midland Government Employee's FCU from September 1980 to October 2000. He has continued as a Board Member after the merger into My Community FCU from October 2000 to present. Bob's FBI duty offices have been Washington, D.C.; Cleveland, OH; Akron, OH and El Paso, TX. Bob retired to Midland after 37 years of FBI service. Bob is now a FBI Special Investigator (contractor) and has been since September 1997. Bob has a Bachelor's Degree in Business Administration from the University of Maryland.

There were no Petitioned Candidates for the expiring Board positions.

Respectfully submitted,

Charlotte Dunlap
Chairman, Nominating Committee