

To: All Members of Avoyelles Parish School Board Employees FCU

From: Board of Directors, Avoyelles Parish School Board Employees FCU

The Board of Directors of your credit union recently voted to merge our credit union with Heart of Louisiana Federal Credit Union. This merger has received the preliminary approval of our federal regulators, and now must be approved by you, the members of the Credit Union.

Enclosed, you will find important information regarding the proposed merger. A meeting of the membership and vote will be held on February 15, 2024 at the Paragon Resort and Casino. Registration for the meeting will be at 5:30 pm and the meeting will start at 6:00. If you cannot attend the meeting in person, you may vote before the meeting by using the enclosed ballot.

The Credit Union's Board of Directors considered the matter carefully, and determined that a merger with Heart of Louisiana is the best option for our credit union.

The merger will give our members access to a greater number of the financial products and services they want, while still being member/owners of a local credit union. As members of Heart of Louisiana FCU, you will have access to additional products and services, such as credit cards, online and mobile banking, mobile deposit, and money market and IRA accounts. Our existing location at 348 Center Street will remain open as a branch of Heart of Louisiana FCU, plus as a member of Heart you will have access to their other branches in Alexandria and Pineville, as well as their ATMs.

Following a successful vote of the merger, you will become a member of Heart of Louisiana FCU. You will continue to experience the same convenience and services you have as a member of the credit union and have access to a full array of financial products and services to meet your needs.

We encourage you to review the enclosed information, and either attend the meeting on February 15th to vote, as well as to ask any questions or find out more about the merger, or to cast your ballot before the meeting.

Sincerely,

Carlos Mayeaux
Chairperson, Board of Directors
Avoyelles Parish School Board Employees FCU

NOTICE OF MEETING OF THE MEMBERS OF AVOYELLES PARISH SCHOOL BOARD EMPLOYEES FEDERAL
CREDIT UNION

The Board of Directors of Avoyelles Parish School Board Employees Federal Credit Union have called a special meeting of the members of this credit union at Paragon Resort and Casino, 711 Paragon Place Marksville, Louisiana 73151 on Thursday, February 15 2024. Registration will be at 5:30 pm and the meeting will start at 6:00. The purpose of this meeting is:

1. To consider and act upon a plan and proposal for merging Avoyelles School Board Employees Federal Credit Union with and into Heart of Louisiana Federal Credit Union (hereinafter referred to as the "Continuing Credit Union"), whereby all assets and liabilities of the Avoyelles Parish School Board Employees Federal CU will be merged with and into the Continuing Credit Union. All members of Avoyelles Parish School Board Employees FCU will become members of the Continuing Credit Union and will be entitled to and will receive shares in the Continuing Credit Union for the shares they own in Avoyelles Parish School Board Employees Federal Credit Union on the effective date of the merger.

2. To ratify, confirm and approve the action of the Board of Directors in authorizing the officers of Avoyelles Parish School Board Employees FCU, subject to the approval of members, to do all things and to execute all agreements, documents, and other papers necessary to carry out the proposed merger.

The Board of Directors of Avoyelles Parish School Board Employees FCU encourages you to attend the meeting and vote on the proposed merger. Whether or not you expect to attend the meeting, we urge you to sign, date and promptly return the enclosed ballot to vote on the proposed merger.

If you wish to submit comments about the merger to share with other members, you may submit them to the National Credit Union Administration (NCUA) at <https://www.ncua.gov/support-services/credit-union-resources-expansion/resources/comments-proposed-credit-union-mergers> or mail to:

NCUA – Office of Credit Union Resources and Expansion'

1775 Duke Street

Alexandria, VA 22314

RE: Member-to-member Communication for Avoyelles Parish School Board
Employees FCU

The NCUA will post comments received from members on its website, along with the member's name, subject to the limitations and requirements of its regulations.

Other Information Related to the Proposed Merger:

The Board of Directors has carefully evaluated and analyzed the assets and liabilities of the credit unions and the value of shares in both credit unions. The financial statements of both credit unions, as well as the projected combined financial statement of the continuing credit union, follow as separate documents. In addition, the following information applies to the proposed merger.

Reasons for merger: The Board of Directors has concluded that the proposed merger is desirable and in the best interests of members because it will give members access to additional financial products and services, additional branch locations through the existing Heart of Louisiana Federal Credit Union branches, electronic banking options, and a fuller offering of loans and savings options.

The economies of scale offered by the merging of the two credit unions will create a stronger credit union giving members the opportunity to have a credit union as their primary financial institution, and providing access to a robust suite of products and services needed by their members and potential members.

Net worth: The net worth of a merging credit union at the time of a merger transfers to the continuing credit union. Avoyelles Parish School Board Employees FCU does have a higher net worth ratio than Heart of Louisiana Federal Credit Union.

Avoyelles Parish School Board Employees FCU will not distribute a portion of its net worth to its members in the merger. The board of directors has determined a share adjustment, or other distribution of Avoyelles Parish School Board Employees FCU's net worth is unnecessary because the benefits of the merger for Avoyelles Parish School Board Employee's FCU provide greater value to the members than a share adjustment or distribution.

Locations of merging and continuing credit union: Avoyelles School Board Employees FCU's main office at 348 Center Street, Marksville Louisiana will remain open. Heart of Louisiana Federal Credit Union has the following locations that are near Avoyelles Parish School Board Employees FCU:

303 Edgewood Drive
Pineville, LA 71360

4407 Coliseum Boulevard
Alexandria, LA 71303

3616 Commerce Street
Alexandria, LA 71302

Merger-related financial arrangements: NCUA Regulations require merging credit unions to disclose certain increases in compensation that any of the merging credit union's officials or the five most highly compensated employees have received or will receive in connection with the merger. No individuals have received or will receive such compensation.

Please note that the proposed merger must have the approval of the majority of members who vote.

Enclosed with this Notice of Special Meeting is a Ballot for Merger Proposal. If you cannot attend the meeting, please complete the Ballot and return it to Avoyelles FCU, 348 Center Street, Marksville, LA 71351. To be counted, your Ballot must be received by 5:00 pm on Thursday, February 15, 2024.

BY THE ORDER OF THE BOARD OF DIRECTORS:

Carlos G. Mayburt, Jr.

President

12-6-23

Date

BALLOT FOR MERGER PROPOSAL

Name of Member: _____

Account Number: _____

Your credit union must receive this ballot by Thursday, February 15, 2024 Please mail or bring it to:

Avoyelles Parish School Board Employees FCU
348 Center Street
Marksville, LA 71351

I have read the Notice of Special Meeting for the members of Avoyelles Parish School Board Employees Credit Union. The meeting will be held on the above date to consider and act upon the merger proposal described in the notice. I vote on the proposal as follows (check one box):

☐ APPROVE the proposed merger and authorize the Board of Directors to take all necessary action to accomplish the merger.

☐ DO NOT APPROVE the proposed merger.

Signed:

Member's Name

Date:

Avoyelles Parish School Board Employees Balance Sheet	
Assets	
Loans to members	
Unsecured Loans	223,923.08
Boat/ATV/Recreational Loans	124,452.96
Farm/Lawn Equipment Loans	15,903.45
New Vehicle Loans	571,663.80
Used Vehicle Loans	230,252.76
Total Loans to Members	1,166,196.05
Assets in Process of Liquidation	12,800.46
Total Assets	1,178,996.51
Allowance for Loan Loss	(33,678.84)
Cash & Cash Accounts	
Cottonport Bank	31,854.05
Change Fund	155.00
LA Corp Savings	7,579.14
Total Cash & Cash Accounts	39,588.19
Investments	
Bank CD Investments	706,005.37
Total Investments	706,005.37
Prepaid Expenses	
Prepaid Bond	3,716.13
Prepaid League Dues	762.61
Other Prepaid Expenses	269.37
Total Prepaid Expenses	4,748.11
Fixed Assets	
Land and Building	35,913.44
Allow for Deprec of Land & Building	(26,913.44)
Furniture and Equipment	56,335.47
Allow for Deprec of Furn & Equip	(49,626.82)
Computer/Server Related Equipment	17,837.89
Allow for Deprec of Comp/Server Equip	(16,910.52)

Total Fixed Assets	16,636.02
Accrued Loan Income	
Unsecured Loan Accrued Interest	1,679.63
Boat/ATV/Recreational Accrued Interest	337.48
Farm/Lawn Equipment Accrued Interest	60.27
New Vehicle Loan Accrued Interest	1,656.46
Used Vehicle Loan Accrued Interest	1,561.28
90 Day Delinquent Loan Interest	(412.02)
Total Accrued Loan Income	4,883.10
Other Assets	
La Corp Membership Share	22,177.52
NCUSIF Deposit	16,847.84
Total Other Assets	39,025.36
Total	1,956,203.82
Liabilities, Shares & Equity	
Accounts Payable	
Insurance Payable	545.15
GAP Insurance Payable	-
Credit Life Insurance Payable	243.92
Credit Disability Insurance Payable	450.66
Outstanding Credit Union Checks	202.04
Blanket Insurance	86.00
Total Accounts Payable	1,527.77
Dividends Payable	
Regular Shares Dividends Payable	208.63
Total Dividends Payable	208.63
Accrued Expenses	
Accrued Audit Expenses	6,100.00
Building Repair Payables	13,433.78
Total Accrued Expenses	19,533.78
Total Liabilities	21,270.18
Shares	

Regular Shares	1,452,901.84
Total Shares	1,452,901.84
Equity	
Regular Reserves	431,754.03
Undivided Earnings	101,086.21
Net Income	(50,808.44)
Total Equity	482,031.80
Total Liabilities, Shares & Equity	1,956,203.82

Heart of Louisiana FCU Balance Sheet	
TOTAL CONSUMER LOANS	29,478,640.06
TOTAL VISA LOANS	6,806,536.27
TOTAL BUSINESS LOANS	12,787,919.15
TOTAL REAL ESTATE LOANS	10,195,294.12
TOTAL MOBILE HOME LOANS	998,964.92
TOTAL SHARE SECURED LOANS	283,916.51
TOTAL LOANS-COLL IN PROCS OF LIQUIDATION	10,000.00
TOTAL LOANS TO MEMBERS	60,561,271.03
TOTAL NOTES AND CONTRACTS RECEIVABLE	0.00
TOTAL LOANS OUTSTANDING	60,561,271.03
TOTAL ALLOWANCE FOR LOAN LOSSES	(2,158,329.20)
TOTAL NET LOANS OUTSTANDING	58,402,941.83
TOTAL CASH	2,069,626.01
TOTAL US GOVERNMENT SECURITY	0.00
TOTAL FEDERAL AGENCY SECURITIES	0.00
TOTAL CORPORATE CU INVESTMENTS	6,397,588.69
TOTAL BANKS S&L MSB INVESTMENTS	59,415,000.00
TOTAL OTHER INVESTMENTS	3,474,977.10
TOTAL CUSO MEMBER EQUITY	199,271.30
TOTAL NCUA SHARE INSURANCE FUND	1,202,956.30
TOTAL INVESTMENT	70,689,793.39
TOTAL LAND AND BUILDING (NET OF DEPR)	4,058,439.93
TOTAL OTHER FIXED ASSETS(NET OF DEP)	469,504.51
TOTAL ALL OTHER ASSETS	2,383,099.82

TOTAL ASSETS	138,073,405.49
LIABILITY	
TOTAL ACCOUNTS PAYABLE	588,481.71
TOTAL NOTES PAYABLE	0.00
TOTAL OTHER LIABILITIES	(1,149,099.90)
EQUITY	
TOTAL SHARE ACCOUNTS	77,275,421.21
TOTAL SHARE DRAFTS	31,021,529.67
TOTAL ESCROW ACCOUNTS	164,844.88
TOTAL IRA SHARES & CERTIFICATES	5,001,118.62
TOTAL MONEY MARKET CERTIFICATES	2,465,165.17
TOTAL MONEY MARKET SHARES	3,233,162.72
TOTAL MEMBER SHARES	119,161,242.27
TOTAL UNDIVIDED EARNINGS	18,795,299.85
TOTAL EQUITY	137,395,923.93
NET INCOME/(LOSS)	677,481.56
TOTAL LIABILITIES AND EQUITY	138,073,405.49

Avoyelles Parish School Board Employees FCU and	
Heart of Louisiana Fcu	
Consolidated Balance Sheet	
Name	Actual
ASSET	
TOTAL CONSUMER LOANS	30,644,836.11
TOTAL VISA LOANS	6,806,536.27
TOTAL BUSINESS LOANS	12,787,919.15
TOTAL REAL ESTATE LOANS	10,195,294.12
TOTAL MOBILE HOME LOANS	998,964.92
TOTAL SHARE SECURED LOANS	283,916.51
TOTAL LOANS-COLL IN PROCS OF LIQUIDATION	22,800.46
TOTAL LOANS TO MEMBERS	61,740,267.54
TOTAL NOTES AND CONTRACTS RECEIVABLE	0.00
TOTAL LOANS OUTSTANDING	61,740,267.54
TOTAL ALLOWANCE FOR LOAN LOSSES	(2,192,008.04)
TOTAL NET LOANS OUTSTANDING	59,548,259.50
TOTAL CASH	2,069,626.01
TOTAL US GOVERNMENT SECURITY	0.00
TOTAL FEDERAL AGENCY SECURITIES	0.00
TOTAL CORPORATE CU INVESTMENTS	6,459,354.40
TOTAL BANKS S&L MSB INVESTMENTS	60,121,005.37
TOTAL OTHER INVESTMENTS	3,474,977.10
TOTAL CUSO MEMBER EQUITY	199,271.30
TOTAL NCUA SHARE INSURANCE FUND	1,219,804.14
TOTAL INVESTMENT	71,474,412.31
TOTAL LAND AND BUILDING (NET OF DEPR)	4,067,439.93
TOTAL OTHER FIXED ASSETS(NET OF DEP)	477,140.53

TOTAL ALL OTHER ASSETS	2,392,731.03
TOTAL ASSETS	140,029,609.31
LIABILITY	
TOTAL ACCOUNTS PAYABLE	590,218.11
TOTAL NOTES PAYABLE	0.00
TOTAL OTHER LIABILITIES	(1,129,566.12)
EQUITY	
TOTAL SHARE ACCOUNTS	78,728,323.05
TOTAL SHARE DRAFTS	31,021,529.67
TOTAL ESCROW ACCOUNTS	164,844.88
TOTAL IRA SHARES & CERTIFICATES	5,001,118.62
TOTAL MONEY MARKET CERTIFICATES	2,465,165.17
TOTAL MONEY MARKET SHARES	3,233,162.72
TOTAL MEMBER SHARES	120,614,144.11
TOTAL UNDIVIDED EARNINGS	19,328,140.09
TOTAL EQUITY	139,402,936.19
NET INCOME/(LOSS)	626,673.12
TOTAL LIABILITIES AND EQUITY	140,029,609.31