

# Moving **Forward** Together



# AGENDA

Secretary Ascertain's Quorum  
Approval of the Minutes of the  
Last Annual Meeting on May 26, 2010  
Financial Report  
Board of Directors Report  
Supervisory Committee Report  
Old Business  
New Business  
Drawing for Door Prizes  
Adjournment

## Supervisory Committee Report

The HCFCU Supervisory Committee is responsible for ensuring that members' assets are safeguarded. To accomplish this, the committee oversees regular audits and member account verifications. The committee evaluates internal controls, compliance with governing laws, policies and procedures as well as making sure that accounting records are timely and accurately reflect operations.

Each year, the National Credit Union Administration (NCUA) reviews the credit union to confirm compliance with Board policies and federal laws and regulations. In addition to the NCUA review, an independent auditor conducts quarterly and annual audits of the credit union as an added security measure for our members. These reviews found HCFCU to be in excellent financial condition.

Based on extensive analysis, the Supervisory Committee is pleased to announce the financial statements in this report are a fair and accurate assessment of the financial position of HCFCU as of December 31, 2010. HCFCU is in excellent financial condition and is operating within the appropriate laws and regulations.

The role of the Supervisory Committee is vital to the credit union and its membership. We are grateful for your continued confidence in our oversight. The assistance and cooperation of staff, management and the Board of Directors in the performance of our responsibilities is much appreciated.

**Steve Jennings**  
**Tom Rackley**  
**Pam Speer**

## Board of Directors Report

The economic climate in 2010 continued to be a challenge. Credit Unions were called on to strengthen the share insurance fund and reassure members that their funds were safe. Through financially sound lending practices and conservative financial management, Harris County Federal Credit Union was well positioned to answer that call. Growth continued in 2010 as we ended the year with over \$115 million in assets. Member deposits grew an additional \$13 million and in keeping with our philosophy of people helping people, competitive dividend rates were maintained for members. Also, the level of insurance provided per qualifying account was permanently raised to \$250,000. HCFCU even lowered certain loan rates to provide more savings opportunities.

The regulatory climate also created challenges which the credit union met head-on. HCFCU management and staff worked diligently to maintain exemplary service and competitive financial products in the face of increasing regulations. The credit union has enhanced services through products such as mobile banking and remains committed to bringing free financial education to the community we serve.

Harris County FCU continues to be safe, secure and solid. We have taken a proactive approach to managing growth and are committed to maintaining a safe, trustworthy, accessible and reliable credit union for years to come. As we move forward together, we thank you for your continued support.

## Board of Directors

**Larry T. Dehnert** – Chairman  
**Edward Gardner** – Vice Chairman  
**Diana Woodley** – Secretary  
**Peggy Sparks** – Treasurer  
**Darla Coons** – Director  
**Mercedes Leal** – Director  
**John Matthews** – Director  
**Jimmy Ray** – Director  
**Kenny Rodgers** – Director  
**Pam Speer** – Director  
**Janet Stubbs** – Director

## Staff

**Susan Roberts** – President  
**Vicki Squires** – Executive Vice President

### Accounting & Technology Department

**Gertie Toups** – Vice President  
**Veronica King** – Accounting Specialist  
**Carlos Perez** – IT Specialist

### Loan Department

**Dawn Daily** – Loan Supervisor  
**Regina Graves** – Sr Loan Officer  
**Tamera Lopez** – Sr Loan Officer  
**Rachel Morales** – Loan Officer  
**Roberto Becerril** – Loan Assistant  
**Christina Deshotel** – Loan Assistant

### Collection Department

**Hazel Thompson** – Vice President  
**Rhonda White** – Assistant  
**Gricelda Vela** – Assistant

### Operations Department

**Luanne Bray** – Vice President  
**Diana Cromeans** – Supervisor  
**Connie Myers** – Teller Supervisor  
**Tekyrian Stephens** – Vault Teller  
**Alice Hardy** – Teller  
**Joseph Stelly** – Teller/Member Services  
**Jennifer McDermott** – Teller/Member Services  
**Stevie Williamson** – Teller/Member Services  
**Marco Hernandez** – Teller/Member Services  
**Sylvia Cruz** – Teller/Member Services  
**Kristy Knowles** – Teller/Member Services  
**Diana Howse** – Member Services  
**Jeannette Sharpe** – Member Services

## FINANCIAL REPORT 2010

As of December 31, 2010

ASSETS	2009	2010
Loans to Members	\$53,163,971	\$54,896,025
Cash on Hand and in Banks	\$10,626,113	\$15,400,268
Investments	\$31,071,091	\$37,168,400
Fixed Assets	\$1,839,408	\$1,620,359
All Other Assets	\$4,626,998	\$6,459,798
<b>Total Assets</b>	<b>\$101,327,581</b>	<b>\$115,544,850</b>

### LIABILITIES & EQUITY

Accounts Payable	\$836,390	\$903,176
Dividends Payable	\$0	\$0
Notes Payable	\$0	\$0
All Other Liabilities	\$619,490	\$636,645
Total Liabilities	\$1,455,880	\$1,539,821
Member Deposits	\$88,225,494	\$101,605,528
Reserves	\$1,188,669	\$1,188,669
Retained Earnings	\$10,457,538	\$11,210,832
<b>Total Member Equity</b>	<b>\$99,871,701</b>	<b>\$114,005,029</b>
<b>Total Liabilities &amp; Equity</b>	<b>\$101,327,581</b>	<b>\$115,544,850</b>

### STATEMENT OF INCOME AND EXPENSES

INCOME	2009	2010
From Loans	\$4,357,271	\$4,499,174
From Investments	\$746,729	\$700,761
From Fees & Miscellaneous	\$1,161,871	\$1,305,461
<b>Total Income</b>	<b>\$6,265,871</b>	<b>\$6,505,396</b>

### EXPENSES

Salaries & Benefits	\$1,698,588	\$1,686,229
General Administration	\$1,674,507	\$2,007,650
Depreciation	\$139,504	\$127,082
Dividends on Member Deposits	\$1,561,143	\$1,457,000
Provisions for Loan Losses	\$412,500	\$330,000
<b>Total Expenses</b>	<b>\$5,486,242</b>	<b>\$5,607,961</b>
<b>Net Income</b>	<b>\$779,629</b>	<b>\$897,435</b>
NCUSIF Stabilization Expense	\$119,074	\$119,632
SWCorporate MCA Depletion	\$291,909	\$450,220
<b>Transfer to Undivided Earnings</b>	<b>\$368,646</b>	<b>\$327,583</b>

## Member Services

Share Accounts	Financial Consulting
Share Certificates	Vehicle Pricing Guides
Individual Retirement Accounts (IRAs)	Loan Protection Insurance
Loans	Credit Disability Insurance
Overdraft Lines of Credit	Free Notary Services
Extended Warranties	Audio Response
GAP Insurance	Online Banking
Home Improvement Loans	Savings Bond Redemption
Home Equity Loans	Kids Treasure Accounts
Visa® & MasterCard®	Home Equity Lines of Credit
Platinum MasterCard	Visa Debit Cards
Share Draft (Checking) Accounts	Metro "Q" Cards
Payroll Deduction/Direct Deposit	Visa Gift Cards
Courtesy Pay	Free Bill Payer
Full-Family Membership	Shared Branches
Traveler's Checks	Allpoint Surcharge-Free ATMs
Money Orders	Mortgage Loans



1400 Franklin Street  
Houston, Texas 77002  
(713) 755-5160  
(713) 755-8982 Fax  
[www.hcfcu.com](http://www.hcfcu.com)

