



Helping You Succeed for 60 Years

2011

ANNUAL REPORT



AGENDA

Secretary Ascertain Quorum
Approval of the Minutes of the Last Annual Meeting on March 30, 2011
Financial Report
Board of Directors Report
Supervisory Committee Report
Old Business
New Business
Drawing for Door Prizes
Adjournment

SUPERVISORY COMMITTEE REPORT

The Supervisory Committee's responsibility is to serve Harris County Federal Credit Union (HCFCU) members by ensuring that credit union operations are effective in protecting credit union assets and records are accurately and properly reported. This committee fulfills its obligation to members by monitoring and auditing the activities of the credit union. The committee provides oversight related to the establishment of effective internal controls, adherence to board policies and compliance with appropriate laws and regulations.

The Supervisory Committee contracts with an independent auditing firm to perform an annual audit of the credit union. Their latest review, conducted in accordance with the National Credit Union Administration (NCUA) Rules and Regulations, dated October 20, 2011 indicated that the overall records and operations of the credit union were found to be in good condition. In addition, the NCUA reviews the credit union annually to confirm compliance with board policies and federal laws and regulations. This review found HCFCU to be in excellent financial condition.

Based on thorough analysis, the Supervisory Committee is satisfied that adequate internal controls exist to protect member accounts and the financial statements accurately reflect the performance and condition of the credit union.

The Supervisory Committee takes its responsibility to the credit union and its members seriously. We are thankful for your continued confidence in our oversight. The assistance and cooperation of staff, management and the Board of Directors in the performance of our duties is much appreciated.

Pam Speer | Tom Rackley | Rosanette Bosco

BOARD OF DIRECTORS REPORT

As you may or may not know, serving as a board member for Harris County Federal Credit Union is completely voluntary. This is a major difference between credit unions and banks. And it's an important one. Like you, each of us is a member of the credit union. And we have a vested interest in overseeing OUR financial institution. Your Board of Directors has a fiduciary responsibility to each and every one of you to make sure we are establishing strong, clear policies that direct the management and staff in their day-to-day operations of Harris County Federal Credit Union.

We receive periodic training and frequent regulatory updates to ensure we have the knowledge to uphold our duties on your behalf. But our duty is also to uphold the mission of Harris County Federal Credit Union. We have a mission to serve and to help more people realize the American dream—people helping people.

With 2012 being the Year of Cooperatives, we credit union members have an unprecedented opportunity to educate our families, friends, colleagues and neighbors about what it means to be a member of a not-for-profit cooperative credit union. We are well positioned to be your primary financial service provider. We can do what a bank does, but we do it better because our credit union is not out to nickel-and-dime our members in order to maximize profits. Rather, our credit union seeks to find the right mix of products and services to help us succeed.

We urge you to join in helping those around us understand what being a part of the credit union means. We are people, not faceless numbers. We are owners of Harris County Federal Credit Union. Each of us has a voice to choose our leadership and drive the decisions that affect our money.

These are important differences that keep credit unions accountable to the people we serve. At the end of the day, the investors we must satisfy are our members. You and me.

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

Vicki Squires – President

ACCOUNTING & TECHNOLOGY DEPARTMENT

Gertie Toups – Vice President
Veronica King – Executive Support Specialist
Carlos Perez – IT Specialist
Jennifer McDermott – Plastic Card Specialist

LOAN DEPARTMENT

Dawn Daily – Vice President
Regina Graves – Sr. Loan Officer
Tamera Lopez – Sr. Loan Officer
Rachel Morales – Loan Officer
Roberto Becerril – Loan Officer
Christina Deshotel – Loan Assistant

COLLECTIONS DEPARTMENT

Rhonda White – Collections Specialist
Gricelda Vela – Collections Specialist

OPERATIONS DEPARTMENT

Diana Cromeans – Operations Manager
Connie Myers – Teller Supervisor
Tekyrian Stephens – Vault Teller
Alice Hardy – Assistant Vault Teller
Marco Hernandez – Teller/Member Services
Tiffany Harris – Teller/Member Services
Lisa Hester – Teller/Member Services
Kristy Knowles – Member Services
Diana Howse – Member Services
Jeannette Sharpe – Member Services

MARKETING DEPARTMENT

Christa Martin – Marketing Specialist

FINANCIAL REPORT 2011

As of December 31, 2011

ASSETS	2010	2011
Loans to Members	\$54,896,025	\$54,743,125
Cash on Hand and in Banks	\$15,400,268	\$15,144,855
Investments	\$37,168,400	\$52,379,478
Fixed Assets	\$1,620,359	\$1,402,536
All Other Assets	\$6,459,798	\$4,946,271
Total Assets	\$115,544,850	\$128,616,265

LIABILITIES AND EQUITY	2010	2011
Accounts Payable	\$903,176	\$1,025,364
Dividends Payable	\$0	\$0
Notes Payable	\$0	\$0
All Other Liabilities	\$636,645	\$188,169
Total Liabilities	\$1,539,821	\$1,213,533
Member Deposits	\$101,605,528	\$114,030,740
Reserves	\$1,188,669	\$1,188,669
Retained Earnings	\$11,210,832	\$12,183,323
Total Member Equity	\$114,005,029	\$127,402,732
Total Liabilities and Equity	\$115,544,850	\$128,616,265

STATEMENT OF INCOME AND EXPENSES

INCOME	2010	2011
From Loans	\$4,499,174	\$4,402,605
From Investments	\$700,761	\$666,960
From Fees and Miscellaneous	\$1,305,461	\$1,374,479
Total Income	\$6,505,396	\$6,444,044

EXPENSES	2010	2011
Salaries and Benefits	\$1,686,229	\$1,547,174
General Administration	\$2,007,650	\$1,920,552
Depreciation	\$127,082	\$110,611
Dividends on Member Deposits	\$1,457,000	\$1,367,422
Provisions for Loan Losses	\$330,000	\$516,200
Total Expenses	\$5,607,961	\$5,474,078

Net Income **\$897,435** **\$969,966**

NCUSIF Stabilization Expense \$119,632 \$259,896
 SWCorporate MCA Depletion \$450,220 \$0

Transfer to Undivided Earnings **\$327,583** **\$710,070**

MEMBER SERVICES

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



**1400 Franklin Street
Houston, Texas 77002
Phone: (713) 755-5160
Fax: (713) 755-8982
www.hcfcu.com**



This credit union is federally insured by the National Credit Union Administration.