



# 2012 ANNUAL REPORT



**Harris County**  
FEDERAL CREDIT UNION

## AGENDA

Secretary Ascertains Quorum  
Approval of the Minutes of the Last Annual Meeting on March 28, 2012  
Financial Report  
Board of Directors Report  
Supervisory Committee Report  
Old Business  
New Business  
Drawing for Door Prizes  
Adjournment

*“We are people, not faceless numbers.  
We are owners of Harris County  
Federal Credit Union.”*

## 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. The 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, effective July 31, 2012, 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 a thorough analysis, the Supervisory Committee is satisfied that adequate internal controls exist to protect member accounts and that 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 volunteers serving on the board of Harris County Federal Credit Union, we have the responsibility of ensuring that the credit union lives up to its mission. At the heart of this mission is the key philosophy of “people helping people.” This is not just something we say, it is something that guides us as we deliberate on key issues. We are all members that have chosen, like you, to take an active role in our credit union. Your Board of Directors has a vested interest in making sure our financial institution adheres to high ethical and fiduciary standards and holds true to its mission.

In an effort to further this mission in 2012, the credit union added key services such as instant issue debit cards and text alerts to increase value to our members. We created an annual scholarship program to give back to the community we serve. 2012 brought growth as more members found value in credit union loans and deposits. The past year also brought with it some challenges as the economic environment experienced little improvement and increased regulations continued to consume staff resources.

The board participated in required training to ensure we have the knowledge to uphold our duties on your behalf. We conducted annual reviews of many important credit union policies to maintain compliance and risk assessments to protect the assets of the credit union.

As big banks continue to drive away customers with high fees and poor service, it is important that we increase awareness within the community we serve that the credit union is here to help. 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. Whether it is loans, checking accounts, CDs, ATMs, shared branches or mobile banking, you name it—we've worked to bring you the products and services you can count on for financial success. We ask that you take action to educate your families, friends, colleagues and neighbors about what it means to be a member of HCFCU.

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. Thank you for your participation in the process that makes our credit union so special.

## BOARD OF DIRECTORS

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

## STAFF

### EXECUTIVE MANAGEMENT

**Vicki Squires** - President  
**Gertie Toups** - Vice President, Accounting & Technology  
**Dawn Daily** - Vice President, Lending & Collections  
**Mike Wilson** - Vice President, Sales & Service

### ACCOUNTING & TECHNOLOGY DEPARTMENT

**Veronica King** - Executive Support Specialist  
**Zamoni Bryant** - IT System Specialist  
**Jennifer McDermott** - Plastic Card Specialist

### LOAN DEPARTMENT

**Regina Graves** - Sr. Loan Officer  
**Tamera Lopez** - Sr. Loan Officer  
**Rachel Morales** - Loan Officer  
**Roberto Becerril** - Loan Officer  
**Christina Deshotel** - Loan Assistant

### COLLECTION DEPARTMENT

**Rhonda White** - Collection Manager  
**Gricelda Vela** - Collection Specialist  
**Kristy Hayter** - Collection Specialist

### MARKETING DEPARTMENT

**Christa Martin** - Marketing Specialist

### OPERATIONS DEPARTMENT

**Diana Cromeans** - Operations Manager  
**Connie Myers** - Teller Supervisor  
**Alice Hardy** - Vault Teller  
**Lisa Hester** - Teller  
**Roger Zermeno** - Teller  
**Randee Del Bosque** - Teller  
**Jorge Martinez** - Teller  
**Marco Hernandez** - Teller/Member Services  
**Tiffany Harris** - Teller/Member Services  
**Diana Howse** - Member Services  
**Jeannette Sharpe** - Member Services  
**Tekyrian Stephens** - Member Services

## FINANCIAL REPORT 2012

As of December 31, 2012

### ASSETS

	2011	2012
Loans to Members	\$54,743,125	\$57,542,545
Cash on Hand and in Banks	\$15,144,855	\$13,301,429
Investments	\$52,379,478	\$62,281,519
Fixed Assets	\$1,402,536	\$1,181,549
All Other Assets	\$4,946,271	\$5,189,144
<b>Total Assets</b>	<b>\$128,616,265</b>	<b>\$139,496,187</b>

### LIABILITIES AND EQUITY

	2011	2012
Accounts Payable	\$1,025,364	\$1,455,959
Dividends Payable	\$0	\$0
Notes Payable	\$0	\$0
All Other Liabilities	\$188,169	\$211,019
<b>Total Liabilities</b>	<b>\$1,213,533</b>	<b>\$1,666,978</b>
Member Deposits	\$114,030,740	\$123,693,300
Reserves	\$1,188,669	\$1,188,669
Retained Earnings	\$12,183,323	\$12,947,240
<b>Total Member Equity</b>	<b>\$127,402,732</b>	<b>\$137,829,209</b>
<b>Total Liabilities and Equity</b>	<b>\$128,616,265</b>	<b>\$139,496,187</b>

### STATEMENT OF INCOME AND EXPENSES

#### INCOME

	2011	2012
From Loans	\$4,402,605	\$4,298,985
From Investments	\$666,960	\$600,602
From Fees and Miscellaneous	\$1,374,479	\$1,545,906
<b>Total Income</b>	<b>\$6,444,044</b>	<b>\$6,445,494</b>

#### EXPENSES

	2011	2012
Salaries and Benefits	\$1,547,174	\$1,376,029
General Administration	\$1,920,552	\$2,210,649
Depreciation	\$110,611	\$95,027
Dividends on Member Deposits	\$1,367,422	\$1,002,139
Provisions for Loan Losses	\$516,200	\$540,590
Gain/Loss on Disposition of Assets	\$12,119	\$0
<b>Total Expenses</b>	<b>\$5,474,078</b>	<b>\$5,224,434</b>

#### Net Income

	<b>\$969,966</b>	<b>\$1,221,059</b>
NCUSIF Stabilization Expense	\$259,896	\$110,388
<b>Transfer to Undivided Earnings</b>	<b>\$710,070</b>	<b>\$1,110,671</b>

“At the heart of this mission is the key philosophy of people helping people.”



## PRODUCTS AND SERVICES

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



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