



annual
report
2013



Harris County
FEDERAL CREDIT UNION

agenda

Secretary Ascertains Quorum | Approval of the Minutes of the Last Annual Meeting on March 27, 2013
Financial Report | Board of Directors Report | Supervisory Committee Report | Old Business | New Business
Drawing for Door Prizes | Adjournment

supervisory committee report

The Supervisory Committee is responsible for ensuring that the Board of Directors and management of the credit union is meeting the required financial reporting objectives and has established practices and procedures sufficient to safeguard members' assets. The committee provides oversight related to the establishment of effective internal controls, adherence to board policies and compliance with appropriate laws and regulations.

In order to continue providing effective oversight as the size and complexity of the credit union increases, the committee expanded from three members to five members in 2013. Each member is called upon to stay current on the responsibilities of the Supervisory Committee as well as the activities of the credit union. To that end, the committee took advantage of appropriate training opportunities last year and remains committed to expanding its knowledge.

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 August 31, 2013, 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 that the financial statements accurately reflect the performance and condition of the credit union.

The Supervisory Committee is dedicated to carrying out its responsibilities in the best interest of the credit union membership. We appreciate the assistance and cooperation of staff and management and the continued support of the Board of Directors in the performance of our duties.

Tom Rackley | Crystal Milner | Janet Bryant | Steve Stuchlik | Carmen Sumrall

board of directors report

Your Harris County Federal Credit Union Board of Directors is humbled by the trust and confidence you continue to show in our financial cooperative. As a financial cooperative we are guided by certain principles that set us apart from other financial institutions.

HCFCU is a democratic organization controlled by you, the member-owners. The Board of Directors are volunteers elected by you. So when we set policies or make decisions about the future direction of our credit union, we do so with you in mind. Your participation as a member means we are in a strong financial position to continue meeting your lending needs, offering a wealth of savings tools and other essential financial products and services to enhance your life, improve our delivery channels, and expand our outreach.

As a financial cooperative, HCFCU understands that we can most effectively serve you and strengthen the credit union movement by working together through local, regional and national structures. We take advantage of the training, tools, and resources available through our trade association, the Cornerstone Credit Union League. We are also very supportive of Cornerstone's advocacy efforts because we understand the impact legislation, as well as regulations, has on our ability to serve your financial needs.

We want to ensure that our staff—from the front line to the executive office, as well as the Board of Directors and other volunteers—are knowledgeable and competent to fulfill their commitment to the organization, and more importantly, to you. In 2013, staff, management and volunteers completed training on a wide array of important topics in a variety of formats.

In 2013, the credit union experienced strong loan growth with auto lending leading the way. In the face of on-going regulatory challenges and a protracted low rate environment, our credit union achieved strong earnings and continued to provide value to our member-owners. The number of you choosing HCFCU as your primary financial institution in 2013 continued to increase. Through competitive dividend rates, quality products and excellent service, we continue to build member loyalty. We appreciate the feedback we receive from our members and are encouraged by the number of referrals we receive from you.

2013 marked the loss of long-time HCFCU Board Chairman, Larry Dehnert, who passed away suddenly in May of 2013. Larry was a strong advocate for HCFCU and he will forever be remembered for his many contributions to our cooperative.

Just as there were challenges in 2013, there will undoubtedly be challenges in 2014. But we are confident that by remaining focused, working together and being united, Harris County FCU is well poised to address any challenges we might face.

board of directors

Edward F. Gardner - Chairman
Diana Woodley - Vice Chairman
Pam Speer - Secretary
Peggy Sparks - Treasurer
Rosanette Bosco - Director
Janet Bryant - Director
Darla Coons - Director
Mercedes Leal - Director
John Matthews - Director
Jeremy Ratcliff - 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

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

loan department

Tamera De La Rosa - Sr. Loan Officer
Regina Graves - Sr. Loan Officer
Roberto Becerril - Loan Officer
Rachel Morales - Loan Officer
Christina Deshotel - Loan Assistant

collection department

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

marketing department

Christa Wall - Marketing Specialist

operations department

Diana Cromeans - Operations Manager
Connie Myers - Teller Supervisor
Ranee Del Bosque - Vault Teller
Tim Carroll - Teller
Larissa Guerra - Teller
Alice Hardy - Teller
Lisa Hester - Teller
Jorge Martinez - Teller
Tiffany Harris - Member Contact Specialist
Marco Hernandez - Member Services Representative
Jeannette Sharpe - Member Services Representative
Tekyrian Stephens-Persley - Member Services Representative

financial report 2013 as of December 31, 2013

assets	2012	2013
Loans to Members	\$57,542,545	\$61,727,777
Cash on Hand and in Banks	\$13,301,429	\$14,605,369
Investments	\$62,281,519	\$56,135,446
Fixed Assets	\$1,181,549	\$1,068,240
All Other Assets	\$5,189,144	\$5,885,891
Total Assets	\$139,496,187	\$139,422,723

liabilities & equity	2012	2013
Accounts Payable	\$1,455,959	\$1,561,683
Dividends Payable	\$0	\$0
Notes Payable	\$0	\$0
All Other Liabilities	\$211,019	\$193,697
Total Liabilities	\$1,666,978	\$1,755,380
Member Deposits	\$123,693,300	\$121,361,539
Reserves	\$1,188,669	\$1,188,669
Retained Earnings	\$12,947,240	\$15,117,134
Total Member Equity	\$137,829,209	\$137,667,342
Total Liabilities and Equity	\$139,496,187	\$139,422,723

statement of income and expenses

income	2012	2013
From Loans	\$4,298,985	\$4,325,110
From Investments	\$600,602	\$607,031
From Fees and Miscellaneous	\$1,545,906	\$1,592,493
Total Income	\$6,444,494	\$6,524,634

expenses	2012	2013
Salaries and Benefits	\$1,376,029	\$1,455,235
General Administration	\$2,210,649	\$2,224,014
Depreciation	\$95,027	\$46,908
Dividends on Member Deposits	\$1,002,139	\$711,010
Provisions for Loan Losses	\$540,590	\$483,700
Gain/Loss on Disposition of Assets	\$0	\$0
Total Expenses	\$5,224,434	\$4,920,868

Net Income	\$1,221,059	\$1,603,767
NCUSIF Stabilization Expense	\$110,388	\$94,205
Transfer to Undivided Earnings	\$1,110,671	\$1,509,562





products & services

Share Accounts
Share Draft (Checking) Accounts
Share Certificates
Individual Retirement Accounts (IRAs)
Money Market Checking Accounts
Loans
Overdraft Lines of Credit
Extended Warranties
GAP Insurance
Home Improvement Loans
Home Equity Loans
Visa® & MasterCard® Credit Cards
Platinum MasterCard
Payroll Deduction/Direct Deposit
Courtesy Pay
Full-Family Membership
Traveler's Checks
Money Orders
Text Alerts

Financial Consulting
Vehicle Pricing Guides
Credit Life/Credit Disability Insurance
Free Notary Services
Audio Response
Online Banking
Free Financial Education Seminars
Savings Bond Redemption
Kid's Treasure Accounts
Home Equity Lines of Credit
Instant Issue Visa Debit Cards
Metro "Q" Cards
Visa Gift Cards
Free Online Bill Pay
Shared Branches
Allpoint® Surcharge-Free ATMs
Mortgage Loans
Mobile Banking
E-Statements



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