

2016 ANNUAL REPORT

Your mission is our mission.



Harris County
FEDERAL CREDIT UNION

SINCE 1951, HARRIS COUNTY
FEDERAL CREDIT UNION HAS BEEN COMMITTED
TO PROVIDING AFFORDABLE FINANCIAL SOLUTIONS
TO HARRIS COUNTY EMPLOYEES. WHAT STARTED
FROM TWO PEOPLE HAS GROWN INTO A FAMILY
OF MORE THAN 17,000 MEMBERS STRONG.

Thank you for being a member.
Once a member, always a member.

VISION STATEMENT

We will provide quality services and financial expertise to exceed your expectations.



1400 FRANKLIN STREET | HOUSTON, TX 77002
713.755.5160 | www.hcfcu.com
Open to serve you, Monday - Friday
Lobby Hours: 7:30 AM - 5:00 PM
Drive-Thru Hours: 7:30 AM - 6:00 PM

MEETING AGENDA

SECRETARY ASCERTAINS QUORUM
Approval of the Minutes of the Last Annual Meeting
on March 23, 2016
FINANCIAL REPORT
BOARD of DIRECTORS REPORT
SUPERVISORY COMMITTEE REPORT
Old Business
New Business
DRAWING for DOOR PRIZES
Adjournment

SUPERVISORY COMMITTEE

KEVIN MAUZY | CRYSTAL MILNER | CARMEN SUMRALL

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
DOROTHY DEHNERT, DIRECTOR
MERCEDES LEAL - DIRECTOR
JOHN MATTHEWS - DIRECTOR
JEREMY RATCLIFF - DIRECTOR



SUPERVISORY COMMITTEE REPORT

THE SUPERVISORY COMMITTEE IS TASKED WITH ENSURING THAT THE BOARD OF DIRECTORS AND MANAGEMENT OF THE CREDIT UNION IS MEETING ALL REGULATORY REQUIREMENTS AND COMPLYING WITH APPROVED POLICIES AND CONTROL PROCEDURES 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 IS GUIDED BY A MISSION STATEMENT AND WORK PLAN DESIGNED TO ENSURE COMMITTEE MEMBERS ARE MEETING OBLIGATIONS. EACH MEMBER IS EXPECTED TO STAY CURRENT ON THE RESPONSIBILITIES OF THE SUPERVISORY COMMITTEE AS WELL AS THE ACTIVITIES OF THE CREDIT UNION. COMMITTEE MEMBERS HAVE RECEIVED APPROPRIATE TRAINING DURING THE YEAR AND THEY REMAIN COMMITTED TO EXPANDING THEIR 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 MAY 31, 2016, 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. THE COMMITTEE APPRECIATES THE ASSISTANCE AND COOPERATION OF STAFF AND MANAGEMENT AND THE CONTINUED SUPPORT OF THE BOARD OF DIRECTORS IN THE PERFORMANCE OF THESE DUTIES.

BOARD of DIRECTORS REPORT

As a credit union member, you can take comfort in knowing that, unlike for-profit financial institutions such as banks, your Board of Directors serves on a volunteer basis and doesn't profit from that service. Though the credit union needs to make a profit to keep the doors open, we don't work for shareholders demanding to collect high profits. Our sole interests are in your interests, and we all share in our credit union's future. As you know, HCFCU celebrated its 65th anniversary in 2016. We also reached another milestone by growing to over \$150 million in assets and serving over 17,000 members! Your participation in the credit union helps us continue to grow and we are always looking for ways to enhance the value you receive from your credit union membership.

As a financial cooperative, we understand that we can most effectively serve you and strengthen our organization by supporting essential Harris County services and programs that benefit our entire community. We're proud to be a part of the Harris County Community and we take our responsibility to you very seriously. We are also part of a community of credit unions and a credit union movement that reaches all across our nation, and the globe. We each serve as a supporting pillar in this movement, and that means the success of one credit union is a success for the entire movement.

Your Board of Directors strives 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 2016, staff, management and volunteers completed training on a wide array of important topics in a variety of formats.

In 2016 the credit union experienced strong earnings and membership growth. The number of you choosing HCFCU as your primary financial institution in 2016 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.

Last year marked the loss of a strong credit union advocate, with the unexpected passing of Commissioner El Franco Lee. He will be remembered for his many contributions to our cooperative and we intend to honor him, and all Harris County employees, retirees, and their families, by ensuring that affordable financial solutions remain available for the next 65 years and beyond.

FINANCIAL REPORT 2016

As of DECEMBER 31, 2016

ASSETS	2015	2016
LOANS TO MEMBERS	\$72,661,660	\$75,674,303
CASH ON HAND & IN BANKS	\$15,894,745	\$16,670,514
INVESTMENTS	\$52,380,415	\$53,142,854
FIXED ASSETS	\$812,455	\$622,308
ALL OTHER ASSETS	\$5,320,705	\$5,034,358
TOTAL ASSETS	\$147,069,980	\$151,144,336

LIABILITIES & EQUITY		
ACCOUNTS PAYABLE	\$2,210,847	\$1,868,643
DIVIDENDS PAYABLE	\$0	\$0
NOTES PAYABLE	\$0	\$0
ALL OTHER LIABILITIES	\$204,040	\$219,584
TOTAL LIABILITIES	\$2,414,887	\$2,088,227
MEMBER DEPOSITS	\$125,764,190	\$128,496,534
RESERVES	\$1,188,669	\$1,188,669
RETAINED EARNINGS	\$17,702,234	\$19,370,907

TOTAL MEMBER EQUITY	\$144,655,093	\$149,056,110
TOTAL LIABILITIES & EQUITY	\$147,069,980	\$151,144,336

STATEMENT OF INCOME & EXPENSES

	2015	2016
INCOME		
LOANS	\$4,797,156	\$4,974,196
INVESTMENTS	\$654,701	\$716,724
FEES & MISCELLANEOUS	\$1,659,666	\$1,650,099
TOTAL INCOME	\$7,111,523	\$7,341,019

EXPENSES		
SALARIES & BENEFITS	\$1,578,656	\$1,724,182
GENERAL ADMINISTRATION	\$2,346,867	\$2,549,545
DEPRECIATION	\$68,314	\$74,838
DIVIDENDS PAID	\$575,332	\$570,454
LOAN LOSS PROVISIONS	\$538,518	\$592,124
GAIN/LOSS ON DISPOSITION OF ASSETS	\$68	-\$4
TOTAL EXPENSES	\$5,107,755	\$5,511,139

NET INCOME	\$2,003,768	\$1,829,880
NCUSIF STABILIZATION EXPENSE	\$0	\$0
TRANSFER TO UNDIVIDED EARNINGS	\$2,003,768	\$1,829,880

PRODUCTS & SERVICES

Full-Family Memberships
SHARE ACCOUNTS (SAVINGS)
SHARE DRAFT (CHECKING)
PREMIER SHARE DRAFT
YOUNG ADULT SHARE DRAFT ACCOUNTS
KID'S TREASURE (SHARE) ACCOUNTS
SHARE CERTIFICATES
TRADITIONAL & ROTH IRAs
AUTO LOANS
MOTORCYCLE/RV LOANS
EXTENDED WARRANTIES
GAP INSURANCE
SIGNATURE LOANS
HOME LOANS
HOME EQUITY LOANS
HOME EQUITY LINES OF CREDIT
SECURE CREDIT CARDS
PLATINUM MASTERCARD®
GoToMyCARD ONLINE CARD CENTER
PAYROLL DEDUCTION
DIRECT DEPOSIT

COURTESY PAY
OVERDRAFT LINES OF CREDIT
SHARED BRANCHES
Allpoint® SURCHARGE-FREE ATMs
AUDIO RESPONSE
ONLINE BANKING
ONLINE BILL PAY
HCFCU ePAY LOANS
MOBILE BANKING
E-STATEMENTS
TEXT ALERTS
eSIGN LOAN DOCUMENTS
CREDIT UNION CHECKS
TRAVELER'S CHECKS
MONEY ORDERS
VEHICLE PRICING GUIDES
MEMBER AUTO CENTER

TRUSTAGE INSURANCE
CREDIT LIFE INSURANCE
CREDIT DISABILITY INSURANCE
INVESTMENT SERVICES
NOTARY SERVICES
FINANCIAL EDUCATION WORKSHOPS
ONLINE FINANCIAL EDUCATION
SAVINGS BOND REDEMPTION
INSTANT ISSUE DEBIT CARDS
METRO "Q" CARDS
VISA GIFT CARDS
CU@WORK PROGRAM

THE TEAM

EXECUTIVE MANAGEMENT

Vicki SQUIRES
PRESIDENT

GERTIE TOUPS
VP, ACCOUNTING/TECHNOLOGY

DAWN DAILY
VP, LENDING/COLLECTIONS

MIKE WILSON
VP, SALES AND SERVICE

MARKETING
PAULINE ALDERETE
MARKETING SPECIALIST

ACCOUNTING & TECHNOLOGY
ZAMONI BRYANT
IT SYSTEM SPECIALIST

JENNIFER McDERMOTT
PLASTIC CARD SPECIALIST

VERONICA KING
EXECUTIVE SUPPORT SPECIALIST

COLLECTIONS

RHONDA WHITE
COLLECTION MANAGER

GRICELDA VELA
COLLECTION SPECIALIST

TEKYRIAN STEPHENS-PERSLEY
COLLECTION SPECIALIST

LENDING
REGINA GRAVES
SENIOR LOAN OFFICER

TAMERA DE LA ROSA
SENIOR LOAN OFFICER

RACHEL MORALES
SENIOR LOAN OFFICER

ROBERTO BECERRIL
LOAN OFFICER

CHRISTINA DESHOTEL
LOAN ASSISTANT

OPERATIONS

DIANA CROMEANS
OPERATIONS MANAGER

CONNIE MYERS
TELLER SUPERVISOR

MEMBER SERVICES

RANDEE DEL BOSQUE - MEMBER CONTACT SPECIALIST
BRYANT PAGAN II - BRANCH SERVICE REP
ABIGAIL RODRIGUEZ - BRANCH SERVICE REP

MARCO HERNANDEZ - MEMBER SERVICE REP
HODARI MITCHELL - MEMBER SERVICE REP
JEANNETTE SHARPE - MEMBER SERVICE REP

ANGELA MARTINEZ-GOMEZ - VAULT TELLER
LISA HESTER - TELLER
JOSE VEGA - TELLER
ATINER STILLS - TELLER
ESMERALDA HERRERA - TELLER



Our Mission

WE ARE COMMITTED TO PROVIDING PERSONALIZED
FINANCIAL SOLUTIONS THAT ENHANCE THE LIVES OF
OUR MEMBER-OWNERS.