



Heart of Louisiana

C R E D I T U N I O N

The Credit Union with HEART

2010 Annual Report

Mission Statement and Table of Contents

Mission Statement:

Treating Member's like family

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1955 consumerism takes off in a big way with the sale of some 7.9 million cars in the US with 7 out of 10 families now owning a motor car, and new laws were put in place requiring **seat belts** to be installed on all new cars. The **average wages** were now \$3,851 per year, and the minimum wage was raised to \$1.00 per hour. The **first McDonalds** was erected in 1955 and more fast foods and **TV dinners** are appearing including fish fingers. The **first cans of Coca-Cola** are sold up till then it had only been sold in bottles. **Rock and Roll music** continues to grow in popularity with more idols 3including Elvis Presley , Bill Haley and the Comets, Chuck Berry and The Platters, and young men's fashion matches the times with pink shirts and charcoal grey suits.

Chairman's Report

Dear Shareholder,

On behalf of all the elected officials and staff of the credit union, I welcome you and thank you for attendance at the 2010 Annual Meeting of Heart of Louisiana Credit Union

2010 was a challenging time for our nation, state and community. In these tough times, we are committed to helping our members and community weather this storm. We helped you improve your personal finances with our First Annual Financial Check up, we increased our efforts for financial literacy, and, when necessary, we worked with our members to help them stay in their homes and keep their vehicles. We are your financial partners for life- in the good times and the tough times.

Heart of Louisiana Credit Union continues to work diligently to ensure we protect your assets, support our community, and build a strong financial institution to serve your growing needs.

We understand and appreciate the trust that you have placed in us and we remain committed to being your financial partner for life.

Thanks again for your support.

Cooperatively,

Michael B. Taylor

Chairman of the Board

Heart of Louisiana Federal Credit Union

Staff

Administration

Cynthia Beauregard, *President*

Hugh V. McCarty, Jr., *V.P. Administration*

Alana Williams, *Internal Auditor*

Leann Ball, *Administrative Assistant*

Valarie Montgomery, *Human Resource Manager*

Michelle Toms, *Marketing Director*

Joshua Stevenson, *IT Manager*

Angela Baker, *Internal Auditor Assistant*

Lending

Cheryl Ray, *VP of Lending*

Trudy A. Ong, *Senior Loan Officer*

Charolette Harrell, *Mortgage Loan Officer*

Andrea Roberson, *Loan Officer*

Melani Swanson, *Loan Officer*

Brandi Stokes, *Loan Officer*

Courtney Landry, *Loan Officer*

Bruce Cotton, *Loan Officer*

Accounting

Craig Roy, *CFO*

Madeleine Rudd, *Assistant Controller*

Shelia B. Hopkins, *Accounting Specialist II*

Jill Martin, *Accounting Specialist I*

Member Services

Linda Saucier, *VP of Branches and Mbr. Services*

Charlotte Randall, *Branch Manager*

Lisa Lemmons, *Member Services Officer*

Sheryl Adams, *Member Services Representative*

Karen Signorelli, *Member Service Representative*

Lynn Sefcik, *Member Service Representative*

Nikki Bourgoyne, *Member Service Representative*

Alice Glass, *Receptionist/ Operator*

Marilyn Mayeux, *Teller II*

Charlotte Martin, *Teller II*

Bridget Alexis, *Teller II*

Jasmine Douglas, *Teller*

Nancy Williams, *Teller*

Emelda Rhodes, *Teller*

Shannon Herron, *Teller*

Kayla Pennington, *Teller*

Samantha Hall, *Teller*

Dana Campbell, *Teller*

Rebekah LeBlanc, *Teller*

Operations

Karen Chandler, *Operations Manager*

Stacey LeBlanc, *Title Clerk/Loan Processor*

Angela Clark, *Records Clerk*

YOUR BOARD OF DIRECTORS

According to the Federal Credit Union Act, "The management of a Federal credit union shall be by a board of directors... (that) shall consist of an odd number of directors, at least five in number, to be elected annually by and from the members as the bylaws provide." It further states "The board of directors shall meet at least once a month and shall have the general direction and control of the affairs of the Federal credit union."

We, as member-directors, appreciate the opportunity you have given us to represent and serve you in this capacity. Our purpose is to assure that Heart of Louisiana Credit Union meets the needs of its membership by ensuring its financial strength and stability, and by continuously evaluating its products, services, terms and pricing to maximize member benefits while minimizing costs.



Michael B. Taylor, Chairman
Executive Director, Louisiana Land
Trust



Wayne E. Staton, Vice Chairman
CLECO, Retired



Nellanne E. Davis, Sec./Treasurer
Nellanne's Hallmark, Owner



Robert A. Pulaski, Director
CLECO, Internal Audit Department Manager



Fren Allen, Director
USDA/Farm Services Agency, Retired



Mary Jane Close, Director

Mary Jane Close, Director
USDA/United States Forest Service, Retired

Nominating Committee
Debbie Redfearn, Chariman
Sherry Sibley
Brenda Hinkston
Debbie Collins
Ann Brewer



Kevin Boone, Director
Renewable Energy Coordinator

HEART OF LOUISIANA FEDERAL CREDIT UNION

Statements of Financial Condition

December 31, 2010 and 2009

	<u>Assets</u>	
	Unaudited <u>2010</u>	Unaudited <u>2009</u>
Cash and cash equivalents	\$ 8,898,105	\$ 4,978,567
Investment securities:		
Certificates of Deposit	10,002,000	7,624,000
Securities - held-to-maturity	398,000	414,221
Other	50,729	542,847
Loans receivable, net of allowance for loan losses	53,894,459	56,716,547
Accrued interest receivable	236,678	244,068
Property and equipment, net	2,812,320	2,501,946
Foreclosed property	94,885	87,620
NCUSIF deposit	696,318	655,029
Prepaid expenses and other assets	<u>1,523,703</u>	<u>751,992</u>
	<u>\$ 78,607,197</u>	<u>\$ 74,516,837</u>

Liabilities and Members' Equity

Liabilities:

Members' share and savings accounts	\$ 69,459,351	\$ 63,649,827
Notes payable	0	1,476,000
Accounts payable and other liabilities	<u>165,117</u>	<u>427,395</u>
Total liabilities	69,624,468	65,553,222

Members' equity, substantially restricted:

Appropriated regular reserve	\$ 2,838,937	2,838,937
Unappropriated earnings	<u>6,143,792</u>	<u>6,124,678</u>
Total members' equity, substantially restricted	<u>8,982,729</u>	<u>8,963,615</u>
	<u>\$ 78,607,197</u>	<u>\$ 74,516,837</u>

HEART OF LOUISIANA FEDERAL CREDIT UNION

Statements of Operations

For the Years Ended December 31, 2010 and 2009

Unaudited
2010

Unaudited
2009

Interest Income:

Loans receivable	\$ 3,954,644	\$ 4,125,881
Cash & investments	<u>249,148</u>	<u>348,286</u>
Total interest income	4,203,792	4,474,167

Interest expense:

Members' share and savings accounts	583,393	738,526
Borrowed funds	<u>2,248</u>	<u>50,794</u>
Total interest expense	<u>585,641</u>	<u>789,320</u>

Net interest income	3,618,151	3,684,847
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Provision for loan losses	<u>963,528</u>	<u>1,537,732</u>
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Net interest income after provision for loan losses	<u>2,654,623</u>	<u>2,147,115</u>
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Non-interest income:

Fees	1,419,870	1,280,253
Gain on disposal of foreclosed property	<u>7,033</u>	<u>0</u>
Other	<u>107,338</u>	<u>153,091</u>
Total non-interest income	<u>1,534,241</u>	<u>1,433,344</u>

Non-interest expense:

General and administrative:

Advertising	97,943	85,682
Compensation and benefits	1,771,004	1,688,253
Depreciation & amortization	312,758	312,605
Legal and professional	504,593	484,013
Loan & share insurance	142,195	50,482
Loss on disposal of foreclosed property	0	11,238
Occupancy	174,852	173,259
Office operations	671,162	546,419
Service charges	260,875	324,167
Travel & conferences	<u>38,217</u>	<u>52,743</u>
Total non-interest expense	<u>3,973,599</u>	<u>3,728,861</u>

Net income (loss) before extraordinary items	215,265	(148,402)
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Extraordinary items:

Impairment of NCUSIF deposit		(443,514)
Recovery of NCUSIF deposit		443,514
TCCUSF premium assessment		(30,983)
NCUSIF premium assessment		(67,272)
Depletion of Membership & Paid In Capital Accounts	<u>(196,151)</u>	<u>(737,663)</u>
	<u>(196,151)</u>	<u>(835,918)</u>

Total extraordinary items

Net income (loss)	<u>\$ 19,114</u>	<u>\$ (984,320)</u>
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MEMBERSHIP ELIGIBILITY

Heart of Louisiana Federal Credit Union was organized in 1955. Its original field of membership consisted of employees of the United States Department of Agriculture working in Louisiana under the supervision of the USDA offices in Alexandria and Pineville. This constituted an "occupational" common bond. Since that time the credit union has taken in additional groups. Most of these are individual employee groups and fall into the occupational common bond category. Those Member Groups are listed in the table below.

In 2005, the credit union gained additional status allowing for an additional field of membership of anyone who lives, works, worships, attends school in, and businesses and other legal entities located in the Greater Alexandria Underserved Area comprised of the following parishes: **Rapides, Winn, Allen, Natchitoches, Evangeline, Concordia, Catahoula, LaSalle, Avoyelles, Grant.**

Field of Membership Member Groups

USDA, State of Louisiana	Local #247 Union	Northwest Airlink
Procter & Gamble Mfg. Company	The Oil X-Change, Inc.	Industrial Rubber and Gasket Company
Meyer, Meyer, LaCroix & Hixson, Inc.	Crossroads Plumbing & Air Conditioning	Rapides Parish Council on Aging, Inc.
CLECO Corporation	Sentry Drug	First Fidelity Mtg. DBA Southern Funding
Holiday Village Volunteer Fire Assn.	Annie Mae Matthews Memorial	Southern Air
Hixon Brothers, Inc.	O.L.S. Community Homes, Inc.	ACA Corporation
Water Works District No. 3	St. Mary's Residential Training School	Rapides Child Development Center, Inc.
Rent-It Company	Shipley Donuts	Louisiana Container Company, Inc.
Colfax Volunteer Fire Dept. Inc.	A & A Western Store	Crest Industries, LLC
White and Hathorn Dental Corp.	Long's Preferred Products	Bug Blasters Pest Control
Easley, Lester and Wells, CPAs	Accurate Industries of Louisiana, Inc.	Family Care Services, Inc.
Crossroads Rehabilitation Assoc., Inc.	Brown's Borden Milk Distributors, Inc.	TeamStaff, Inc.
AFCO Industries, Inc.	Fine Print	Smoker's Paradise
Corley Plumbing & Heating Co., Inc.	LADD (LaSalle Assoc. for Dev. Delayed)	Cane River National Historical Park
Caplan's Inc.	Baker Manufacturing Co., Inc.	First Assembly of God
Louisiana Community Care, Inc.	Adams Pest Control, Inc.	Turning Point Solutions Group
Roy O. Martin Lumber Co., Inc.	Sooter and Savoie, Attorneys at Law	Cenla Beverage Company, Inc.
MHC Properties, Inc.	Woodland Presbyterian Church USA	Angel Lovin' Care, Inc.
Martco Partnership	Alexandria Chapter/La. Engineering Society	StarTek, Inc
Job Mate	Alexandria Bar Association	Hardtner Medical Center
Pepsi Cola Bottling of New Orleans	Louisiana Fountain Supply	Pecher Plumbing, Heating & Cooling Inc.
Alpine Volunteer Fire Dept.	Walker Honda	Rehabilitation Center of Rapides Parish
Home Assistance Services, Inc.	Burlington Coat Factory	Ruby Kolin VFD
Industrial Zeolite Limited	Renegade Harley-Davidson	TOP Medical Transportation
Rapides Sheriff's Department	Rabalais Small Engine, Inc	Rehability Center
Acme Refrigeration of Alexandria	Sicily Island Medical Center	Louisiana Fountain Supply
Beef O'Brady's	Schenker Logistics	Nolan's QLC
Alexandria Hampton Inn & Suites	Catahoula Parish Sheriff's Office/CCC	Holsum Bread
Louisiana Hardwood Products	Oak Grove Baptist Church	Catahoula Mfc/ Fish Net Company

Events from 1955

- **Alexandria USDA Credit Union established**
- **Disneyland opens in California on July 7th**
- **"In God We Trust" is added to all US paper currency**
- **African American Rosa Parks is arrested after refusing to give up her bus seat**
- **First pocket transistor radio is available**
- **Legos were invented by Gotfried Christiansen**
- **Velcro was invented in Switzerland**
- **Atomic clock was invented in England**
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How Much things cost in 1955

Yearly Inflation Rate **USA**
0.28%

Average Cost of new house
\$10,950.00

Average Monthly Rent \$87.00

Average Yearly Wages
\$4,130.00

Minimum Hourly Rate \$1.00

Average Cost of a new car
\$1,900.00

Cost of a gallon of Gas 23
cents

Ladies Swim Suits \$12.95

Black and White TV \$99.95

YOUR SUPERVISORY COMMITTEE

Unlike credit union directors, supervisory committee members are not elected by the credit union's general membership. Rather they are selected by the board of directors in compliance with the Federal Credit Union Act: "The supervisory committee shall be appointed by the board of directors and shall consist of not less than three members nor more than five members"

The supervisory committee is to "make or cause to be made an annual audit" and to report its findings to the board of directors and the members at the next annual meeting of the credit union. We take our responsibilities seriously; we are confident in the findings of the 2010 annual audit; and we are gratified to contribute to our credit union in this capacity.



Danny H. Magee, Sr., Chairman
State Rural Utilities Service Program Director,
USDA Rural Development, Retired

Robert A. Pulaski, Member
CLECO, Internal Audit Department Manager

Ronnie L. Venson, Member
USDA/NRCS, Retired

Glen D. Adams, Member
Production Planner
P&G, Retired

Seated: Danny Magee. Standing from left to right: Bob Pulaski, Ronnie Venson, Glen Adams

SUPERVIORY COMMITTEE Chairman's Report

The Supervisory Committee is responsible for making certain that members' funds and interests are protected, as well as the interests of the credit union's officials. The Board of Directors appoints the committee from among the members of the credit union. Federal credit union regulations require the Supervisory Committee to:

- complete annual audits to determine that the accounting records and reports accurately reflect operations and actual results;
- periodically verify that members' accounts are valid and correct;
- regularly examine accounting records and transactions, loan documentation, and review the actions of the Board of Directors; and
- determine whether management and staff and other volunteer committees are carrying out the plans, policies, and procedures for which they are responsible.

To assist in completing the audit for the year ended December 31, 2010, the Supervisory Committee engaged the services of the independent auditing firm, Griffin & Company, LLC. The Supervisory Committee directed our auditors to perform an opinion audit, which requires that they plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In their opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Heart of Louisiana Federal Credit Union as of December 31, 2010, and the results of its operations and its cash flows for the year then ended in conformity with accounting principles generally accepted in the United States of America.

Conclusions reached in the 2010 audit corresponded with those of recent years. Furthermore, the credit union's 2010 examination by its federal regulatory agency, the National Credit Union Administration, was equally gratifying in its findings and assessment of its operations and condition.

We appreciate the opportunity to serve as volunteers for you our members and welcome your comments and suggestions for improving the services of the Supervisory Committee.

Danny H. Magee, Sr.
Chairman

Community Involvement



1st Annual Financial Check Up



2010 Easter basket winner



2010 Heart Walk Team



2010 Zoo Boo volunteers



Main Office
303 Edgewood Dr
Pineville, LA 71360



Branch Office
4407 Coliseum Blvd
Alexandria, LA 71303



Branch Office
3616 Commerce Dr
Alexandria, LA 71302

Hours of Operation

Monday-Thursday: 9am - 4pm

Friday: 9am - 5:30 pm

Saturday: 9am -1pm drive thru only

www.heartcu.org

1-800-264-4562

Maxxar: 318-449-5525 available 24 hours

For lost/stolen credit cards, call 800-453-4270

For lost/stolen check cards call 800-543-5073