



**Heart of  
Louisiana**

CREDIT UNION

*The Credit Union with Heart*

**2011  
Annual Report**

# Mission Statement:

Treating Members Like Family

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# Chairman's Report

Dear Shareholder,

Welcome to the 56th Annual Membership Meeting for Heart of Louisiana Credit Union. On behalf of the Board of Directors, committee members and staff I would like to say that we appreciate you being here to celebrate the success of our credit union this evening.

2011 brought a movement across the nation for citizens to examine their financial institution and the fees they are being charged. Many financial experts recommended that people leave the banking industry and join a credit union. This year, credit unions around the country welcomed new members who were financially and mentally exhausted from other "for profit" financial institutions.

Heart of Louisiana Credit Union is proud to have welcomed over 1,500 of these new members last year. While many other institutions have begun to charge for checking accounts, we are proud to continue to offer Completely FREE Checking with no monthly or hidden fees as well as FREE Billpayer service that makes it quick and easy to make payments online.

The Board of Directors appreciates the trust you have placed in us to help guide your credit union as a smarter financial choice for our community. As always, we welcome your ideas and suggestions so that we may continually improve the quality of our products and services.

**Michael Taylor**  
**Chairman of the Board**  
**Heart of Louisiana Credit Union**

## Staff

### Administration

Cynthia Beauregard, President  
Alana Williams, Internal Auditor  
Leann Ball, Administrative Assistant  
Valarie Montgomery, Human Resource Manager  
Lynette Hazelton, Marketing Director  
Michael Briggs, IT Manager

### Lending

Cheryl Ray, VP of Lending  
Andrea Roberson, Loan Officer  
Melani Swanson, Loan Officer  
Angie Baker, Loan Officer  
Bruce Cotton, Loan Officer  
Courtney Landry, Loan Officer  
Angela Clark, Loan Processor

### Member Services

Linda Saucier, VP of Branches and Member Services  
Charolette Harrell, Branch Manager  
Shannon Herron, Member Services Representative  
Lynn Sefcik, Member Services Representative  
Nikki Bourgoyne, Member Services Representative  
Jennifer Lintzen, Member Services Representative  
Jenae Tyler, Member Services Representative  
Alice Glass, Receptionist/ Operator  
Marilyn Mayeaux, Teller II  
Charlotte Martin, Teller II  
Bridget Alexis, Teller II  
Nancy Williams, Teller  
Emelda Rhodes, Teller  
Rebekah Lacombe, Teller  
Sheryl Adams, Teller  
Janis Lacombe, Teller  
Jennifer Benoit, Teller

### Accounting

Craig Roy, CFO  
Madeleine Rudd, Assistant Controller  
Shelia Hopkins, Accounting Specialist II  
Angela Cooksey, Accounting Specialist I

### Operations

Karen Chandler, Operations Manager  
Stacey LeBlanc, Insurance Clerk  
Sam Hall, 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 Corporation, Retired



**Nellanne E. Davis**  
**Secretary / Treasurer**  
Nellanne’s Hallmark, Owner



**Robert A. Pulaski**  
**Director**  
Cleco Corporation,  
Internal Audit Dept. Manager



**Rosa Fields**  
**Director**  
State Farm Agent



**Mary Jane Close**  
**Director**  
USDA / US Forest Service,  
Retired



**Kevin Boone**  
**Director**  
USDA, Renewable Energy  
Coordinator

## Nominating Committee

**Debbie Redfearn, Chairman**

**Sherry Sibley**

**Brenda Hinkston**

**Debbie Collins**

**Ann Brewer**

# Statements of Financial Condition

December 31, 2011 and 2010

## ASSETS

	UNAUDITED 2011	UNAUDITED 2010
Cash and cash equivalents	\$ 13,915,056	\$ 8,898,105
Investment securities		
Certificates of Deposit	\$ 11,160,000	\$ 10,002,000
Securities—held-to-maturity	398,000	398,000
Other	50,729	50,729
Loans receivable, net of allowance for loan losses	51,803,959	53,894,459
Accrued interest receivable	237,910	236,678
Property and equipment, net	2,698,317	2,812,320
Foreclosed property	53,045	94,885
NCUSIF deposit	702,663	696,318
Prepaid expenses and other assets	615,297	1,523,703
	<u>\$ 81,634,976</u>	<u>\$ 78,607,197</u>

## LIABILITIES AND MEMBERS' EQUITY

	UNAUDITED 2011	UNAUDITED 2010
Liabilities:		
Members' share and savings accounts	\$ 71,188,576	\$ 69,459,351
Accounts payable and other liabilities	\$ 259,655	165,117
	<u>71,448,231</u>	<u>69,624,468</u>
Members' equity, substantially restricted:		
Appropriated regular reserve	2,838,937	\$ 2,838,937
Unappropriated earnings	7,347,808	6,143,792
	<u>10,186,745</u>	<u>8,982,729</u>
	<u>\$ 81,634,976</u>	<u>\$ 78,607,197</u>

# Statements of Operations

For the Years Ended December 31, 2011 and 2010

## ASSETS

	UNAUDITED 2011	UNAUDITED 2010
Interest income:		
Loans receivable	\$ 3,738,931	\$ 3,954,644
Cash and investments	187,430	249,148
Total interest income	<u>3,926,361</u>	<u>4,203,792</u>
Interest expense:		
Members' share and savings accounts	384,394	583,393
Borrowed funds	140	2,248
Total interest expense	<u>348,534</u>	<u>585,641</u>
Net interest income	3,577,827	3,618,151
Provision for loan losses	<u>178,287</u>	<u>963,528</u>
Net interest income after provision for loan losses	<u>3,399,540</u>	<u>2,654,623</u>
Non-interest income:		
Fees	1,775,367	1,419,870
Gain/(loss) on disposal of foreclosed property	(9,898)	7,033
Other	150,343	107,338
Total non-interest income	<u>1,915,812</u>	<u>1,534,241</u>
Non-interest expense:		
General and administrative:		
Advertising	95,646	97,943
Compensation and benefits	1,854,223	1,771,004
Depreciation and amortization	248,747	312,758
Legal and professional	549,880	504,593
Loan and share insurance	50,836	142,195
Occupancy	186,401	174,852
Office operations	797,526	671,162
Service charges	285,297	260,875
Travel and conferences	42,780	38,217
Total non-interest expense	<u>4,111,336</u>	<u>3,973,599</u>
Net income before extraordinary item	1,204,016	215,265
Extraordinary items:		
Depletion of Membership & Paid In Capital Accounts	<u>0</u>	<u>(196,151)</u>
Net income (loss)	<u>\$ 1,204,016</u>	<u>\$ 19,114</u>

# Membership Eligibility

Heart of Louisiana 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 groups and fall into the occupational common bond category. Those Member Groups are listed 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.

## Member Groups

A&A Western Store	Hardtner Medical Center	Railworks Track Systems
ACA Corporation	Hixon Brothers, Inc.	Rapides Child Development Center, Inc.
Accurate Industries of LA, Inc.	Holiday Village Volunteer Fire Assn.	Rapides Parish Council on Aging
Acme Refrigeration of Alexandria	Holsum Bread	Rapides Parish Federal
Adams Pest Control, Inc.	Home Assistance Services Inc.	Rapides Parish Sheriff's Office
AFCO Industries, Inc.	Industrial Rubber and Gasket Company	Rehability Center
Alexandria Bar Association	Industrial Zeolite Limited	Rehab Center of Rapides Parish
Alexandria Hampton Inn & Suites	JobMate	Renegade Harley-Davidson
Alpine Volunteer Fire Department	LADD (LaSalle Assoc. for Dev. Delayed)	Rent-It Company
Angel Lovin' Care, Inc.	Landry Aero	Roy O Martin Lumber Co., Inc.
Annie Mae Matthews Memorial	Lester Miller & Wells, CPA's	Ruby Kolin VFD
Baker Manufacturing Co, Inc.	Local #247 Union	Schenker Logistics
Beef O'Brady's	Long's Preferred Products	Scooter & Savoie, Attorneys at Law
Brown's Borden Milk Distributors	Louisiana Community Care Inc.	Sentry Drug
Bug Blaster's Pest Control	Louisiana Container Company	Shipleigh Donuts
Burlington Coat Factory	Louisiana Engineering Society – Alex. Chapter	Sicily Island Medical Center
Cane River National Historical Park	Louisiana Fountain Supply	Smoker's Paradise
Caplin's Inc.	Louisiana Hardwood Products	Southern Air
Catahoula Manufacturing	Martco Partnership	St. Mary's Residential Training
Catahoula Parish Sheriff's Office	Roy O Martin Lumber Co., Inc.	St. Rita
Cenla Beverage Company, Inc.	Meyer Meyer LaCroix & Hixon	Star Tek Inc
Cleco Corporation	MHC Properties, Inc.	TeamStaff, Inc.
Colfax Volunteer Fire Dept Inc.	Nolan's Quality Lawn Care	The Oil X-Change
Corley Plumbing & Heating Co.	Northwest Airlink	TOP Medical Transportation
Crest Industries, Inc.	Oak Grove Baptist Church	Turning Point Solutions Group
Crossroads Plumbing & Air Conditioning	OLS Community Homes Inc.	USDA State of LA
Crossroads Rehabilitation Assoc., Inc.	Proctor & Gamble	Walker Automotive
Family Care Services, Inc.	Peacher Plumbing Heating & Air	Water Works District No 3
Fine Print	Pepsi Cola Bottling	Woodland Presbyterian Church
First Assembly of God	Rabalais Small Engine	White & Hathorn Dental Corp
First Fidelity Mtg DBA Southern Funding		

# Meet 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 2011 annual audit, and we are gratified to contribute to our credit union in this capacity.

**Danny H. Magee Sr., Chairman** (seated) State Rural Utilities Service Program Director, USDA Rural Development, Ret.  
**Robert A. Pulaski, Member** (standing left) Cleco Corporation Internal Audit Dept. Manager  
**Ronnie L. Venson, Member** (standing middle) USDA / NRCS, Retired  
**Glen D. Adams, Member** (standing right) Production Planner, Procter & Gamble, Retired

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## Supervisory 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, 2011, 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 materials respects, the financial position of Heart of Louisiana Credit Union as of December 31, 2011, 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 2011 audit corresponded with those of recent years. Furthermore, the credit union's 2011 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.



# Community Involvement



Credit Union members collected approximately 1,000 items to help support the Rapides CASA Program.



Our 2011 team participated in Susan G Komen's Race for the Cure in downtown Alexandria to support this growing movement.



Credit Union employees took to the air waves to lend support in raising funds for the Susan G Komen foundation.



Four young members—Christian, An'Jel, Anna & Daven—became local celebrities when they were featured in several credit union campaigns.



David from Pineville won a 3 day/ 2 night weekend package to Texas Motor Speedway during our Auto Loan promotion.



Tyler, Jailah and Taylor (clockwise from top) won incredible Easter baskets full of yummy sweet treats.





**Main Office**

303 Edgewood Drive | Pineville, LA 71360



**Branch Office**

3616 Commerce Drive | Alexandria, LA 71302



**Branch Office**

4407 Coliseum Boulevard | Alexandria, LA 71303

**Hours of Operation**

9 a.m. - 4 p.m. Monday - Thursday

9 a.m. - 5:30 p.m. Friday

9 a.m. - 1 p.m. Saturday (Drive-Thru Only)

**Contact**

Toll-Free: 1-800-264-4562

Maxxar: 318-449-5525 (Available 24 Hours)

Web: [www.heartcu.org](http://www.heartcu.org)

Lost / Stolen Check Card: 1-800-543-5073

Lost / Stolen Credit Card: 1-800-453-4270

