



Power in Partnership

c r e d i t u n i o n s

2009 Annual Report

RIVER CITY
FEDERAL CREDIT UNION

Chair's Report

"Partnership" is a powerful word. It is a way of thinking, a mindset, an art and a science. It is built on the simple philosophy of "people helping people." Partnership invites commitment, community, and cooperation. It encourages feelings of ownership, responsibility, and pride.

Credit unions have long demonstrated commitment to their members, and this credit union has been no exception. By retaining the services of Kim Heinze as President/CEO, we were able to continue the River City FCU service tradition.

Under the leadership of Ms. Heinze, we promoted a wide array of products and services including:

- Debt Consolidation Loans
- Community Shred Day
- Credit Card Acquisition Program
- Member Enrollment Programs
- First Online Promotion with Bill Pay Sweepstakes
- Skip-a-payment

Perhaps our most powerful new service was the advent of our Member Service Center. Now members can call one number and get answers to virtually all of their member service questions or apply for a loan in a timely and efficient manner.

In addition, River City FCU members and employees pulled together to contribute \$9,341.68 to our community. We jointly participated in a number of events in 2009, including these Credit Unions for Kids fundraisers to benefit CHRISTUS Santa Rosa Children's Hospital:

- Credit Union Annual Bowl-a-thon
- Mock Fiesta King & Queen Contest
- Garage Sale
- TV Raffle
- Candy Sale

Other community events included:

- Project Stuff-the-Bus
- Alzheimer's Association Memory Walk
- Animal Defense League
- Breast Cancer Awareness Denim Day
- KLRN Blazing Gavels
- Texas Folklife Festival
- Kids Immunization Fair
- Elf Louise Project

Today, River City Federal Credit Union's cooperative spirit is strong and healthy. Our member-owners can

feel confident knowing that River City FCU is safe, operating normally and will continue to be focused on serving your financial needs.

Our sincere thanks to our members, employees and volunteers who helped make 2009 a successful year. By striking the proper balance between service and safety, we hope to continue to earn your trust and partnership in 2010 and in the future.

Bob Saucedo

*Chair
Board of Directors*

Message from the President/CEO

It is with great pride that I summarize for you a dynamic year at River City Federal Credit Union; a year of partnerships. Of course, in the credit union movement we have always understood the power of partnership and cooperation. In 2009, both seasoned and new partnerships developed. By seasoned partnerships, I refer to the partnership that exists between the credit union and our long-time core member-owners. Through a turbulent economy and through unprecedented bank frauds and failures, the credit union remained the same safe and steadfast cooperative our long-time members have known since 1936. While other financial firms were focusing on internal fraud and failures, River City Federal Credit Union was able to focus anew on the products and services we offer. But some new and important partnerships were formed this year, too. The credit union executive team, under the strategic direction of a dedicated Board of Directors, pointed the credit union in a new direction. The new direction brought improved phone service and faster turnaround time on loan decisions. The new direction brought emphasis on spreading the good news about River City FCU to our current **and potential members**. Many of you noticed the new advertising channels employed in an effort to reach the entire Bexar County community field of membership. At River City FCU, we look forward to continuing in the new direction and deepening our partnership with each and every one of you, our members. We appreciate your choosing River City FCU as your financial partner... the partner you can depend on.

Kim L. Heinze

President/CEO

Report of the Treasurer

	December 31, 2009	December 31, 2008	Change
Net Loans	\$ 105,946,306	\$ 116,368,065	(\$ 10,421,759)
Cash	965,920	1,163,594	(197,674)
Net Investments	30,390,058	21,830,810	8,559,248
Fixed Assets	7,224,037	7,451,907	(227,870)
Other Assets	2,122,760	1,625,249	497,511
Total Assets	<u>\$ 146,649,081</u>	<u>\$ 148,439,625</u>	<u>(\$ 1,790,544)</u>
Total Liabilities	\$ 5,585,338	\$ 6,002,473	(\$ 417,135)
Shares/Savings	\$ 128,684,839	\$ 129,776,306	(\$ 1,091,467)
Regular Reserve	3,612,031	3,612,031	0
Undivided Earnings	8,501,193	8,981,782	(480,589)
Investment Adjustment	265,680	67,033	198,647
Total Equity	141,063,743	142,437,152	(1,373,409)
Total Liabilities & Equity	<u>\$ 146,649,081</u>	<u>\$ 148,439,625</u>	<u>(\$ 1,790,544)</u>
Distribution of Income			
Cost of Funds	\$ 3,673,597	\$ 4,635,136	(\$ 961,539)
Operating Expenses	5,973,370	4,696,688	1,276,682
Provision for Loan Losses	940,000	480,000	460,000
Non-Operating (Income) / Expense	(228,231)	14,273	(242,504)
Statutory Reserve	0	0	0
Undivided Earnings	(480,589)	260,971	(741,560)
Total Income	<u>\$ 9,878,147</u>	<u>\$ 10,087,068</u>	<u>(\$ 208,921)</u>

Supervisory Committee Report

The Supervisory Committee, which is composed of members appointed by the Board of Directors, meets periodically with management and auditors to carry out the Supervisory Committee's oversight role with respect to auditing, internal controls and financial reporting. The Financial and Technology Resources division of Credit Union Resources, Inc., which specializes in credit union audits, completed the Supervisory Committee Annual Review of the books and records of River City FCU for the 12-month period ending April 30, 2009. The overall records and operations of the credit union were found to be in good condition.

In addition, a Verification of Member Accounts was conducted with the September 2009 statements. Unlike other financial institutions with major challenges, no discrepancies were reported.

Furthermore, we conducted surprise internal cash counts this year. Surprise audits are still a good tool for testing whether transactions comply with internal controls and are a time-tested technique for detecting and preventing fraud.

The Supervisory Committee is working for the best interest of all credit union members. If you have a question relating to the financial soundness or management of this institution, please do not hesitate to contact a Supervisory Committee member for assistance.

Respectfully submitted,

Joyce Johle

Chair, Supervisory Committee

MISSION

River City Federal Credit Union provides quality financial services responsive to the member-owners while maintaining a sound financial position.

VOLUNTEERS

DIRECTORS

Bob Saucedo, Chair
Del deLeon, Vice Chair
Lois Bray, Secretary-Treasurer
Richard F. Coronado
Joe Diaz, Jr.
Glen Glass
Leanna Mays

SUPERVISORY COMMITTEE

Joyce Johle, Chair
Jose Arausa
Letina Morales
Lynette Washington

ADVISORY COMMITTEE

Jonna Baumgardner
Geraldine Davenport
Joe F. Garcia
Desiree Garza
Jeannie Garza
Wanda Heard
Phillip Kent
Randall Lynch
Helen Lyssy
Diane Welch

MANAGEMENT TEAM

Kim L. Heinze, President/CEO

Robert W. Etheridge,

Executive Vice President & Chief Operations Officer

Johnny Sanchez, *Vice President & Controller*

Sean Fisher, *Vice President - Consumer Lending*

Connie Fox, *Vice President - Communications*

John Mendez, *Vice President - Information Systems*

Julissa Maldonado, *Human Resources Manager*

Irene Balderrama, *Branch Manager - Broadway Office*

Janie Cortez, *Branch Manager - Jackson Keller Office*

Christopher Hanson, *Branch Manager - Bitters Office*

Christina Zepeda, *Branch Manager - Downtown Office*

RIVER CITY

FEDERAL CREDIT UNION

“THE PARTNER YOU CAN DEPEND ON”

rivercityfcu.org

MEMBER SERVICE CENTER

(210) 225-6866 • (800) 535-3322

AUDIO AMIGO

(210) 225-0708 • (800) 644-4748

DOWNTOWN OFFICE

610 Augusta
San Antonio TX 78215

BITTERS OFFICE

1403 W. Bitters
San Antonio TX 78248

BROADWAY OFFICE

4119 Broadway, Room 151
San Antonio TX 78209

JACKSON KELLER OFFICE

825 Jackson Keller
San Antonio TX 78216



ESI Excess Share Insurance