



Our Community. Our Focus.

2011 Annual Report



Growing With Our Community!

1956 - 2012

**Providing Premier Service & Personalized Financial
Solutions To Our Members For Over 55 Years!**

ANNUAL MEETING AGENDA

Tuesday, March 27th, 2012

The order of our annual meeting agenda is fixed by Section 4, Article 4 of our By-Laws as follows:

The order of business at the Annual Meeting shall be as follows:

1. Ascertainment that a quorum is present.
2. Reading and approval of the minutes of the last meeting.
3. Report of the Directors by the Chairman of the Board of Directors, or in his/her absence by the Vice Chairman.
4. Report of the President.
5. Report of the Treasurer.
6. Report of the Supervisory Committee.
7. Unfinished business.
8. New business, other than election of Directors.
9. Election of Directors.
10. Adjournment.

Note: The Chairman may rearrange the agenda, if so authorized by vote of members present.



CHAIRMAN'S REPORT

JO FEY 
Chairman of the Board

2011 proved to be another difficult year for our country and the financial services industry. The economy continued its sluggish recovery. Unemployment edged lower. Consumers and businesses remained cautious, restraining spending and borrowing. Interest rates lingered at historical lows for the 3rd consecutive year, weighing on financial institution income and margins. New regulations restricting fees and adding compliance costs also took a toll.

Yet, in the face of this challenging environment, Cy-Fair Federal Credit Union continued to deliver on its mission to provide our members with premier service and personalized financial solutions to enrich their lives. And, we are extremely appreciative for your continued support.

Overall, Cy-Fair FCU experienced a notable year of growth in shares and assets. We ended the year with deposits totaling nearly \$155 million and asset growth of over \$169 million. As we experienced financial growth, our products and services line also evolved with the restructuring of our youth program, the Super Star Saver Kids Club, the addition of Online Purchase Rewards through CU Link at Home Online Banking, and the Advantage Plus Checking program. We remain committed to continuously looking for new and innovative financial solutions to enhance our level of service to you!

Your Board of Directors continues to move its focus forward to help ensure the Credit Union is a trusted partner and financial services leader in the Cy-Fair area. At Cy-Fair Federal Credit Union, our community is our focus and we are dedicated to providing quality financial products and services to meet your needs. Our community commitment is exhibited through the credit union's countless volunteer hours, fundraising efforts and community involvement. We also continue to be heavily involved with numerous political and governmental affairs committees, to ensure we remain a viable leader in the Cy-Fair area.

It has been my pleasure to serve as Chairman of the Board. I want to thank my fellow board members, the management team and staff for their dedication and commitment to living out the vision and mission of Cy-Fair FCU daily. As always, we are here to serve you and welcome your feedback.





PRESIDENT'S REPORT



DEBBIE BLACKSHEAR

President

Amid the many challenges faced by financial institutions and our country, Cy-Fair Federal Credit Union continues to grow. Our growth is a testament to you, our members and the trust you have placed in us.

Our Board of Directors, management and staff do not take that trust lightly and are focused on providing you the products and services you want and need to reach your financial goals. Delivery of these products & services with the premier service you deserve is paramount to us.

2011 has been a year of challenges with the economy's slow recovery and job layoffs continuing to be prevalent in the news. Increasing regulations has put pressure on the financial services industry and although Cy-Fair FCU remains financially sound, we are collateral damage to a lot of these regulations.

The challenges created by the economy have brought into focus the strength and benefits Cy-Fair Federal Credit Union brings to you as member-owners. The cooperative philosophy of people helping people, and pooling deposits to make loans and provide other services at reasonable cost has stood the test of time. Without question, our unique model continues to be extremely successful as evidenced by all that we have achieved together in 2011.

Despite the slow economy, we had a good year and continue to grow. We will always focus on smart growth, meaning we will focus on providing the products and services that our members need and deserve, and we will do so in a way that is financially sound to our balance sheet. This formula, along with the constant focus on you, our members, will position us to achieve our goal of being the best credit union in the Cy-Fair community.

We are not only dedicated to providing a strong financial environment, but also to creating a better community. Our motto is **"Our Community, Our Focus."** In 2011, we remained a viable part of the Cy-Fair community. Our staff, Board of Directors and Management Team volunteered innumerable hours in support of many community events and charitable programs. A few of the beneficiaries of our efforts include; the American Cancer Society, American Heart Association, Boys & Girls Country, Cy-Fair Educational Foundation, Cy-Fair FCU Scholarships, Cy-Fair ISD, Cy-Fair ISD Student Mentoring and the Lone Star College Foundation.

Our accomplishments would not have been possible without the commitment of our Board of Directors. The board is an elected group of volunteers, whom have the best interests of our credit union at heart. You will not find a more dedicated group of people and I sincerely thank them for their support.

2012 is the International Year of the Cooperative. Our cooperative structure is what truly sets us apart from other financial institutions. While we know there is continued uncertainty surrounding our Nation's economy, we believe that by working together, we can help you and all members, both individually and collectively to become and remain financially secure.

On behalf of the Board of Directors, Management Team, and staff, I thank you for being a member and for the confidence you have placed in us. We do not take your confidence lightly. YOU are Cy-Fair FCU and because of your participation, commitment and willingness to recommend us to others, we have become one of the strongest and respected not-for-profit financial cooperatives in the area. We know you have many choices for your financial needs and our job is to make sure we are serving those needs to be your primary financial institution. We are truly **"People Helping People,"** reaching out to you, with a true desire help our members strengthen their financial lives and to make our community stronger. Working together, we will make a difference!

Sincerely,

Debbie Blackshear

TREASURER'S REPORT

TONY BARCELONA, III

Treasurer



As our nation continues to recover from the effects of the economy, Cy-Fair Federal Credit Union members continue to deal with the realities. While the last few years have been challenging, your Credit Union has remained strong, focusing on the needs of our members.

In a low rate environment, where margin spreads are thin, the Board of Directors, Management Team and staff have worked diligently to reduce expenses without sacrificing their level of service and commitment to you, our members.

At the end of 2011, the Credit Union had a NCUA net worth ratio of 7.54%, which is above the minimum capital level established by the National Credit Union Administration. Cy-Fair FCU continued to experience strong share and asset growth. Share growth increased by 4.69% over the previous year, bringing total credit union shares to \$154,595,908. Due to economic conditions, member loan demand decreased from 2010 by 5.28%, with member loans totaling \$95,317,325. Total credit union assets increased by 5.42% to \$169,058,305, while total equity reached \$12,671,246. After two years of losses, I am happy to report that we ended the year with \$574,960 in net income and a return on assets of .35%.

Cy-Fair FCU remains committed to providing premier service and value to you, our members. Thank you for the opportunity to serve you.

2011 STATEMENT OF CONDITION

FINANCIAL STATEMENT

ASSETS

Loans to Members	\$95,317,325
Allowance for Loan Loss	(\$1,509,903)
Other Receivables	\$939,305
Cash on Hand	\$26,241,915
Investments	\$37,763,989
All Other Assets	\$10,305,674

TOTAL ASSETS **\$169,058,305**

LIABILITIES & EQUITY

Accounts Payable	\$1,791,151
Member Shares	\$154,595,908
Equity	\$12,671,246

TOTAL LIABILITIES & EQUITY **\$169,058,305**

STATEMENT OF INCOME

INCOME

Loan Income	\$6,809,868
Investment Income	\$897,229
Non-Interest Income	\$3,326,855

TOTAL INCOME **\$11,033,952**

EXPENSES

Operating Expenses	\$8,196,258
Loan Loss Provision	\$1,500,000
Other Expenses	\$58,673
Member Dividends	\$439,323
Non-Operating INC/EXP	\$264,738

TOTAL EXPENSES **\$10,458,992**

NET INCOME **\$574,960**



CREDIT UNION GROWTH

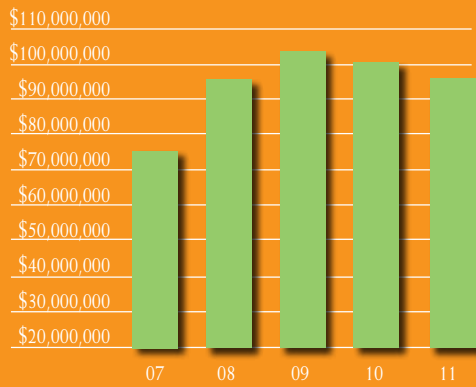
OUR GROWTH OVER 5 YEARS

Our Vision

Cy-Fair Federal Credit Union is committed to being a trusted partner within our community, supporting the financial and educational enrichment of our members.

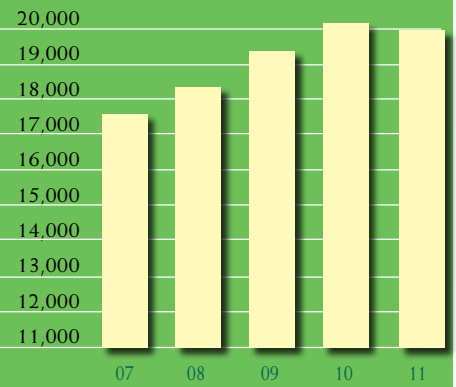
LOANS

2011
\$95,317,325
2010
\$100,629,560
2009
\$103,090,789
2008
\$96,103,577
2007
\$75,553,738



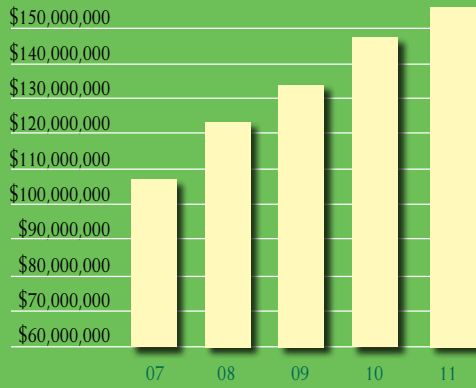
MEMBERS

2011
19,897
2010
20,065
2009
19,475
2008
18,214
2007
17,504



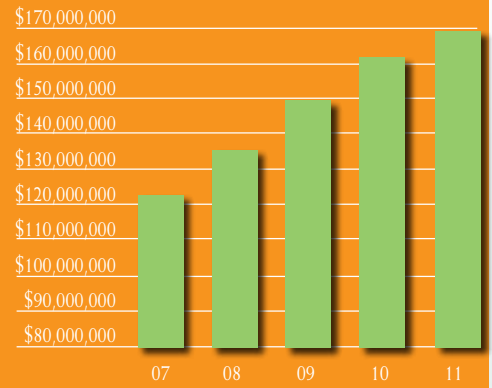
SHARES

2011
\$154,595,908
2010
\$147,663,794
2009
\$136,417,483
2008
\$123,983,964
2007
\$107,502,315



ASSETS

2011
\$169,058,305
2010
\$160,369,026
2009
\$149,421,408
2008
\$135,691,442
2007
\$121,166,731



SUPERVISORY COMMITTEE REPORT



The Cy-Fair Federal Credit Union Supervisory Committee is comprised of three volunteer members. The role of the committee is to work with the Board of Directors and Management Team to ensure the credit union adheres to the regulations and policies established to safeguard members' assets. The supervisory committee oversees internal and external audit activities. For 2011, the independent external audits were conducted by Doeren Mayhew, a certified public accounting and consulting firm.

The National Credit Union Administration conducts our regulatory examinations. Based on the findings of our internal and external audits and examinations, the supervisory committee concludes that the 2011 financials for Cy-Fair FCU are fairly presented and comply with credit union regulations.

GARY KINNINGER

Chairman

ALICE ARECHIGA-WIMBERLY

Supervisory Committee Member

DAWN TRISKA

Supervisory Committee Member

Our Mission

Cy-Fair Federal Credit Union is dedicated to building life-long relationships, while providing premier service and personalized financial solutions to enrich each member's life.

Our Service Promises!

We promise to...

- Protect your privacy.
- Treat each member with respect and dignity.
- Provide every member with our undivided attention.
- Strive to provide the best solution for your financial needs.
- Provide service in a consistent, prompt, and timely manner.
- Greet every member courteously, professionally and with a smile.
- Take ownership of any concern and handle it with our highest priority.
- Strive to provide you with a positive experience and exceed your expectations.
- Ensure a knowledgeable staff by development of employees through continuing education.



LOCATIONS AND CONTACT INFORMATION

JONES - MAIN OFFICE

9601 Jones Road, Suite 100
Houston, Texas 77065

STONE CREEK BRANCH

16727 FM 529 Road
Houston, Texas 77095

SKINNER BRANCH

13525 Skinner Road
Cypress, Texas 77429

RANCHSTONE DRIVE-THRU

11002 Ranchstone Drive
Houston, TX 77064

HOURS OF OPERATION

Lobby Hours

Monday-Thursday
9:00 am - 5:00 pm

Friday

9:00 am - 6:00 pm

Saturday

9:00 am - 1:00 pm

Drive-Thru Hours

Monday-Friday: 8:00 am - 6:00 pm

Saturday: 9:00 am - 1:00 pm

CONTACT INFORMATION

Office: 281.890.7676 | Fax: 281.955.3120 | Member Line: 281.897.TALK (8255)

Internet: www.cyfairfcu.org | Email: cffcu@cyfairfcu.org

BOARD OF DIRECTORS

Jo Fey Chairman
Debbie Jackson Vice Chairman
Tony Barcelona, III Treasurer
Ray Miller Secretary
Tom Danish Director

Richard Gilbert Director
Jerry Roberts Director
Harold Rowe Director
Isiah Spikes Director

SUPERVISORY COMMITTEE

Gary Kinninger Chairman
Alice Arechiga-Wimberly Committee Member
Dawn Triska Committee Member

MANAGEMENT TEAM

Debbie Blackshear President
Rue'l Larson... Executive Vice President
Alicia Quinn Vice President
Branch Operations
Valarie Brittain Vice President
Human Resources
Ray Finnegan Vice President
Information Technology

Johnette Norman Vice President
Lending
Tiffany Washington Vice President
Marketing
Teri Edge Sales & Service
Manager





Your savings are federally insured to at least \$250,000 and backed by the full faith and credit of the United States Government.

