

SPCO FEDERAL CREDIT UNION
STATEMENT OF FINANCIAL CONDITION

As of the Close of Business

DECEMBER 31, 2009

ASSETS

Loans to Members	\$ 10,407,560
Less: Reserve for Loan Losses	<u>- 126,726</u>
Net Loans	\$ 10,280,834

Cash	\$ 585,405
Other Assets	1,510,704
Investments	10,837,605
Accrued Income	<u>+ 69,690</u>
TOTAL ASSETS	\$ 23,284,238

LIABILITIES and EQUITY

Accounts Payable	\$ -10,559
Other Liabilities	80,917
Dividends Payable	<u>+ 31,381</u>
TOTAL LIABILITIES	\$ 101,739

Deposits	\$ 18,731,699
Reserves	1,221,331
Other	0.00
Undivided Earnings	<u>+ 3,229,469</u>

TOTAL LIABILITIES And EQUITY	\$ 23,284,238
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SPCO CREDIT UNION
STATEMENT OF FINANCIAL CONDITION

As of the Close of Business

DECEMBER 31, 2010

ASSETS

Loans to Members	\$ 13,480,227
Less: Reserve for Loan Losses	<u>- 205,166</u>
Net Loans	\$ 13,275,061

Cash	\$ 523,490
Other Assets	1,677,830
Investments	13,562,722
Accrued Income	<u>+ 79,902</u>
TOTAL ASSETS	\$ 29,119,005

LIABILITIES and EQUITY

Accounts Payable	\$ 175,527
Other Liabilities	37,237
Dividends Payable	<u>+ 0.00</u>
TOTAL LIABILITIES	\$ 212,764

Deposits	\$ 24,101,622
Reserves	1,705,903
Other	0.00
Undivided Earnings	<u>+ 3,098,716</u>

TOTAL LIABILITIES And EQUITY	\$ 29,119,005
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Charter No. 61438

Annual Report 2010

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Monday - Friday
 9:00 AM to 4:30PM



Board of Directors

W. R. Womack, Chairman

Harvey L. Hayes, Jr. Vice Chairman

Dee Farino, Secretary

Gloria Longnecker, Treasurer

Ed Stovall, Member

Jimmie Bulanek, Member

Charley Johnson, Member

Gary Patterson, Member

Marlin Phillips, Member

James S. Reynolds, Member

Roger Epperson, Member

Steve Emmott, Member

Tim Adams, Member

Supervisory Committee

Janice Mayes-Clayton, Chairperson

Steve Fowler, Member

Dolores Eaves-Peterson, Member

Nominating Committee

Steve Emmott, Chairman

Dee Farino., Member

Roger Epperson, Member

Chairman's Report

2010 continued to be a significant and challenging year, not just for our credit union but also for our city, state, and nation. Like you, I am truly looking forward to the promise of 2011 and the hope that this year brings. We've seen the fallout from the recent economic upheaval and we've watched our friends and neighbors struggle. Things have been difficult but we've also witnessed small signs of potential growth and the tremendous value of hope.

As we know, a cooperative, expresses collaboration, and certainly that is something we at SPCO Credit Union are invested in. This cooperative spirit allows us to remain optimistic and open to the potential we can realize. In this volatile economy, cooperatives have proven to be a viable business model.

Cooperatives are associated with teamwork, and as your credit union of choice, we understand and appreciate the faith you have placed in us. On your behalf, we work with the unified credit union movement to provide a substantial voice for all of us in this highly competitive financial marketplace. We continually push for a healthy regulatory and legislative environment that affords us the opportunity and flexibility to better serve you, our membership, while still protecting all of your hard earned dollars.

In essence, cooperatives work together to build better futures for their people. Credit unions have done this throughout our history.

The credit union cooperative is a distinct business model that works. I thank you for your continuous commitment and I look forward to working with all of you in making our credit union – and the entire credit union movement – a brilliant illustration of what focused people coming together for a common purpose can truly achieve.

W.R. Womack, Chairman

CEO Comments

On behalf of the staff of SPCO CU, I thank you for your participation and interest in the credit union which is apparent by your attendance of this Annual Meeting of the Membership.

Without question, 2010 presented us with some unique challenges. We merged two credit unions together. Plus, with an unstable economy it put fiscal distress on governments and industries across the nation. Fortunately, the credit union movement was not impacted as negatively as other industries.

When other financial institutions struggled to maintain positive capital adequacy – the benchmark is 7 percent, more than 94 percent of Texas credit unions closed 2010 with a net worth greater than 7 percent. Actually, the overall net worth of Texas credit unions is 9.7 – well above the industry standard, and SPCO Credit Union closed 2010 with a net worth over 16%.

What does this mean? It means your credit union is operating in a safe and sound manner. It means when other financial institutions pulled back on making loans, SPCO Credit Union continued to make solid loans to you, our members. American business man and author Jack Welch said, "Good business leaders create a vision, articulate the vision and relentlessly drive it to completion." I take very seriously the trust you have put in us to lead this institution, and I assure you that we are guiding SPCO Credit Union with integrity and a heartfelt commitment to you – the member/owner.

We have high hopes for 2011. We are introducing new products and services, like our improved newsletter, our new kid's club, and lower rates. I encourage you to watch and participate as these are rolled out.

Thank you for your continued support.

Tim Adams, CEO

Treasurer's Report

Total deposits were \$24,101,622; loans to members were \$13,480,227 and total assets were \$29,119,005. Your Loan Officers approved 2,106 loans amounting to \$ 6,255,068 in 2010.

Gloria Longnecker, Treasurer