

CHAIRMAN'S REPORT

2009

Fellow TCC Members:

In 2009, your Credit Union focused on two things: **Safety and Soundness**. **Safety** in investments that were 100% guaranteed, resulting in no losses to capital. **Soundness** in prudent lending policies, and helping our members with financial counseling to help them thru difficult times. Your Board of Directors, with the help of the staff, undertook a top down analysis of Credit Union expenses, reducing costs and, at the same time, increased the efficiency and production of the Credit Union. TCC Credit Union, along with other member Credit Unions, has had to relinquish a portion of its paid in capital to help mitigate losses to our Corporate Credit Union, as well as to our Federal Regulator, NCUA. These assessments have been a financial drain on all Credit Union, but TCC, with its strong balance sheet and reserves is well prepared to weather the storm.

With lending diminished and rates of investment at historic lows, your Credit Union is finding creative and unique ways to increase revenues and income. Our new Branch in Fort Worth, just open, is already producing new accounts, new loans, and other services to our members in Fort Worth.

We have developed a new for-profit service organization, TCC Account Services, to deliver collection programs to Catholic School in the Dallas and Fort Worth Dioceses. This will result in increased income that can go back to TCC Credit Union.

In closing, your Board of Directors and the staff are working diligently to ensure the strength and viability of this Credit Union for years to come. Our mission is clear: To deliver on the promise to you, the member, that we will provide quality financial products and services, provide for the safety and soundness of your hard-earned money, and embrace the Credit Union motto: People Helping People. The Board is honored to serve the best interests of the members of TCC Credit Union.

Best Regards,

Robert Sweitzer

Robert Sweitzer
Chairman

Operating Statement

(Year end Dec. 31, 2009, unaudited, prepared by Credit Union staff).

	2009	2008
Income		
Loan Income	\$ 1,123,206	\$ 1,203,625
Investment and Fee Income	\$ 542,727	\$ 573,724
Total Income	\$ 1,665,933	\$ 1,777,349
Operating Expenses		
	2009	2008
General and Administrative	\$ 1,647,003	\$ 1,334,898
Provision for Loan Loss	\$ 79,370	\$ 110,496
Cost of Funds	\$ 222,145	\$ 300,981
Total Income (Loss) Oper.	\$ (282,585)	\$ 30,974
Gain (Loss) Investments	\$ (117,690)	
Non Operating Income Exp	\$ 95,260	
Total Income (Loss)	\$ (305,015)	

**NEW FORT WORTH BRANCH
OFFICE 4312 TOWN CENTER
DRIVE, FORT WORTH, TX
76115. GRAND OPENING AND
RIBBON CUTTING CEREMONY
MARCH 8, 2010, 10:00 AM.**

Statement of Financial Condition

(Year end Dec. 31, 2009, unaudited, prepared by Credit Union staff).

Prepared by Credit Union staff

	2009	2008
Assets		
Loans (net of allowances)	\$ 16,560,904	\$ 16,765,294
Cash & Investments	\$ 7,731,178	\$ 7,052,872
Insurance & Reserves	\$ 141,025	\$ 138,058
Fixed & Other Assets	\$ 1,985,690	\$ 1,095,955
Total Assets	\$ 26,418,797	\$ 25,052,179
Liabilities		
Account Payables	\$ 2,638	\$ 5,256
Other Liabilities	\$ 216,961	\$ 359,073
Total Liabilities	\$ 219,599	\$ 364,329
Equity		
Share Accounts	\$ 8,830,410	\$ 9,934,194
Share Drafts	\$ 5,327,789	\$ 4,629,881
Money Markets	\$ 2,718,485	\$ 2,366,683
IRA's	\$ 467,692	\$ 515,557
Certificates of Deposits	\$ 6,644,528	\$ 4,650,720
Reserves	\$ 627,120	\$ 627,120
Undivided Earnings	\$ 1,583,174	\$ 1,963,695
Total Equity	\$ 26,199,198	\$ 24,687,850
Total Liabilities & Equity	\$ 26,418,797	\$ 25,052,179



BOARD OF DIRECTORS

Robert B. Sweitzer, Chairman

TCC Credit Union board member since 1996. Term expires 2011

Robert Buchheit, Vice Chairman

TCC Credit Union board member since 2000. Term expires 2010

Charlie Walter, Treasurer

TCC Credit Union board member since 1998. Term expires 2011

Michael McGinnis, Secretary

TCC Credit Union board member since 2009. Term expires 2010

Bill Biermann, Board Member

TCC Credit Union board member since 2009. Term expires 2012

David C. Haney, Board Member

TCC Credit Union board member since 1999. Term expires 2011

David Ross, Board Member

TCC Credit Union board member since 2009. Term expires 2010

Scott Thompson, Board Member

TCC Credit Union board member since 2009. Term expires 2010

Raymond J. Vasinda, Board Member

TCC Credit Union board member since 1999. Term expires 2012

MEMBERSHIP AND SERVICES

As of 12/31/2009, TCC Credit Union served 9,056 members with the following services:

Regular Share Accounts	Personal loans
Free Checking Accounts	New Vehicle loans
Money Market Accounts	Used Vehicle loans
Certificates of Deposit	Extended warranties
Christmas Club Accounts	GAP insurance
Roth Individual Retirement Accounts (IRA)	Credit Life insurance
Regular Individual Retirement Accounts (IRA)	Credit Disability insurance
SEP Accounts	Home Equity loans
Business Checking Accounts	Credit Establishment loans
Armored Car Service for Business and Non-Profit accounts	Credit Re-establishment loans
Direct Deposit	Recreational Vehicle loans
24-Hour Night depository (both locations)	Guaranteed School Tuition loans
MasterMoney® Debit Cards	Free home banking
Coverdell Education Accounts	Free check imaging
Free ATM service through Allpoints ATM network	Business loans through The Business
Drive-thru lanes (both locations)	Lending Source of Southwest Business Corp.

SUMMARY OF 2009 AGREED-UPON PROCEDURES

As of June 30, 2009, Fox, Byrd & Company, P.C. performed certain agreed-upon procedures to the accounting records of TCC Credit Union. In performing the agreed-upon procedures, some matters were mentioned to credit union management and officials that, while not involving material weaknesses in internal accounting control, are opportunities for strengthening internal controls and operating efficiency. Credit Union staff and management have incorporated those recommendations into day to day operating procedures.

President's Message

As we reflect back on the events of 2009 we have a collective "thanks" that it's over. From your credit union's perspective we faced lower loan demand, higher delinquency, non-existent overnight earnings rates, a loss of paid-in capital to our corporate credit union and a special assessment from the National Credit Union Administration.

To weather this red ink, our accumulated capital account was tapped and if additional losses arise in 2010 this capital will be used as needed. Thankfully past years have been good to us and even with the problems of 2009 the TCC CU ended the year with a capital ratio of 9.19%. Credit unions must maintain at least a 7.0% capital ratio to be considered "well capitalized".

We started off 2010 with the opening of our new Fort Worth office and after working out of a temporary office for the past year, this location is showing great promise. Additionally, we have formed a Credit Union Service Organization called TCC Account Services L.L.C. This CUSO, as it is referred to, initially will provide tuition collection services to schools that do not require up-front tuition payment. This new operation will be housed at the Fort Worth location.

The Board of Directors worked with the staff to find areas where costs could be reduced without adversely affecting member services. While none of us can readily predict national economic conditions, we firmly believe that this economic environment will pass and improvements will be coming, we just don't know when.

Your continued support of your TCC Credit Union is our best assurance of success and we all look forward to serving you and your financial needs.

Submitted:

Ronald M. Powers
President