

# 2018

## ANNUAL REPORT



HRCU

Better, Not Bigger Banking<sup>®</sup>

DOVER · FARMINGTON · ROCHESTER

[HRCU.ORG](http://HRCU.ORG)

# President's Message

As President and CEO of HRCU, I am very proud to say that our organization has continued to fulfill our mission of serving the community. While it may seem odd to consider a credit union as a community organization, we believe in staying true to the philosophy of what a not-for-profit financial institution should be for its members and the communities they serve.

A lot has changed in the 57 years of HRCU, and I would like to think the parishioners of Our Lady of the Holy Rosary parish are proud of what we've become with servicing close to 22,000 members. Who would have thought that our credit union, started literally in a shoe box, would progress to the point of taking a picture of a check on your mobile device and instantly it appears in your account. What would Monsignor Gilles Simard, HRCU founder, say about that?

In 2018, over \$94 million in new loans, funded by local deposits, were distributed to members. These funds directly contributed to the local economy through home purchases, improvements and repairs. They also assist with financing and refinancing of home and auto loans and at times help someone get their first car. We work hard to assist members with sound advice, while maintaining a practice of responsible lending.

On average, HRCU opened six new accounts per day over the past year; which is undoubtedly due to our vast financial offerings, as well as, the outstanding member service that our team provides. This also means that our members become our best ambassadors, spreading the good word about HRCU every single day.

In 2019 we look forward to reopening a newly renovated and more convenient branch at Spaulding High School. Besides serving our members at the branch we strongly believe that supporting and educating our youth is critical to our mutual success. In addition to the Spaulding High School branch we are able to provide financial education to hundreds of elementary school students through our Junior Achievement program. This year alone we reached over 440 middle school students throughout our community. In May, we will be hosting over 350 Spaulding High School sophomores for our 10th annual CU 4 Reality fair. A commitment to our youth is another reason I am so proud of HRCU and what we are able to give back to the community.

We look forward to the road ahead to serve you - our member. I encourage you to look through our annual report and see for yourself the commitment that HRCU has made to you and our community. We are thankful and proud to have your support as your trusted financial partner.



Brian F. Hughes,  
*President & CEO*



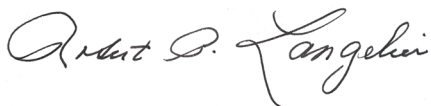
Brian F. Hughes  
*President & CEO*

## Supervisory Committee Report

As a committee, we were mindful of our responsibility to protect the financial interests of you, the member, by accomplishing the following:

- We reviewed monthly the financial report of operations by management.
- We reviewed HRCU'S financial reconciliations on a quarterly basis.
- We conducted teller cash counts at each Branch.
- We reviewed quarterly teller audits by management.
- We reviewed and approved corporate credit card expenditures for management and volunteers.
- We reviewed fifteen internal audits conducted by the Wipfli/Macpage auditing firm.
- We reviewed the external audit conducted by the firm of GT Reilly that focused on the accuracy of our financials.
- We monitored management's compliance in the 2017 New Hampshire State Examiner's report.
- We monitored management's compliance in the Information Technology Audit conducted by the Wipfli/Macpage Auditing firm.
- We received a report from the Information Technology Department on its risk management plan and policies to ensure that security measures were in place to protect the member.
- We reviewed and approved the travel expenses for management and volunteers.
- We reviewed and approved four loans for management and volunteers.
- We received a report on the budget for 2018 from the CFO.

In summary, HRCU is in excellent financial condition; Its future is bright, guided by the expertise and vision of a strong management team and supported by a dedicated group of volunteers at the Board and Supervisory Committee level who firmly believe in HRCU's mission of "Better, Not Bigger Banking" - a people first philosophy where all decisions are always made in the best interests of the member.



Robert P. Langelier,  
*Chairman, Supervisory Committee*



Robert P. Langelier  
*Chairman,  
Supervisory Committee*

## Dover Point Branch Opens

This full-service branch (only financial institution & 24-hour deposit-taking ATM in Dover Point) is now open in the Pointe Place neighborhood! After-hours mortgage appointments also now available, please stop by!



## HRCU Live Expands in Dover

Our video teller service is now live with extended hours at the Downtown Dover Drive-Up, Dover Point and Weeks Crossing! All of these Interactive Teller Machines (ITMs) connect you directly with our call center in Rochester and additionally serve as 24-hour deposit-taking ATMs!



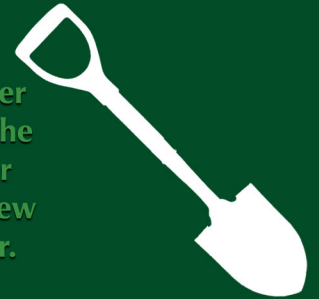
## New HRCU.org Launches

This easy to navigate update brings mobile responsiveness and a refreshed look & feel to our site, while still providing you access to all online services. We hope you enjoy it as it much we do!



## Ground Breaks at Spaulding

This past summer the Richard W. Creteau Regional Technology Center broke ground on renovations that are scheduled to be completed in the summer of 2019. We are excited for this opportunity to upgrade our branch to serve not only the high school, but the public too, with a new branch, classroom, and 24-hour ATM at the front of the Tech Center.



## Excellence in Social Responsibility

The Cooperative Credit Union Association awarded HRCU as NH's 2018 recipient of Excellence for Social Responsibility. This award is given to the one credit union in each state best demonstrating its commitment to social responsibility. We were honored to receive this on behalf of all members of HRCU and will continue to strive to excel in this area.



## 2018 Difference Maker Awards



Holly Stuart



Leanne Walters



Denise Nieman-Morrill



Derek Peters & Beth Bisognani

# Annual Financials

## STATEMENT OF FINANCIAL CONDITION

(As of December 31, 2018)

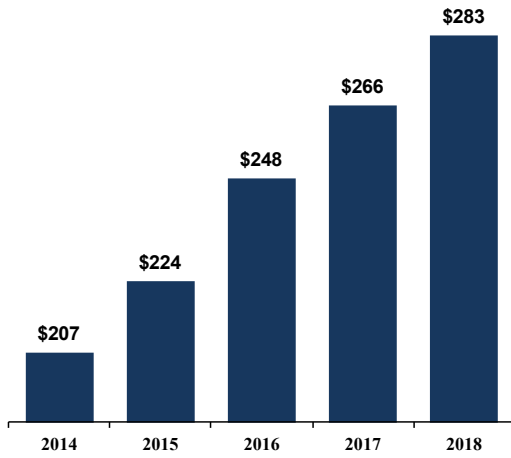
<b>ASSETS</b>	<b>2018</b>	<b>2017</b>
Loans to Members	\$ 210,225,684	\$ 192,648,519
Less: Allowance for Loan Losses	(1,022,312)	(752,248)
Net Loans to Members	\$ 209,233,372	\$ 191,896,271
Cash & Equivalents	11,400,518	9,802,263
Investments	45,450,539	48,156,817
Fixed Assets	6,909,342	6,731,157
Accrued Loan Interest	728,571	711,189
Other Assets	6,760,866	6,615,617
NCUSIF Deposit	2,421,190	2,261,957
<b>Total Assets</b>	<b>\$ 282,904,398</b>	<b>\$ 266,175,271</b>
<b>LIABILITIES &amp; EQUITY</b>		
Member Shares	252,437,441	239,965,284
Notes Payable	2,500,000	0
Other Liabilities	2,043,866	1,938,022
Regular Reserves	2,125,672	2,125,672
Undivided Earnings	23,847,318	22,188,386
Unrealized Gain (Loss) on AFS Investments	(49,899)	(42,093)
<b>Total Liabilities &amp; Equity</b>	<b>\$ 282,904,398</b>	<b>\$ 266,175,271</b>

## STATEMENT OF INCOME

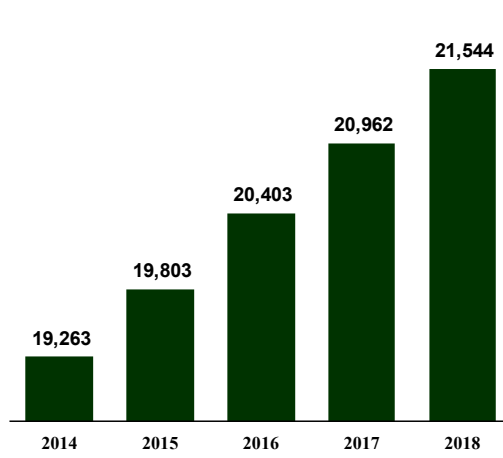
(Year-to-Date)

<b>INCOME</b>	<b>2018</b>	<b>2017</b>
Interest on Loans	\$ 9,397,772	\$ 8,676,530
Interest on Investments	935,013	663,166
Other Income	3,709,504	3,300,501
Total Operating Income	\$ 14,042,289	\$ 12,640,197
<b>LESS</b>		
Compensation and Benefits	5,194,574	4,650,947
Other Operating Expenses	5,014,220	4,563,231
Total Operating Expenses	\$ 10,208,794	\$ 9,214,178
Dividends and Interest Expense	1,637,339	1,170,899
Provision for Loan Losses	831,160	553,321
NCUA Assessments	(150,588)	0
Non-Operating Gains (Losses)	143,348	141,165
<b>Net Contribution to Capital</b>	<b>\$ 1,658,932</b>	<b>\$ 1,842,964</b>

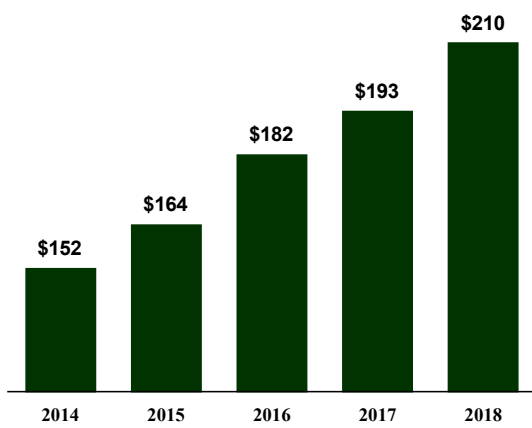
### Assets (in millions)



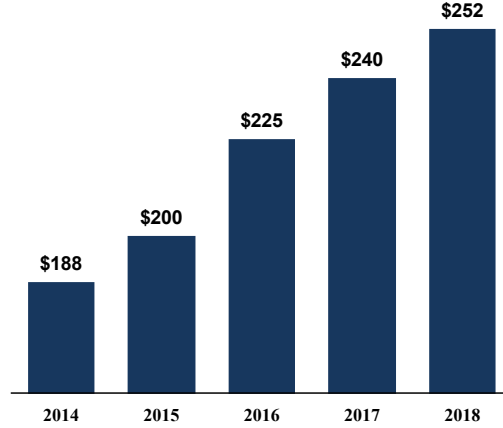
### Members



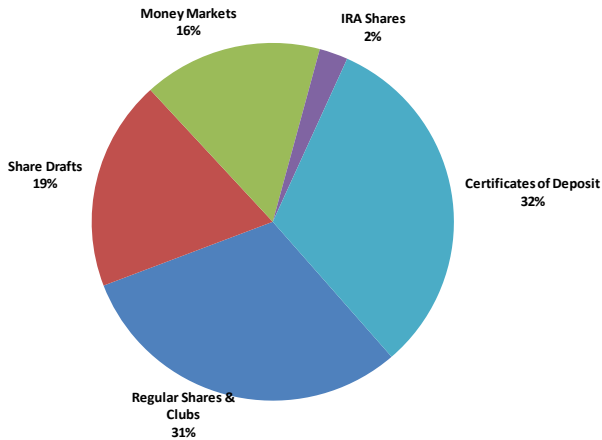
### Loans (in millions)



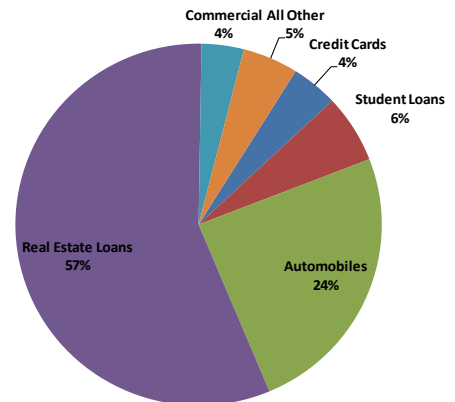
### Shares (in millions)



### Shares Composition (12/31/2018)



### Loan Composition (12/31/2018)



This holiday season, we presented 28 donations totaling over \$40,000 to local non-profits during our fifth-annual Christmas Caring Campaign. This year the campaign included eight first-time recipients. Major causes that the receiving organizations focus on include homelessness, veterans, youth support, meal services, senior care and addiction recovery.

The Christmas Caring Campaign began at HRCU in 2014 with an idea of rather than decorate the branches for the holidays, we would use the funds to make a real difference by aiding organizations in the surrounding community. It took off from there as did the amount of the annual donations. The Christmas Caring Campaign allows HRCU staff and volunteers to learn more about the work these groups do to help those in need all year long. The annual campaign has grown significantly in a short period of time.

Outside of donations, HRCU was proud to assist the community in other ways in 2018 such as participating in the Seacoast Cancer 5K, selling raffle calendars for Make-A-Wish New Hampshire (which were sold out!), hosting our first CU 4 Reality event for home schooled students at the Rochester branch and volunteering time at a soup kitchen in Rochester each month. We are proud that beyond all of that, we have many employees who dedicate their own time to various other causes throughout the year.

In 2018, Christmas Caring Campaign recipients included:

- The Community Food Pantry, Somersworth**
- Interfaith Food Pantry, Farmington**
- Pease Greeters**
- Triangle Club, Dover**
- Dover Police Charities**
- Dover Housing Authority**
- Barrington Community Food Pantry**
- Hope on Haven Hill, Rochester**
- Friends of Hyder House Family Hospice, Dover**
- SHARE Fund, Rochester & Somersworth**
- Rochester Youth Reach**
- My Friend's Place, Dover**
- Spaulding High School Raider Station Student Pantry**
- Community Action Partnership of Strafford County**
- St. Elizabeth Seton School, Rochester**
- Rochester Housing Authority**
- Homeless Center for Strafford County**
- Sober Sisters Recovery, Somersworth**
- SOS Recovery, Rochester & Dover**
- End 68 Hours of Hunger, Rochester**
- Lydia's House of Hope, Somersworth**
- New Durham Food Pantry**
- Gafney Home, Rochester**
- Friends of Farmington**
- Vouchers for Veterans, Rochester**

YMCA of Strafford County



2018 Christmas Caring Campaign Recipients



## HRCU's Annual Scholarship Program

On June 18th, HRCU awarded seven local high school graduates with college scholarships. The recipients were made up of HRCU members who attended five high schools around the HRCU community.

HRCU began their Annual Scholarship program in 1996 and has now awarded 216 scholarships totaling over \$220,000 to local students.

"Every year it is great to be able to reward a group of terrific students with these scholarships for all the hard work they have put in to continue their educations" said HRCU President & CEO, Brian Hughes.

## HRCU Senior Management



**Aimee Doherty** AVP of Operations, **Marc Velez** AVP of Real Estate Lending, **Brian Therrien** Chief Financial Officer, **Brian F. Hughes** President & CEO, **Ken Mauser** AVP of Technology, **Rosemary Shields** EVP & Chief Operating Officer, **Travis Bissonnette** AVP of Consumer Lending, **Kristy Method** AVP of Financial Services & **Jeanette Poulin** VP of Marketing & Development

## Board of Directors



**Dana R. Flanders**  
Chairman



**Ronald G. Vachon**  
Vice-Chairman



**Paul Auger**  
Treasurer



**Kathleen Simoneau**  
Secretary



**Richard Brunelle**



**Richard Falardeau**



**Jeanne Grover**



**Leonard Pinault**



**Paul Turner**

## Supervisory Committee



**Robert P. Langelier**  
Chairman



**Daniel Connelly**



**Rachel Gilman**



**Constance Hamann**



**Matthew Lahr**

## Council of Trustees



**Gerald Bisailon**



**James Brock**



**Robert Chasse**



**Normand Lanoie**



**Andre Therrien**

## Branch Locations

### Rochester, NH

#### Main Office:

133 Brock St., P.O. Box 2078, Rochester, NH 03867  
Telephone: (603) 332-6840  
Fax: (603) 335-2730

#### Spaulding High School Branch:

140 Wakefield St., Rochester, NH 03867  
Telephone: (603) 332-6840  
Fax: (603) 335-2730

### Dover, NH

490 Central Ave., Dover, NH 03820  
Telephone: (603) 743-3999  
Fax: (603) 740-9438

50 Pointe Place, Unit 19 Dover, NH 03820  
Telephone: (603) 516-6785  
Fax: (603) 516-6786

### Farmington, NH

341 Route 11, Farmington, NH 03835  
Telephone: (603) 755-5000  
Fax: (603) 755-9023

## Bank your way!

### We offer the convenience of today's technology

Though we love to see our members face-to-face, we know today's busy lifestyles create a need for a variety of options from their financial provider. From HRCU Live & HRCU Mobile, to Co-Op Shared Branching & ATMs, it has never been more convenient to be an HRCU member on-the-go!



### In Memoriam HRCU Co-Founder Gerard Gravel

On May 2nd, 1962, Gerry Gravel assigned the first account in HRCU history when he signed Account 1 for Monsignor Gilles Simard. His knowledge and background as a certified public accountant was critical to the early success of the Credit Union. He went on to serve HRCU as Treasurer and later President of the Board of Directors. Thank you Gerry, for all the service and guidance you provided.

(Pictured above, President/CEO Brian Hughes, Co-Founder Robert Chasse, Co-Founder Gerard Gravel, Board Chairman Dana Flanders)

# What HRCU Members Are Saying...



Deb

June 30, 2018 · 🌐

A big shoutout to all the Farmington staff!! I was in hospital for double bypass surgery and was able to call Farmington office and have them transfer payment for me over phone 😊 thanks again



Judy

July 7, 2018 · 🌐

I just want to say a big "Thank You!" to the Farmington branch! You helped me with the fraud incident, and the money is already back in my account. You are the best!



Lylah

August 14, 2018 · 🌐

Big Thanks to HRCU Fraud Dept for being on top of things! Got a call yesterday regarding a odd charge attempt on my debit card, sure enough my card was compromised but no charges were made on my card!! Thanks so much!



Paul

February 8 at 3:36 PM · 🌐

recommends Holy Rosary Credit Union - HRCU.

We've been with them for years now. Wonderful place full of hard working people who are there to help. Great classes offered, from time to time, too.



Amelia

February 27 at 3:33 PM · 🌐

recommends Holy Rosary Credit Union - HRCU.

When I went elsewhere to get a loan they started to ask me for a ridiculous amount of documentation. I hopped into [hrcu.org](http://hrcu.org) to chat and got Erin who recognized what I needed right away (which is awesome because I don't speak the lingo) emailed it to me and BAM I'm done in less than 10 minutes. Best customer service from a financial institution ever- and it's consistent this isn't the first time they've earned my praise. Thanks for treating us members like family! ❤️

"Having ordered my new car, I quickly realized how difficult it was to get financing without a VIN. My credit union at the time couldn't accomodate me and then I saw web reviews of HRCU. I explained my situation to Phil and inquired about a pre-approval and he said that would not be a problem." -Byard, HRCU Member

"Staff is very professional, yet friendly. They make you feel welcome and exhibit a feeling of, "Glad you're here what can I do for you?""  
-HRCU Voice of the Member survey

"I give HRCU an A+ and I know any changes in the future will only have your members' needs first."  
-HRCU Voice of the Member survey



HRCU.org

 **HRCU**  
Better, Not Bigger Banking®