



# President's Message

I am proud to say 2017 was another very strong and successful year for HRCU. Once again, furthering our mission by focusing on our community. We are excited about the improvements we made available to our members in 2017 and hope you are too. HRCU Live, our interactive video teller platform; Mobile Wallet; and an updated Mobile App all made their debut this past year to strong reviews, further acknowledging our commitment to deliver the latest technology to our members.

Along with technology, we remain committed to bringing you the very best in member services. In February, we opened our renovated Dover branch after an extensive redesign to bring the look and feel of our Brock street office to that location. We are now proud to have dialogue banking in both Rochester and Dover, offering enhanced service to our members. Additionally, Dover became the site for our first HRCU Live video teller. This allowed HRCU to extend the hours that a live teller is available and to improve efficiencies, now that the Rochester call center handles our HRCU Live network. Through video chat with a live teller, this machine allows almost all transactions to be done remotely. Early in 2018, we will be able to offer this same convenience at our newly renovated kiosk at Weeks Crossing in Dover.



Brian F. Hughes  
*President & CEO*

HRCU remains financially strong to meet our members' needs and help them achieve their goals. 2017 was a very successful year. Asset and loan growth remain very strong, as well as our member growth rate being one of the strongest in the state. We are pleased to report to our members that financially HRCU has never been in a better position. We have been able to maintain our robust financial performance by not raising our fees. In fact, our fees continue to be the lowest of nearly any financial institution in NH, while offering some of the most competitive deposit and loan rates available. At HRCU, we truly strive on a daily basis, to maintain the credit union philosophy as a not-for-profit cooperative, passing real savings onto our members.

2017 was a great year of serving our community, an important part of our mission. Our 4<sup>th</sup> annual Christmas Caring Campaign was another big success. Since it began, we have donated over \$100,000 to local charitable organizations. We also were very instrumental in bringing the Rochester Performance and Arts Center (RPAC) to downtown Rochester. Partnering with the Rochester Opera House, along with the vision of their board and our HRCU board, we worked together to jumpstart and fuel the revitalization of downtown Rochester. RPAC is off to a great start.

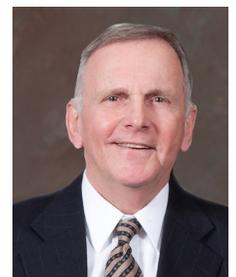
2018 will be another exciting year for HRCU as we look to roll out an updated HRCU.org website and other conveniences to our members. Additionally we are thrilled to be expanding our youth financial education and offering new programs, including Junior Achievement, to more local schools. Technology will also be at the core of new products and services we will offer to our members in 2018. We will never stop working to ensure that HRCU provides the latest conveniences in banking available to our membership through reliable and secure delivery channels. No matter how much growth we see, we will always remain focused on our mission of providing unmatched service to our community.

Brian F. Hughes,  
*President & CEO*

## Supervisory Committee Report

The Supervisory Committee works to achieve the following goals: Ensuring that HRCU operates in a financially sound manner, meets required financial reporting objectives, complies with the National Credit Union Administration (NCUA) and the New Hampshire Division of Banks, and establishes practices and procedures sufficient to safeguard member assets.

In doing so, the Committee engaged in a comprehensive financial statement audit by GT Reilly & Company, an internal control and compliance audit, as well as member account verification and IT Audit by MacPage, LLC. The Committee also reviewed and heard report of NH Division of Banks Examiners Audit along with NCUA Audit completed in 2017. The Supervisory Committee reviewed management's response to the above noted audit recommendations and assured that all recommendations were addressed to the Committee's satisfaction. Committee also reviewed and approved letters of engagement for IT Audit by Macpage LLC for one year, and Comprehensive Financial Statement Audit by GT Reilly & Company for 3 years.



Don Doyon, *Chairman*  
*Supervisory Committee*

The Supervisory Committee also performed various duties throughout the year to review credit union operations and financial statements. To meet our goal of in-service training, Committee attended the annual strategic planning session with the Board of Directors and Senior Management, received annual BSA Compliance Update Training, and represented at Annual CUA (Cooperative Credit Union Association) Conference. Supervisory Committee also received information provided by Senior Management on New Teller Pod Operation to assist Committee in Semi-Annual Cash Counts, and completed and approved Supervisory Committee Orientation Handbook authored by Robert Langelier to be used by future Committee members. Committee will also be represented in newly formed Community Advisory Council established by Board of Directors.

In conclusion, the Committee commends the board of directors, management and staff in their efforts and level of commitment in positioning HRCU for future success. Members should be assured that HRCU continues to be financially and operationally sound and serves its membership well.

Don Doyon, *Chairman*  
*Supervisory Committee*

## What was new in 2017

- HRCU Live Opens
- Mobile Pay Goes Live
- HRCU Today Continues
- Dover Holds Ribbon Cutting
- HRCU Recognized by ESGR
- CardValet Adds Credit Support

### **HRCU Live Opens in Dover**

This spring we debuted our new Interactive Teller Machine (ITM), HRCU Live, at the drive-up of our renovated Dover branch. Members have the ability to complete most teller transactions using the latest technology all while speaking with our live video teller. We can offer members the convenience of longer hours. HRCU Live is open from 8AM to 6PM Monday through Friday and 8AM to 1PM on Saturdays. Additionally, this machine serves as a 24-hour deposit taking ATM.

### **Mobile Pay Goes Live**

A much-requested feature from our members was to add support for Apple Pay, Samsung Pay and Google Pay. This year we were excited to add support for all card types to these “Mobile Wallet” systems. This added convenience has received great reviews from our membership and we would encourage you to add your credit or debit cards to your device and give it a try if you have not already!



### **HRCU Today/YouTube**

We were pleased to continue our YouTube series, HRCU Today with Jack Heath throughout the year and provide valuable information to our members. This monthly series is available on the HRCU YouTube channel and keeps our members up-to-date on the latest HRCU happenings. This year topics included:

- Dover Branch Renovations
- Spaulding High School Branch & Tech Center
- Monarch School of New England
- Meet the Team- HRCU Staff Spotlight
- Rochester Farmers Market
- Rochester Performance & Arts Center
- Veterans Count
- Elder Financial Abuse & Fraud
- Apple Pay, Google Pay, Samsung Pay
- Christmas Caring Campaign



### **Dover Renovated Branch Holds Grand Opening**

In May 2017, we were proud to hold our official ribbon-cutting with the Greater Dover Chamber of Commerce. Our renovated branch now features the same look and feel of the Brock Street branch, featuring dialogue banking that we have received such great feedback on. Additionally, the drive-up at this branch served as the site for our first HRCU Live video teller system. If you have not yet seen the improvements to this branch or tried our HRCU Live, we encourage you to stop by!

### **HRCU Receives Patriot Awards from ESGR**

President & CEO Brian Hughes, EVP & COO Rosemary Shields and AVP of Technology Ken Mauser were recognized with Patriot Awards from the Employer Support of the Guard and Reserve (ESGR) last fall. They were nominated for these awards by HRCU System Administrator Daniel West, who is also a Sergeant in the Rhode Island Air National Guard. The ESGR confers the Patriot Award to honor the efforts made to support citizen warriors through a wide-range of measures including flexible schedules, time off before and after deployment, caring for families and granting leaves of absence, if needed.



### **CardValet Adds Credit Card Support**

When CardValet first was made available to members, it supported HRCU debit cards. We knew that many people would love the convenience of having CardValet control features available for their credit cards, at the end of 2017 we were able to add this support. All HRCU cards can now be controlled through the CardValet app and we highly recommend you take advantage of this added layer of security. Download the app from your respective app store today to get started!

## What's coming in 2018

- HRCU Live at Weeks Crossing
- An updated HRCU.org
- New Spaulding High branch



## STATEMENT OF FINANCIAL CONDITION

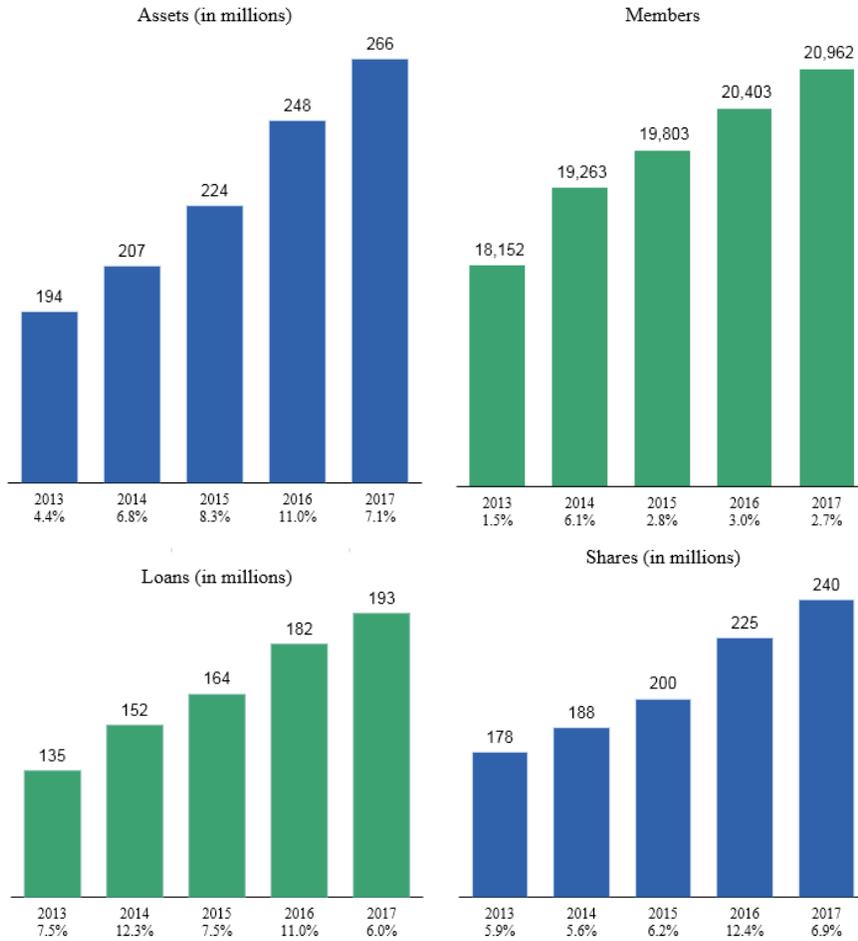
(As of December 31, 2017)

<b>ASSETS</b>	<b>2017</b>	<b>2016</b>
Loans to Members	\$ 192,648,519	\$ 181,526,555
Less: Allowance for Loan Losses	(752,248)	(671,949)
Net Loans to Members	\$ 191,896,271	\$ 180,854,606
Cash & Equivalents	9,802,263	9,663,814
Investments	48,156,817	42,426,264
Fixed Assets	6,731,157	6,286,923
Accrued Loan Interest	711,189	777,758
Other Assets	6,615,617	6,369,246
NCUSIF Deposit	2,261,957	2,110,970
<b>Total Assets</b>	<b>\$ 266,175,271</b>	<b>\$ 248,489,581</b>
<b>LIABILITIES &amp; EQUITY</b>		
Member Shares	239,965,284	224,531,759
Notes Payable	—	—
Other Liabilities	1,938,022	1,497,811
Regular Reserves	2,125,672	2,125,672
Undivided Earnings	22,188,386	20,345,423
Unrealized Gain (Loss) on AFS Investments	(42,093)	(11,084)
<b>Total Liabilities &amp; Equity</b>	<b>\$ 266,175,271</b>	<b>\$ 248,489,581</b>

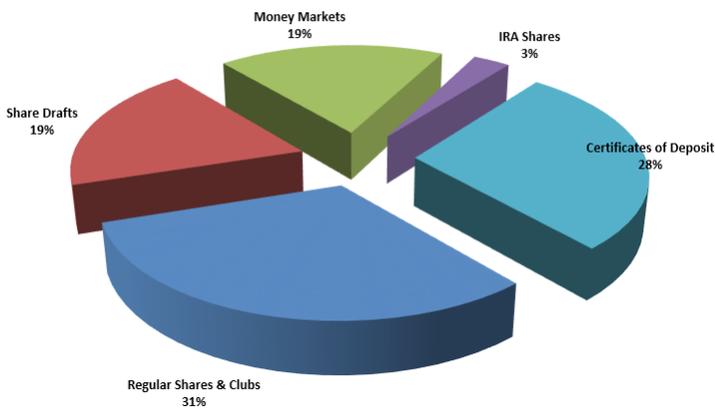
## STATEMENT OF INCOME

(Year-to-Date)

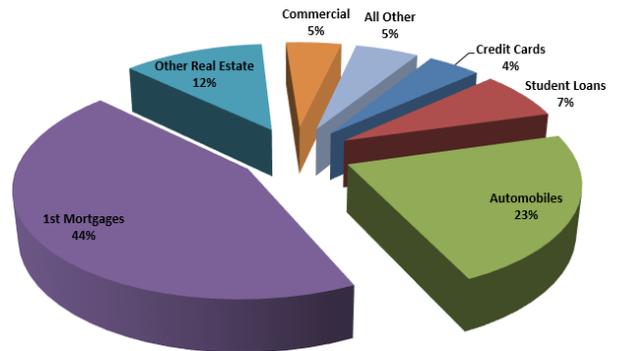
<b>INCOME</b>	<b>2017</b>	<b>2016</b>
Interest on Loans	\$ 8,676,530	\$ 8,120,654
Interest on Investments	663,166	451,262
Other Income	3,300,501	3,119,200
Total Operating Income	\$ 12,640,197	\$ 11,691,116
<b>LESS</b>		
Compensation and Benefits	4,650,947	4,021,125
Other Operating Expenses	4,563,231	4,290,851
Total Operating Expenses	\$ 9,214,178	\$ 8,491,976
Dividends and Interest Expense	1,170,899	1,108,230
Provision for Loan Losses	553,321	216,244
NCUA Assessments	—	—
Non-Operating Gains (Losses)	141,165	145,229
<b>Net Contribution to Capital</b>	<b>\$ 1,842,964</b>	<b>\$ 2,019,895</b>



## Shares Composition (12/31/2017)



## Loan Composition (12/31/2017)



## 2017 Awards

### Difference Makers



Phil Roberts



Travis Bissonette



Virgie McQuade



Amanda Arel

## Giving Back to Our Community

In 2017, HRCU is proud to have given back over \$87,000 to organizations who are committed to providing important services around our communities. A large portion of those donations came from our Christmas Caring Campaign, which we were excited to continue for a fourth year. The Christmas Caring Campaign gives HRCU staff a chance to visit with some incredible groups and learn more about the work they are doing, while also providing them with financial support.



*Sober Sisters Recovery*

In addition to donations, HRCU is proud to assist in other ways such as selling Make-A-Wish raffle calendars, participating in Rochester Relay for Life, hosting CU 4 Reality events at local high schools and volunteering time at a soup kitchen each month.



*Friends of Hyder of Hyder Family Hospice House*



*Dover Police Charities*

Our Christmas Caring Campaign recipients in 2017 were:

- 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**
- Sole City Dance, Somersworth**
- 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**
- Sover Sisters Recovery, Somersworth**
- Rochester Recovery Center**

## HRCU's Annual Scholarship Program

HRCU began awarding scholarships to members heading off to college beginning in 1996. Since then nearly \$200,000 has been awarded to 209 recipients.



2017 saw a well-deserving group of eight students receive \$1,000 each. We look forward to continuing with this program in 2018 and beyond as we follow our mission of helping our community achieve their goals in any way we can.

## HRCU Senior Management

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**Brian F. Hughes**  
*President & CEO*



**Rosemary Shields**  
*EVP & Chief  
Operating Officer*



**Brian Therrien**  
*Chief Financial  
Officer*



**Lisa Rodman**  
*Vice President of  
Lending*



**Chris Patrowicz**  
*Vice President of  
Human Resources*



**Kristy Methot**  
*AVP of  
Financial Services*



**Aimee Doherty**  
*AVP of Operations*



**Ken Mauser**  
*AVP of Technology*

## Board of Directors

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**Left to right, seated:** Kathleen Simoneau; Dana R. Flanders, Chairman; Nancy Gilbert, Secretary. **Standing:** Paul Auger, Treasurer; Paul Turner; Ronald G. Vachon, Vice Chairman; Richard Brunelle; Richard Falardeau.

## Supervisory Committee

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**Left to right, seated:** Don Doyon, Chairman; Robert Langelier. **Standing:** Constance Hamann, Barry Checchi, Rachel Gilman.

## New to the Board of Directors in 2018

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Jeanne Grover

## Council of Trustees

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**Left to right:**  
Gerry Bisailon, James Brock, Robert Chasse,  
Normand Lanoie, Andre Therrien.

[www.HRCU.org](http://www.HRCU.org)

## 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) 332-1609  
Fax: (603) 332-1087

### Dover, NH

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

### 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.

We will soon be happy to offer:

- **HRCU Live at Weeks Crossing**
- **Updated Website**
- **New Spaulding High School branch**



**Coming Soon!**



**Better, Not Bigger Banking®**

## From our members...

Holy Rosary is definitely living up to its reputation of being customer-driven and community-centered. I've always had good experiences with other banks, but this feels different and better.  
-Patrick

Wanted to thank you again for your kind, efficient help with everything for my accounts and setting up my children. It was easy and comfortable for all of us and most of that was due to you (and the great service HRCU provides). Many thanks  
-HRCU Member

Holly is a very professional, courteous and friendly credit union representative. She has handled many transactions for me and each time has come across in the same friendly, professional and confident manner.  
-HRCU Member

For the past 5 years I have had to take care of my elderly mother's banking as well as my own. I can't say enough about your customer service. First words that come to mind are outstanding, exceptional, professional, patient and friendly.  
-HRCU Member

## What they're saying on social media...



Susan

December 21, 2017 · 🌐

Huge shout out to HRCU for all they do for their community! The donation to My Friend's Place will make a positive difference in the lives of others. Thank you!



Michael

@HolyRosaryCU also has fantastic staff, locations and ATM's. Great place to do your banking.



Parks

June 24, 2017 · 🌐

Earlier this week my CC info was stolen. Within an hour of two fraudulent transactions, your Fraud unit was on the phone with me. An hour later your downtown Dover branch issued me a temp card. Within 48 hours my account was credited for the theft. Outstanding work by all of your dedicated employees, and just another reason I love banking with you!

