

Serving
New Hampshire
& Southern Maine

HRCU.org

2022



HRCU

Better, Not Bigger Banking[®]

ANNUAL REPORT



Board Chairman's Message



Dana R. Flanders
Board Chairman

We celebrated our 60th anniversary in 2022 and it turned out to be a very successful year for HRCU. We ended 2022 with 22,803 members and \$414M dollars in assets. Loan volume was very strong showing a 13% increase along with lower delinquency rates, which indicate just how dedicated our members are to HRCU and that they value what we have to offer. Those are some pretty impressive numbers when you think about the formation of Holy Rosary Credit Union in 1962 with a handful of members and a few dollars establishing an organization with the Credit Union philosophy of people helping people.

We thankfully were able to get back to serving our members face to face in our branches. One thing we learned during the pandemic, with limited access to our branches, is that we were able to serve our members through appointments and digital channels. We have seen a significant increase in online and mobile banking and have state of the art programs to enable nearly all banking activities to be done in that manner. Many of our members still prefer the in-person banking experience at a local branch and we still welcome them to do so.

Our management team and staff continued to do an outstanding job serving our members in 2022. The dedication of the front line staff does not go unnoticed or unrecognized by management and the Board. They are all to be commended for going above and beyond to serve our members coming out of the pandemic with a great attitude and professionalism during trying times.

Along with management and staff, we would like to thank you, our dedicated members, for your continued patience, understanding and support. The loyalty of our members remains very strong.

It gives me great pleasure to recognize the commitment and dedication of management and staff at the Credit Union and assure you their commitment to our Credit Union, its purpose and their working relationship with the Board is second to none. I would like to personally thank members of the Board of Directors, Supervisory Committee, and the Council of Trustees for their service to HRCU. The volunteers are not compensated for their service and they serve because of their belief in the Credit Union philosophy and their desire to make HRCU the best financial institution available to its members.

I look forward to watching HRCU grow with "Better, Not Bigger Banking" well into the future.

President's Message



Brian F. Hughes
President & CEO

Our 60th anniversary turned out to be quite a year. A milestone we are very proud of came with its share of challenges including rising costs, uneasiness with the economy and the possibility of a looming recession. Through it all, HRCU remains strong and determined to be there for our members.

Our staff is incredibly dedicated to our members. To support their efforts, we invest significant resources in training and providing them the best tools to serve our members through the most updated digital banking channels, convenient in-person branches, a robust shared branching network, and our fully staffed member support call center. As a result of these efforts, we received the "Best of the Best Award" for overall member service and new member experience for 2022, conducted by Member XP, a nationally recognized leader in staff training and member experience. And we couldn't be prouder.

We were also able to meet our members' needs through record growth in our lending in 2022. We continue to do so responsibly, providing our members with the credit union difference. Although rates have gone up across the board, we work hard to keep rates affordable and terms flexible. When some members have difficulty making ends meet, our team is there to help whenever possible.

Looking ahead to 2023, it starts with helping our members achieve their financial goals. How do we do that? Besides always working to provide the most affordable products and services, it comes down to providing great member service and reliable and secure digital banking. We plan to make the most of these powerful tools, which include "My Better Credit" found in our mobile banking app, the Live Chat functionality on our website, and an expected upgrade to video banking. No doubt banking services have changed dramatically over the last few years. We will always find ways to make banking with HRCU accessible, affordable and personal. We have many other exciting initiatives planned for 2023, which continue to answer our guiding question: What will be best for the member?

I know you have many options, when it comes to choosing a financial institution. I may be biased, but I am confident that you have made the right choice with HRCU. I have dedicated my career to making HRCU the best credit union it can be, because I am committed to doing what's right for our members. And I am very fortunate to have a staff and management team that believes in supporting our members and bringing their best each day. "Better, not Bigger Banking" is not just a tagline - we live it!



Supervisory Committee Report



Robert P. Langelier
*Chairman,
Supervisory Committee*

The responsibility of the Supervisory Committee is to protect the financial interests of its members. To do so, we work with several prestigious auditing organizations throughout the year to ensure so. Here is what was found:

- The GTReilly auditing firm assessed and confirmed the accuracy and integrity of our financials and our compliance with banking laws and regulations.
- The Wipfli auditing firm performed a review of the Credit Union's Information Technology Operation to assure we had security controls in place. They also performed multiple internal audits which included recommendations, ratings and identifiable risk factors.
- NEACH performed an Automated Clearing House evaluation of HRCU'S compliance with the provisions of the ACH rules in accordance with the requirements of the rules. Education opportunities were also made available to the committee to broaden our understanding of our roles as committee members.

In summary, HRCU is in excellent financial condition guided by a strong management team and dedicated volunteers.

HRCU Completes AARP's BankSafe Initiative



**Working to
prevent financial
exploitation**

In 2022, HRCU completed AARP's Banksafe Initiative, a voluntary training program that helps financial institutions better meet members' needs while safeguarding their assets. The initiative focuses on preventing financial exploitation, empowering family caregivers, helping those with dementia, and making banking tools and environments easier to access.

AARP's BankSafe Initiative has been recognized both nationally and internationally as a leading resource in the fight against financial exploitation. The training arms HRCU staff with the intelligence needed to detect and report suspicious activity and suspected fraud schemes. This past year, HRCU staff were able to protect over half a million dollars of members' assets from being stolen.

HRCU continues to serve as the first line of defense against financial exploitation and coercion. With the average victim losing \$120,000 due to fraudulent activity, preventing these attacks is critical to HRCU's commitment to facilitating financial wellness. We will continue to train and support our staff to spot and prevent fraudulent activity in order to best protect our members and our community.



STATEMENT OF FINANCIAL CONDITION

As of December 31, 2022

| ASSETS | 2021 | 2022 |
|-----------------------------|----------------------|----------------------|
| Loans to Members | \$226,832,727 | \$257,467,165 |
| Allowance for Loan Losses | (1,520,066) | (1,359,271) |
| Net Loans to Members | \$225,312,661 | \$256,107,894 |
| Cash & Equivalents | \$45,914,612 | \$58,067,126 |
| Investments | \$111,318,441 | \$81,254,042 |
| Fixed Assets | \$6,559,546 | \$6,456,404 |
| Accrued Loan Interest | \$578,685 | \$683,563 |
| Other Assets | \$7,368,213 | \$7,935,024 |
| NCUSIF Deposit | \$3,539,767 | \$3,864,213 |
| Total Assets | \$400,591,925 | \$414,368,266 |

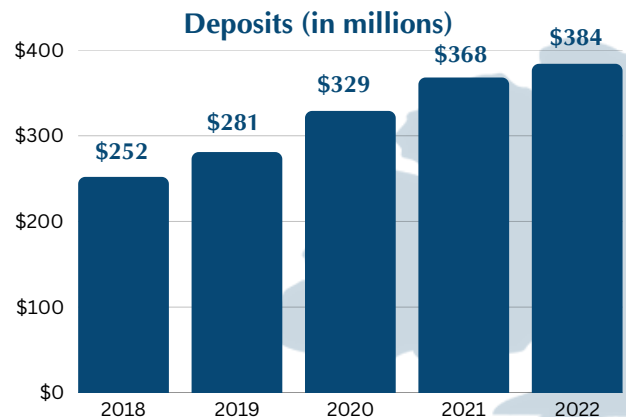
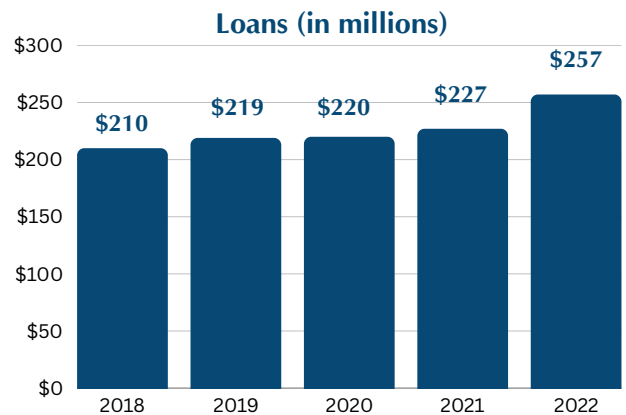
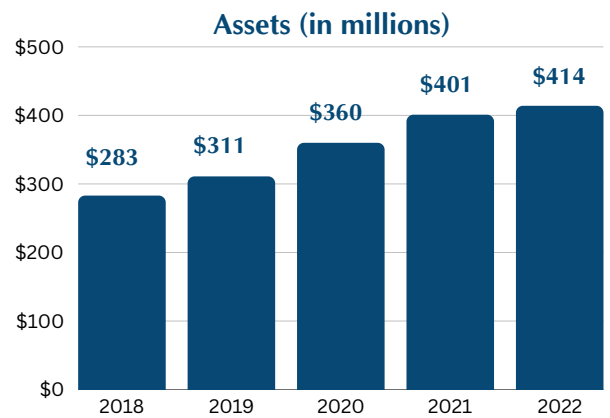
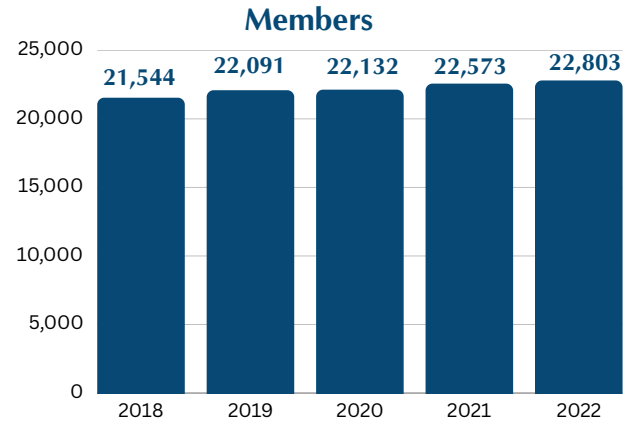
LIABILITIES & EQUITY

| | | |
|---|----------------------|----------------------|
| Member Deposits | \$367,832,493 | \$383,875,573 |
| Notes Payable | 0 | 0 |
| Other Liabilities | \$2,609,729 | \$2,675,306 |
| Regular Reserves | \$2,125,672 | \$2,125,672 |
| Undivided Earnings | \$28,714,384 | \$29,103,499 |
| Unrealized Gain (Loss) on AFS Investments | (690,353) | (3,411,784) |
| Total Liabilities & Equity | \$400,591,925 | \$414,368,266 |

STATEMENT OF INCOME & EXPENSES

(Year-to-Date)

| INCOME | 2021 | 2022 |
|------------------------------------|---------------------|---------------------|
| Interest on Loans | \$9,436,087 | \$10,018,809 |
| Interest on Investments | \$1,209,543 | \$1,818,593 |
| Other Income | \$4,545,501 | \$4,775,864 |
| Total Operating Income | \$15,191,131 | \$16,613,266 |
| LESS | | |
| Total Operating Expenses | \$11,962,914 | \$13,259,422 |
| Dividends & Interest Expense | \$1,197,329 | \$1,027,234 |
| Provision for Loan Losses | \$267,724 | \$63,597 |
| Non-Operating Gains (Losses) | \$243,250 | \$251,774 |
| Net Contribution to Capital | \$2,006,414 | \$2,514,786 |



Year in Review



Celebrating **60** Years

HRCU Celebrated our 60th year in operation. In 1962, a group of parishioners gathered at Holy Rosary Parish in Rochester, NH to form Holy Rosary Credit Union.



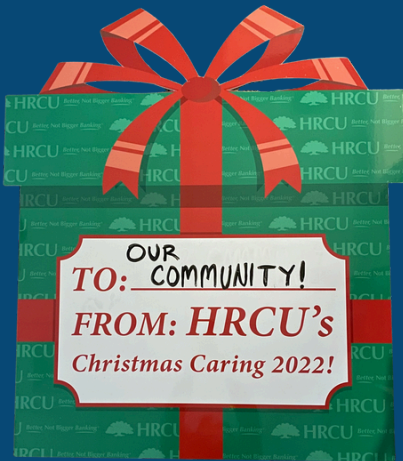
HRCU has sponsored the Main Street Stage at Rochester Performing Arts Center in support of our local arts in the community.



\$118,387

Total Donations & Sponsorships to organizations and non-profits in the community for 2022.

We couldn't have done it without members like you!



HRCU surpassed the \$250,000 milestone in donations for the annual Christmas Caring Campaign.

This campaign has helped over 70 different organizations since its inception in 2014!



HRCU received the "Best of the Best Award" for overall member service and new member experience for 2022, conducted by Member XP, a nationally recognized leader in staff training and member experience.



\$567,099

Amount HRCU saved members who were experiencing scam & fraud attempts.



HRCU was honored to have donated over \$100,000 to local organizations, non-profits, and students in need. Through these efforts, we were able to help keep our community well, warm, and fed through these difficult times.



Annual Scholarships

HRCU was pleased to award eleven local students with scholarships totaling over \$10,000. The committee received over 60 applications. To date, a total of 251 scholarships totaling \$253,950 have been awarded by HRCU since the program began in 1996.

Make-A-Wish NH

At the Richard Mahoney Charity Golf Tournament, Make-A-Wish NH CEO Julie Baron was presented with a check for \$225,000 on behalf of New Hampshire Credit Unions! Presenting the check was HRCU President & CEO Brian Hughes, who also serves as the CCUA NH Social Responsibility Committee Chairman.



Christmas Caring Campaign

The 9th Annual Christmas Caring Campaign was a busy one! This year we donated to 32 local organizations who make it their everyday mission to lift people up. Since the campaign's inception in 2014, a total of \$260,000 has been donated to over 70 community focused non-profits.



EXECUTIVE MANAGEMENT TEAM



Brian F. Hughes
President & CEO



Rosemary Shields
Executive VP & COO



Brian Therrien
Chief Financial Officer



Ken Mauser
Chief Information Officer



Travis Bissonnette
SVP of Lending



Cynthia McCormick
SVP of Member Experience

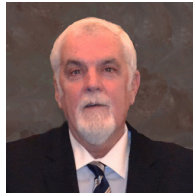


Ginger Gagne
VP of Lending

BOARD OF DIRECTORS



Dana R. Flanders
Chairman



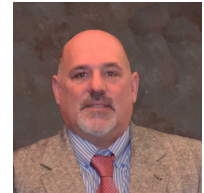
Ronald G. Vachon
Vice-Chairman



Anne Brown
Treasurer



Kathleen Simoneau
Secretary



Richard Brunelle



Richard Falardeau



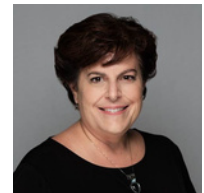
Kathy Gordon



Jeanne Grover



Leonard Pinault



Suzanne Wilkins

SUPERVISORY COMMITTEE



Robert P. Langelier
Chairman



Debra K. Adcock



Daniel Connelly

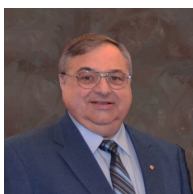


Constance Hamann



Claire Moses

COUNCIL OF TRUSTEES



Paul Auger



Gerry Bisailon



James Brock



Robert Chasse



Normand Lanoie



Andre Therrien

Our members agree, HRCU is better, not bigger banking:

"The combination of professional thoroughness and personal warmth attending the opening of my account at HRCU set a standard that other businesses would do well to emulate. Indeed, this experience, very much in keeping with the professional attention and personal courtesy offered at every occasion I have had to visit this branch, makes me proud to have joined the membership rolls at HRCU!"

-Armand, New Member



"When you enter into an arrangement to do business with a company you have expectations. You try to keep those expectations reasonable especially given the current business climate, but nonetheless you have expectations and HRCU met or exceeded them in each case."

-Barry, Member Since 1988



"I'm loving being part of the HRCU family - not too big and all the products I need are here!"

-Joyce, Member Since 2010





Rochester, NH

Main Office & Drive-Up ITM:

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

Spaulding High School Branch & ATM:

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

East Rochester Dunkin' ITM:

64 Highland St., Rochester, NH 03868

Staples Plaza ATM:

125 Washington St., Rochester, NH 03867

Dover, NH

Branch & Drive-Up ITM:

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

Weeks Crossing ITM:

8 Hotel Dr., Dover, NH 03820

Farmington, NH

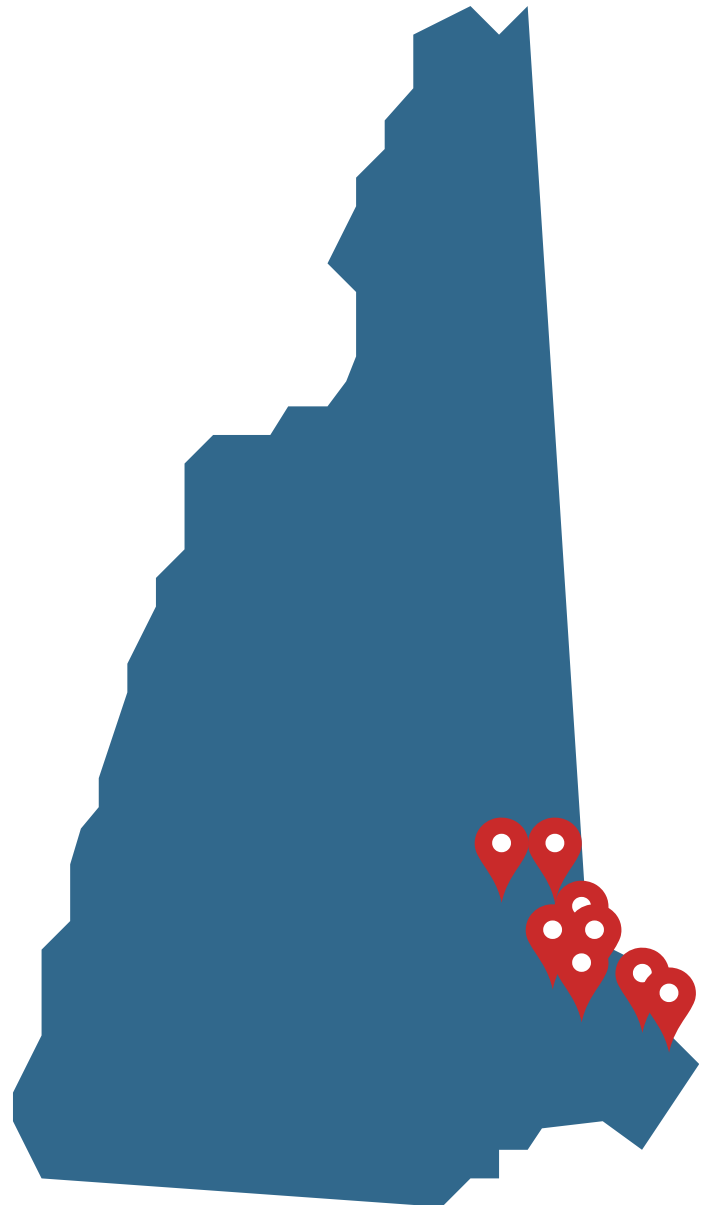
Branch & Drive-Up ITM:

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

New Durham, NH

New Durham General Store ATM:

3 Old Bay Rd., New Durham, NH 03855



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